

cPa DIXON, WALLER & CO., INC.

CITY OF TRINIDAD, COLORADO

FINANCIAL STATEMENTS

DECEMBER 31, 2022

**DIXON, WALLER & CO., INC.**

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FINANCIAL STATEMENTS  
December 31, 2022

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council  
City of Trinidad  
Trinidad, CO 81082

**Opinions**

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

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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Trinidad, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Trinidad, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Responsibilities of Management for the Financial Statements**

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

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension trend data be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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 required supplementary 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.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Trinidad's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, schedules, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedules, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2023, on our consideration of the City of Trinidad's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Trinidad's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Trinidad's internal control over financial reporting and compliance.

*Dixon, Waller & Co., Inc.*

June 26, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of the City of Trinidad's (the City) financial performance provides an annual overview of the City's financial activities for the fiscal year ended December 31, 2022.

### Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at December 31, 2022 by \$114,694,419 (Net Position). Of this amount, \$29,214,275 is the Unrestricted Net Position that may be used to meet the government's ongoing obligations to citizens and creditors.
- At December 31, 2022, the City's Governmental Funds reported combined ending fund balances of \$28,992,038. Approximately 21% of this total amount or \$6,093,358 is unassigned.
- The General Fund, presented on a current financial resources basis, reports a Fund Balance of \$15,138,848 at the end of the current fiscal year, or 42% of total General Fund expenditures.
- The City's total bond and capital lease debt was \$4,348,623 at the close of 2022.
- The City implemented GASB 68 in 2015 which reports the employer/employee net pension asset and net pension liability in the City's financial statements. Under GASB 68, the City's net pension position of its police and fire employee plans is held by both a Cost Sharing Multiple-Employer Defined Benefit Pension Plan and an Agent Multiple-Employer Defined Benefit Plan. For 2022 the City reported a net pension asset of \$1,098,556 and a net pension liability of \$810,900.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements. This report also contains certain other supplementary information.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business.

The *statement of net position* presents information on all of the City's assets, liabilities and deferred flows, with the difference between them reported as *Net Position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's Net Position changed during 2022. 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. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the Government-wide financial statements distinguish *governmental activities* that are functions of the City principally supported by taxes and intergovernmental revenues and payments in-lieu of taxes, from *business-type activities* which are other functions that are intended to recover all or a significant portion of their costs through user fees and charges.

Expenditures for *governmental activities* of the City are categorized generally as general government, public safety, public works, culture and recreation, economic development, tourism and capital projects. Taxes, intergovernmental revenues, and payments-in-lieu of taxes finance most of these activities.

Expenditures for *business-type activities* of the City support the City's water, sewer, gas, electricity and solid waste (landfill) systems. User fees and charges finance most of these activities.

**Component Units** - The Trinidad Urban Renewal Authority (TURA) is a component unit of the City of Trinidad. Since re-establishment in 2015, there has been little financial activity with the collection of \$22,868 in property taxes and an increase in Net Position of \$15,827. Due to anticipated activity in 2023, an audit will be completed for Fiscal Year 2023 and for years to follow. In addition, the City Council approved establishment of the La Puerta Business Improvement District in 2018. There has been little financial activity with the collection of \$14,915 in property taxes by this organization in 2022. Activity is anticipated to begin in 2023, and an audit will be scheduled for Fiscal Year 2023 and for years to follow.

**Fund financial statements** - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, used fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds** – *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of *spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the capital projects fund which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its funds and a budgetary comparison has been provided to demonstrate compliance with the budget.

**Proprietary funds** – The City maintains one type of proprietary fund: *Enterprise funds* used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses five enterprise funds to account for its Electric, Gas, Water, Wastewater and Solid Waste (Landfill) Utility operations. The enterprise funds, all of which are considered to be major funds of the City, are reported separately as proprietary fund financial statements in the basic financial statements. Proprietary fund financial statements provide the same type of information as the government-wide financial statements, but with more detail.

**Notes to the financial statements** – The notes provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found later in this report.

Other information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information and other information concerning the City’s progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found later in this report. In addition, combining and individual fund statements and schedules as well as statistical and other information can be found later in this report.

### **Government-wide Financial Analysis**

As noted earlier, Net Position may serve over time as a useful indicator of the government’s financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$114,694,419 at the close of 2022 as compared to \$105,588,903 at the close of 2021.

