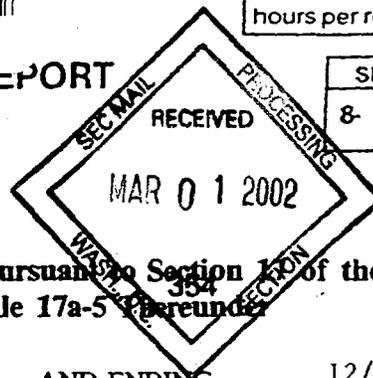


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ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III



SEC FILE NUMBER  
8-22948

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17(a) of the Securities Exchange Act of 1934 and Rule 17a-5 thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/01 AND ENDING 12/31/01  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

Centennial Asset Management Corporation

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

6803 South Tucson Way

OFFICIAL USE ONLY  
FIRM ID. NO.

(No. and Street)

Englewood

CO

80112-3924

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Ray Olson

(303) 768-2894

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Deloitte & Touche LLP

(Name - if individual, state last, first, middle name)

555 17th Street, Suite 3600

Denver

CO

80202

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

PROCESSED

MAR 20 2002

FOR OFFICIAL USE ONLY  
THOMSON FINANCIAL

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

Persons who to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Handwritten initials/signature

OATH OR AFFIRMATION

I, Raymond C. Olson, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Centennial Asset Management Corporation, as of December 31, 2001, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

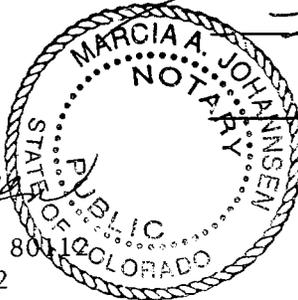
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*[Handwritten Signature]*

Signature

Treasurer

Title



*[Handwritten Signature]*  
Notary Public

6803 South Tucson Way, Englewood, CO 80112  
My Commission Expires: March 25, 2002

This report\*\* contains (check all applicable boxes):

- (a) Facing page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

***Centennial Asset Management  
Corporation and Subsidiary  
(SEC I.D. NO. 8-22948)***

***Consolidated Statement of Financial Condition  
as of December 31, 2001 and Independent Auditors'  
Report and Supplemental Report on Internal Control  
Filed in accordance with Rule 17a-5(e)(3) under the  
Securities Exchange Act of 1934 as a PUBLIC  
DOCUMENT.***

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## INDEPENDENT AUDITORS' REPORT

Centennial Asset Management Corporation:

We have audited the consolidated statement of financial condition of Centennial Asset Management Corporation and subsidiary (the "Company") (a wholly-owned subsidiary of OppenheimerFunds, Inc.) as of December 31, 2001, that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement 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 statement of financial condition is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of financial condition presentation. We believe that our audit of the statement of financial condition provides a reasonable basis for our opinion.

In our opinion, such consolidated statement of financial condition presents fairly, in all material respects, the financial position of Centennial Asset Management Corporation and subsidiary at December 31, 2001, in conformity with accounting principles generally accepted in the United States of America.

*Deloitte & Touche LLP*

February 1, 2002

# CENTENNIAL ASSET MANAGEMENT CORPORATION AND SUBSIDIARY

## CONSOLIDATED STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2001

(Dollars in Thousands)

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### ASSETS

#### CURRENT ASSETS:

Cash and cash equivalents	\$ 30,825
Investments, at market	72
Receivables - Affiliated companies	225
Other current assets	<u>50</u>

TOTAL \$ 31,172

### LIABILITIES AND SHAREHOLDER'S EQUITY

#### CURRENT LIABILITIES:

Accounts payable and accrued expenses	\$ 8,154
Income taxes payable	<u>4,709</u>

Total current liabilities 12,863

#### SHAREHOLDER'S EQUITY:

Preferred Stock - nonvoting; \$5 par and liquidation value; 60,000 shares authorized; 2,200 shares issued and outstanding	11
Class A Common Stock - voting; no par value; 120,000 shares authorized; 24,010 shares issued and outstanding	24
Class B Common Stock - nonvoting; no par value; 120,000 shares authorized; 26,490 shares issued and outstanding	36
Additional paid-in capital	7,450
Retained earnings	<u>10,788</u>

Total shareholder's equity 18,309

TOTAL \$ 31,172

See notes to consolidated statement of financial condition.