The largest portion of the City’s Net Position (64%) reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the City’s investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since capital assets themselves cannot be used to liquidate these liabilities.

The following table reflects a condensed Statement of Net Position.

Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2022	2021	2022	2021	2022
Current & Other Assets	\$37,102,133	\$35,764,072	\$16,735,895	\$16,048,037	\$ 53,838,028	\$ 51,812,109
Capital Assets	37,657,405	44,769,966	32,129,793	33,081,471	69,787,198	77,851,437
Total Assets	<u>74,759,538</u>	<u>80,534,038</u>	<u>48,865,688</u>	<u>49,129,508</u>	<u>123,625,226</u>	<u>129,663,546</u>
Deferred Outflows	728,567	643,193	484,525	1,669,631	1,213,092	2,312,824
Long-term Liabilities	1,554,867	1,744,201	7,085,989	7,064,622	8,640,856	8,808,823
Other Liabilities	6,899,848	4,316,509	1,919,198	2,142,848	8,819,046	6,459,357
Total Liabilities	<u>8,454,715</u>	<u>6,060,710</u>	<u>9,005,187</u>	<u>9,207,470</u>	<u>17,459,902</u>	<u>15,268,180</u>
Deferred Inflows	1,789,513	2,013,771	-	-	1,789,513	2,013,771
Net Position:						
Invested in Capital Assets, net of related debt	37,657,405	44,769,966	27,677,788	28,732,848	65,335,193	73,502,814
Restricted	7,811,702	11,977,330	-	-	7,811,702	11,977,330
Unrestricted	19,774,770	16,355,454	12,667,238	12,858,821	32,442,008	29,214,275
Total Net Position	<u>\$65,243,877</u>	<u>\$73,102,750</u>	<u>\$40,345,026</u>	<u>\$41,591,669</u>	<u>\$105,588,903</u>	<u>\$114,694,419</u>

The City's combined Net Position was \$114,694,419 at December 31, 2022 of which \$29,173,142 was unrestricted. However, a certain amount of these unrestricted funds are designated for specific, future purposes. All such designations are disclosed in the notes to the financial statements.

The Net Position of our business-type activities was \$41,591,669 at December 31, 2022. The Net Position is used to finance the continuing operations of the utilities.

The following table shows revenues and expenses (Changes in Net Position) for both governmental and business-type activities.

	Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2021	2022	2021	2022	2021	2022
Revenues:						
Program Revenues:						
Charges for Services	\$ 325,984	\$ 388,550	\$17,213,875	\$17,163,453	\$ 17,539,859	\$ 17,552,003
Operating Capital Grants & Contributions	1,360,952	6,006,680	1,156,909	346,171	2,517,861	6,352,851
General Revenues:						
Property Taxes	1,301,535	1,312,184	-	-	1,301,535	1,312,184
Other Taxes	16,737,330	14,478,173	-	-	16,737,330	14,478,173
Intergovernmental Restricted	564,662	439,083	-	-	564,662	439,083
Intergovernmental not Restrict	73,445	279,301	-	-	73,445	279,301
Other Revenues	383,897	697,356	-	-	383,897	697,356
Lawsuit Settlement	-	-	-	-	-	-
Investment Earnings	21,610	259,077	35,781	129,064	57,391	388,141
<b>Total Revenues</b>	<b>20,769,415</b>	<b>23,860,404</b>	<b>18,406,565</b>	<b>17,638,688</b>	<b>39,175,980</b>	<b>41,499,092</b>
Expenses:						
General Government	4,595,148	5,314,695	-	-	4,595,148	5,314,695
Public Safety	5,471,862	5,913,343	-	-	5,471,862	5,913,343
Public Works	3,113,619	3,675,480	-	-	3,113,619	3,675,480
Parks, Culture and Recreation	1,394,443	1,464,565	-	-	1,394,443	1,464,565
Community Projects	222,536	56,966	-	-	222,536	56,966
Interest on Long-term Debt	-	-	-	-	-	-
Pension Cost	(101,301)	(21,231)	-	-	(101,301)	(21,231)
Business-type	-	-	15,439,537	15,989,759	15,439,537	15,989,759
<b>Total Expenses</b>	<b>14,696,307</b>	<b>16,403,818</b>	<b>15,439,537</b>	<b>15,989,759</b>	<b>30,135,844</b>	<b>32,393,577</b>
Increase in Net Position before Transfers	6,073,108	7,456,586	2,967,028	1,648,929	9,040,136	9,105,515
Transfers	719,351	446,733	(719,351)	(446,733)	-	-
Increase in Net Position	6,792,459	7,903,319	2,247,677	1,202,196	9,040,136	9,105,515
Prior Period Adjustment	-	(44,447)	-	44,447	-	-
Net Position - January 1	58,451,418	65,243,878	38,097,349	40,345,026	96,548,767	105,588,904
<b>Net Position - December 31</b>	<b>\$65,243,877</b>	<b>\$73,102,750</b>	<b>\$40,345,026</b>	<b>\$41,591,669</b>	<b>\$105,588,903</b>	<b>\$ 114,694,419</b>

Total City revenue was \$41.5 million and the total cost of all programs and services was \$32.4 million.

**Governmental Activities.** Revenues for governmental activities increased in 2022 to \$23.9 million, an increase of \$3.1 million from 2021 and expenses increased to \$16.4 million or \$1.7 million more than 2021.

**Business-type Activities.** Operating revenues for business-type activities decreased in 2022 to \$17.6 million, a decrease of \$768,000 from 2021 and expenses increased to \$16 million or \$550,000 more than 2021.

The following table shows the total and net cost of services by function of the governmental activities of the City.

	Cost of Services			
	2021		2022	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
General Government	\$ 4,595,148	\$ 4,457,429	\$ 5,314,695	\$ 4,459,202
Public Safety	5,471,862	5,194,178	5,913,343	5,675,133
Public Works	3,113,619	3,113,619	3,675,480	3,653,671
Parks, Culture and Rec	1,394,443	1,346,143	1,464,565	1,279,170
Community Projects	222,536	(1,000,697)	56,966	(5,037,357)
Interest	-	-	-	-
Pension Cost	(101,301)	(101,301)	(21,231)	(21,231)
Total	\$ 14,696,307	\$ 13,009,371	\$ 16,403,818	\$ 10,008,588

### **Financial Analysis of the Government Funds**

As noted, earlier, the City used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds** - The focus of the *Governmental Funds* is to provide information on near term inflows, outflows, and balances of *spendable resources*. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of 2022, the City's Governmental Funds reported total combined fund balances of \$28,992,038 of which approximately 42% (\$11,977,330) is restricted for TABOR Emergency Reserve, Parks & Recreation, and Capital Projects. Of the reserve fund balance, 29% (\$8,344,398) is committed to city

projects, compensated absences, economic development land acquisition, fleet and the Library. 9% is assigned to Economic Development and Tourism Promotion (Lodging Tax).

The General Fund is the chief operating fund of the City. At the end of 2022, the unassigned fund balance of the General Fund was \$6,093,358 while total fund balance was \$15,138,848. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 42% of total General Fund expenditures, while total fund balance represents 104% of that same amount.

The fund balance of the City's General Fund decreased by \$5,461,528 in 2022. The decrease was due primarily to the transfer of committed funds to the Capital Improvement Fund for scheduled City projects in 2023.

**Proprietary Funds** - The City's Proprietary Funds provide the same type of information found in the Government-wide financial statements, but in more detail. Unrestricted Net Position as of December 31, 2022 for the Proprietary Funds was as follows:

	Unrestricted Net Position		
	2021	2022	Variance
Gas Utilities	\$ 6,911,887	\$ 6,994,274	\$ 82,387
Electric Utilities	1,644,444	1,157,467	(486,977)
Water Utilities	4,035,585	4,272,043	236,458
Sewer Utilities	1,115,161	1,382,475	185,048
Landfill Utilities	(1,039,839)	(947,438)	92,401
Total	<u>\$ 12,667,238</u>	<u>\$ 12,858,821</u>	<u>\$ 191,583</u>

Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

### **Budgetary Highlights**

The original 2022 appropriation ordinance totaled \$56,943,915, an increase of \$9,842,920 over 2021. During the year the budget was amended by \$9,225,422 increasing the appropriation to \$66,169,337. General Fund Revenue totals were \$307,600 less than the amended and approved 2022 budget. General Fund Expenditure totals were \$2,094,682 under the amended and approved 2022 budget.