# CENTENNIAL ASSET MANAGEMENT CORPORATION AND SUBSIDIARY

## NOTES TO CONSOLIDATED STATEMENT OF FINANCIAL CONDITION AS OF DECEMBER 31, 2001 (Amounts in Thousands)

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### 1. THE COMPANY AND ITS SIGNIFICANT ACCOUNTING POLICIES

Centennial Asset Management Corporation and its subsidiary (collectively the "Company") are engaged in the business of organizing, promoting, and managing registered investment companies (hereafter referred to as "mutual funds"). The Company owns all of the outstanding stock of Centennial Capital Corporation (CCC). The Company is a wholly-owned subsidiary of OppenheimerFunds, Inc. (OFI), a wholly-owned subsidiary of Oppenheimer Acquisition Corporation (OAC), which is controlled by Massachusetts Mutual Life Insurance Company (MassMutual) and senior management of OFI.

**Principles of Consolidation** – The accompanying consolidated financial statements include the accounts of the Company and its subsidiary. All significant intercompany transactions and balances have been eliminated in consolidation. The following represents condensed financial information of CCC at December 31, 2001:

Total assets	\$ 568
Total liabilities	8
Shareholder's equity	560

**Cash and Cash Equivalents** – Cash on deposit and investments in money market mutual funds are considered cash equivalents.

**Income Taxes** – MassMutual files a consolidated federal income tax return which includes the Company. Income taxes are recorded as if the Company filed on a separate return basis.

**Estimates** – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### 2. RELATED PARTIES

The following is a summary of the significant balances, transactions and relationships with affiliated companies and other related parties as of December 31, 2001 and for the year then ended:

**Officers and Directors of the Company and shareholders of OAC** – Several officers and directors of the Company are also shareholders of OAC while also serving as officers and directors or trustees of the mutual funds managed and distributed by the Company.

**Significant Broker and Dealer** – Approximately 98% of the aggregate net assets of the mutual funds managed by the Company as of December 31, 2001, were invested by customers of one broker and dealer.

### 3. SHAREHOLDER'S EQUITY

The following table summarizes the various series and classes of preferred stock that are authorized, issued and outstanding as of December 31, 2001:

	Shares		Amount
	Authorized	Issued and Outstanding	
Preferred Stock - nonvoting; cumulative; \$5 par value:			
Series A	6,000	1,000	\$ 5
Series B	6,000	100	0.5
Series C	6,000	1,000	5
Series D	6,000	100	0.5
Series E through J	<u>36,000</u>	<u>          </u>	<u>          </u>
	<u>60,000</u>	<u>2,200</u>	<u>\$ 11</u>

In the event of dissolution or liquidation, the preferred shareholder is entitled to receive the liquidation value of \$5 per share before any distributions are made to the common shareholder.

### 4. NET CAPITAL REQUIREMENT

As a broker and dealer registered with the Securities and Exchange Commission, the Company is required to maintain minimum net capital, as defined in Rule 15c3-1 of the Securities Exchange Act of 1934, equivalent to 6-2/3% of aggregate indebtedness, as defined, or \$25 whichever is greater. At December 31, 2001, the Company had net capital of \$16,784 which exceeded requirements of \$857 by \$15,927.

\* \* \* \* \*

February 1, 2002

Centennial Asset Management Corporation  
6803 South Tucson Way  
Englewood, Colorado 80112

In planning and performing our audit of the consolidated financial statements of Centennial Asset Management Corporation and subsidiary (the "Company") for the year ended December 31, 2001 (on which we issued our report dated February 1, 2002) we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the Company's internal control.

Also, as required by Rule 17a-5(g)(1) under the Securities Exchange Act of 1934, we have made a study of the practices and procedures (including tests of compliance with such practices and procedures) followed by the Company that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. We did not review the practices and procedures followed by the Company in making the quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by Rule 17a-13 or in complying with the requirements for prompt payment for securities under Section 8 of Regulation T of the Board of Governors of the Federal Reserve System, because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities.

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control and of the practices and procedures, and to assess whether those practices and procedures can be expected to achieve the Securities and Exchange Commission's (the "Commission") above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable, but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized acquisition, use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in any internal control or the practices and procedures referred to above, misstatements due to errors or fraud may occur and not be detected. Also, projection of any evaluation of the internal control or of such practices and procedures to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the degree of compliance with the practices or procedures may deteriorate.

Our consideration of the Company's internal control would not necessarily disclose all matters in the Company's internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by errors or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving the company's internal control and its operation, including control activities for safeguarding securities, that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Commission to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2001, to meet the Commission's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the Securities and Exchange Commission, the National Association of Securities Dealers and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

Yours truly,

*Deloitte & Touche LLP*