### **Capital Assets and Debt Administration**

At the end of 2022, the City had \$77,851,438 (net of accumulated depreciation) in a broad range of capital assets and infrastructure. This amount represents a

net increase (including additions and deletions) of \$8 million from 2021. \$1 million or 1.3% of the total amount of the net capital assets represents the retroactive recording of infrastructure assets capitalized from 1980 to 2002.

Capital Assets  
Net of Accumulated Depreciation

	Governmental Activities		Business-type Activities		Total	
	2021	2022	2021	2022	2021	2022
Land, Equity, Water Rights	\$ 1,259,005	\$ 1,270,305	\$ 2,271,600	\$ 2,243,028	\$ 3,530,605	\$ 3,513,333
Infrastructure	18,173,051	17,695,075	-	-	18,173,051	17,695,075
Buildings & Systems	9,179,295	9,985,861	21,588,732	27,867,583	30,768,027	37,853,444
Construction in Progress	6,654,010	13,389,293	7,051,046	1,594,685	13,705,056	14,983,978
Equipment & Vehicles	2,392,044	2,429,432	1,218,415	1,376,176	3,610,459	3,805,608
<b>Total Net Capital Assets</b>	<b>\$37,657,405</b>	<b>\$44,769,966</b>	<b>\$32,129,793</b>	<b>\$33,081,472</b>	<b>\$69,787,198</b>	<b>\$77,851,438</b>

Additional information on the City's capital assets can be found in the notes to the financial statements of this report.

The following schedule reflects the debt and long-term liabilities outstanding at the end of the 2022 year.

Outstanding Debt at Year End

	Governmental Activities		Business-type Activities		Total	
	2021	2022	2021	2022	2021	2022
Note Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Landfill Closure/Postclosure	-	-	2,114,941	2,203,769	2,114,941	2,203,769
Lease Purchases	-	-	4,452,005	4,348,623	4,452,005	4,348,623
Compensated Absences	931,644	933,301	782,398	807,094	1,714,042	1,740,395
Revenue Bonds	-	-	-	-	-	-
<b>Total Debt</b>	<b>\$ 931,644</b>	<b>\$ 933,301</b>	<b>\$ 7,349,344</b>	<b>\$ 7,359,486</b>	<b>\$ 8,280,988</b>	<b>\$ 8,292,787</b>

Net increase in debt for 2022 was \$11,799. Debt due within the next year is \$380,904. Additional information on the City's debt can be found in the notes to the financial statements of this report.

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

**Local Economy** – The City of Trinidad is the major southern gateway into Colorado on Interstate 25. Trinidad is the primary city and shopping destination for western Las Animas County residents for services such as health care, education, arts and entertainment and retail. Trinidad State College has facilities located within the City providing excellent higher education opportunities.

Retail sales tax revenue, a key indicator of the consumer spending, is the primary source of income for the City. Trinidad's sales tax is generated from a variety of business categories including auto sales, tourism, grocery stores, repair shops

and other various retail outlets. The City recorded a 14.7% decrease in general sales tax and marijuana sales tax revenue for 2022 as compared to 2021 resulting in a significant decline in economic activity centered primarily on retail marijuana sales. At the time the 2022 Budget was adopted, it was expected both taxes would decrease by 10% in 2022.

In 2021, the New Elk Coal Mine became operational again after a decade-plus closure. Unfortunately, the mine ceased operations in May 2023 and is seeking investors to continue its viability under Chapter 11 bankruptcy. Evergreen Natural Resources continues to produce natural gas as dictated by the market. Blue Star Helium Ltd. Made some progress with its helium well drilling program in Las Animas County with four permits having been secured from the Colorado Oil and Gas Conservation Commission in early 2023.

The City continues to expect a surge in tourism from the opening of Fishers Peak State Park. As additional trails develop at the park so too will its visitation and resulting regional tourism. A new hotel also adorned the historic downtown, opening in Summer 2023 to accommodate the anticipated added patronage to our community.

Also undertaken by the Trinidad City Council in 2022 was a program to increase affordable workforce housing, called the Housing Now Incentive Program. The City, through this program, infused \$2 million through incentives to provide for needed housing. It focuses on downtown and vacant housing but also supports the creation of new ground-up housing. It is anticipated that this investment will result in over 100 additional affordable housing units.

### **Fiscal Year 2022 Budget**

In December of 2022, the City adopted the 2023 annual operating budget, which provided \$66,624,498 in appropriations. This budget anticipated similar revenue receipts as budgeted in FY 2022. 2023 General Fund operating expenditures were budgeted \$7,281,253 less than the amended and approved 2022 budgeted amounts with \$1.65 million of anticipated marijuana sales tax revenues budgeted in expenditures for projects, debt service, economic development incentives and one-time expenses to be approved as presented to Council in 2023. Capital expenditures include \$1.95 million budgeted for ADA compliance projects throughout the City and \$7.63 million budgeted for citywide paving projects. Also \$2.25 million has been budgeted for the CDOT Santa Fe Trail Pedestrian Path Grant Project. Finally, \$1.9 million has been budgeted for the Fox West Theatre Project utilizing funding received from a Colorado Community Revitalization Grant. Major capital expenditures planned for utilities include \$422,000 for the Power & Light Department purchase of a digger derrick truck and a single man bucket truck, \$1.3 million for the Water Department water tank rehabilitation, \$695,000 for the Gas Department gas main extension projects and a new gate station at Industrial Park. The Sewer Fund has re-budgeted \$328,000 for major sewer infrastructure upgrades as well.

**Request for Information**

This financial report is designed to provide our citizens, taxpayers, customers, and other interested parties with a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of Trinidad, Finance Director, PO Box 880, Trinidad, CO 81082.

BASIC FINANCIAL STATEMENTS

CITY OF TRINIDAD, COLORADO  
STATEMENT OF NET POSITION  
December 31, 2022

	Primary Government		Total	Component Unit
	Governmental Activities	Business-Type Activities		
<u>ASSETS</u>				
Cash and Equivalents	30,138,182	9,957,461	40,095,643	355,552
Receivables (Net, where Applicable, of Allowance for Uncollectibles):				
Accounts, Grants & Notes	793,477	1,346,425	2,139,902	46,070
Assessments and Contracts	-	-	-	-
Sales & Use Taxes	1,874,405	-	1,874,405	-
Property Taxes	1,356,969	-	1,356,969	14,918
Interfund Receivable/Payable	461,391	(461,391)	-	-
Inventories	41,092	1,274,579	1,315,671	-
Prepaid Expenses	-	-	-	-
Restricted Assets:				
Cash and Equivalents	-	3,930,963	3,930,963	-
Fixed Assets (Net)	44,769,966	33,081,471	77,851,437	-
Net Pension Asset	1,098,556	-	1,098,556	-
<u>Total Assets</u>	<u>80,534,038</u>	<u>49,129,508</u>	<u>129,663,546</u>	<u>416,540</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>				
Pensions	643,193	-	643,193	-
Purchased Natural Gas Adjustment	-	1,669,631	1,669,631	-
<u>Total Deferred Outflows</u>	<u>643,193</u>	<u>1,669,631</u>	<u>2,312,824</u>	<u>-</u>
<u>LIABILITIES</u>				
Accrued Interest Payable	-	45,299	45,299	-
Accounts Payable	996,362	1,320,893	2,317,255	46,104
Accrued Wages & Benefits Payable	146,873	70,670	217,543	-
Other Liabilities	-	-	-	-
Unearned Revenue	3,173,274	97,662	3,270,936	-
Meter Deposits Payable	-	313,460	313,460	-
Noncurrent Liabilities:				
Due Within One Year	-	380,904	380,904	-
Due in More than One Year	-	3,967,719	3,967,719	-
Landfill Closure and Post-Closure Cost	-	2,203,769	2,203,769	-
Accrued Vacation & Sick Leave Payable	933,301	807,094	1,740,395	-
Net Pension Liability	810,900	-	810,900	-
<u>Total Liabilities</u>	<u>6,060,710</u>	<u>9,207,470</u>	<u>15,268,180</u>	<u>46,104</u>
<u>DEFERRED INFLOW OF RESOURCES</u>				
Property Tax	1,356,969	-	1,356,969	14,918
Pensions	656,802	-	656,802	-
Purchased Natural Gas Adjustment	-	-	-	-
<u>Total Deferred Inflows</u>	<u>2,013,771</u>	<u>-</u>	<u>2,013,771</u>	<u>14,918</u>
<u>NET POSITION</u>				
Net Investment in Capital Assets	44,769,966	28,732,848	73,502,814	-
Restricted for:				
Capital Projects	11,156,281	-	11,156,281	355,518
Debt Service	-	-	-	-
Parks and Recreation	161,049	-	161,049	-
Tabor - Emergencies	660,000	-	660,000	-
Unrestricted	16,355,454	12,858,821	29,214,275	-
<u>Total Net Position</u>	<u>73,102,750</u>	<u>41,591,669</u>	<u>114,694,419</u>	<u>355,518</u>

The accompanying notes are an integral part of these financial statements.

CITY OF TRINIDAD, COLORADO  
STATEMENT OF ACTIVITIES  
Year Ended December 31, 2022

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business Type Activities	Total	
<u>Governmental Activities</u>							
General Government	5,314,695	785,314	-	(4,459,202)	-	(4,459,202)	
Public Safety	5,913,343	5,476	-	(5,675,133)	-	(5,675,133)	
Public Works	3,675,480	-	-	(3,653,671)	-	(3,653,671)	
Parks, Culture & Recreation	1,464,565	121,567	-	(1,279,170)	-	(1,279,170)	
Community Projects	56,966	-	5,094,323	5,037,357	-	5,037,357	
Interest on Long Term Debt	-	-	-	-	-	-	
Pension Cost	(21,231)	-	-	21,231	-	21,231	
<u>Total Governmental Activities</u>	<u>16,403,818</u>	<u>912,357</u>	<u>5,094,323</u>	<u>(10,008,588)</u>	<u>-</u>	<u>(10,008,588)</u>	
<u>Business Type Activities</u>							
Gas	2,788,791	56,070	-	-	601,769	601,769	
Power & Light	7,641,012	92,454	-	-	437,544	437,544	
Water	3,156,038	160,569	-	-	307,641	307,641	
Sewer	1,790,229	9,802	-	-	97,173	97,173	
Landfill	613,689	27,276	-	-	75,738	75,738	
<u>Total Business Type Activities</u>	<u>15,989,759</u>	<u>346,171</u>	<u>-</u>	<u>-</u>	<u>1,519,865</u>	<u>1,519,865</u>	
<u>Total Primary Government</u>	<u>32,393,577</u>	<u>1,258,528</u>	<u>5,094,323</u>	<u>(10,008,588)</u>	<u>1,519,865</u>	<u>(8,488,723)</u>	(1,486,066)
<u>Component Units</u>	<u>1,486,066</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<u>General Revenues:</u>							
Property Taxes				1,312,184	-	1,312,184	37,783
Specific Ownership Taxes				282,028	-	282,028	-
Sales and Use Taxes				14,094,630	-	14,094,630	-
Franchise Taxes				101,515	-	101,515	-
Licenses and Permits				393,739	-	393,739	-
Intergovernmental - Restricted				439,083	-	439,083	1,464,098
Intergovernmental Not Specifically Restricted				279,301	-	279,301	-
Interest Revenue				259,077	129,064	388,141	-
Other Revenues				303,617	-	303,617	12
Transfers				446,733	(446,733)	-	-
<u>Total General Revenues and Transfers</u>				<u>17,911,907</u>	<u>(317,669)</u>	<u>17,594,238</u>	<u>1,501,893</u>
Change in Net Position				7,903,319	1,202,196	9,105,515	15,827
Net Position - Beginning				65,243,878	40,345,026	105,588,904	339,691
Prior Period Adjustment				(44,447)	44,447	-	-
<u>Net Position - Ending</u>				<u>73,102,750</u>	<u>41,591,669</u>	<u>114,694,419</u>	<u>355,518</u>

The accompanying notes are an integral part of these financial statements.

CITY OF TRINIDAD, COLORADO  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2022

	<u>General</u>	<u>Capital Project</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>ASSETS:</u></b>				
Cash and Equivalents	14,358,471	13,151,438	2,628,273	30,138,182
Receivables (Net, of Allowance Where Applicable)				
Property Taxes	1,356,969	-	-	1,356,969
Accounts, Grants, Notes	350,477	440,367	2,633	793,477
Sales & Use Taxes	1,552,646	248,206	73,553	1,874,405
Due From Other Funds	461,391	-	-	461,391
Inventories at Cost	41,092	-	-	41,092
Prepaid Expense and Deposits	-	-	-	-
<b>Total Assets</b>	<b><u>18,121,046</u></b>	<b><u>13,840,011</u></b>	<b><u>2,704,459</u></b>	<b><u>34,665,516</u></b>
<b><u>LIABILITIES</u></b>				
Accounts Payable	407,697	583,283	5,382	996,362
Accrued Salaries & Benefits	144,705	-	2,168	146,873
Due To Other Funds	-	-	-	-
Other Payables	-	-	-	-
Unearned Revenue:				
Grants	1,072,827	1,747,479	-	2,820,306
Other	-	352,968	-	352,968
<b>Total Liabilities</b>	<b><u>1,625,229</u></b>	<b><u>2,683,730</u></b>	<b><u>7,550</u></b>	<b><u>4,316,509</u></b>
<b><u>DEFERRED INFLOW OF RESOURCES</u></b>				
Property Tax	1,356,969	-	-	1,356,969
<b><u>FUND BALANCES:</u></b>				
Nonspendable:				
Inventories	41,092	-	-	41,092
Prepaid Expense	-	-	-	-
Restricted:				
Emergencies	660,000	-	-	660,000
Capital Outlay	-	11,156,281	-	11,156,281
Parks and Recreation	-	-	161,049	161,049
Committed:				
Library	44,398	-	-	44,398
Specific Projects and Uses	8,300,000	-	-	8,300,000
Assigned:				
Tourism Promotion	-	-	535,860	535,860
Economic Development	-	-	2,000,000	2,000,000
Unassigned:	<u>6,093,358</u>	-	-	<u>6,093,358</u>
<b>Total Fund Balances</b>	<b><u>15,138,848</u></b>	<b><u>11,156,581</u></b>	<b><u>2,696,909</u></b>	<b><u>28,992,038</u></b>
<b><u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u></b>				
	<b><u>18,121,046</u></b>	<b><u>13,840,011</u></b>	<b><u>2,704,459</u></b>	<b><u>34,665,516</u></b>

The accompanying notes are an integral part of these financial statements.

CITY OF TRINIDAD, COLORADO  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
December 31, 2022

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

<u>Total Fund Balance – Governmental Funds</u>		28,992,038
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$83,588,910 and the accumulated depreciation is \$38,818,944.		44,769,966
Long-term liabilities, including leases, landfill closure and post-closure costs, loans and notes payable are not due and payable in the current period and therefore are not reported in funds.		
Leases Payable	-	-
Compensated absences are not reported as a liability in the funds.		(933,301)
Pension assets, liabilities and deferred flows are not recorded at the fund level:		
Net Pension Asset	1,098,556	
Net Pension Liability	(810,900)	
Deferred Outflows	643,193	
Deferred Inflows	<u>(656,802)</u>	<u>274,047</u>
<u>Total Net Position – Governmental Activities</u>		<u>73,102,750</u>

The accompanying notes are an integral part of these financial statements.

CITY OF TRINIDAD, COLORADO  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
Year Ended December 31, 2022

	<u>General</u>	<u>Capital Project</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>REVENUES:</u>				
Taxes	12,711,627	2,677,070	401,660	15,790,357
Licenses and Permits	393,739	-	-	393,739
Intergovernmental Revenues	1,747,772	4,348,684	121,918	6,218,374
Charges for Services	368,942	-	-	368,942
Fines and Forfeits	18,333	-	-	18,333
Miscellaneous Revenues	472,786	571,867	26,006	1,070,659
<u>Total Revenues</u>	<u>15,713,199</u>	<u>7,597,621</u>	<u>549,584</u>	<u>23,860,404</u>
<u>EXPENDITURES:</u>				
General Government	4,946,976	-	416,164	5,363,140
Public Safety	5,809,175	-	-	5,809,175
Public Works	2,405,287	-	-	2,405,287
Culture and Recreation	985,981	-	104,555	1,090,536
Capital Outlay/Capital Projects	530,377	9,056,274	-	9,586,651
<u>Total Expenditures</u>	<u>14,677,796</u>	<u>9,056,274</u>	<u>520,719</u>	<u>24,254,789</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>1,035,403</u>	<u>(1,458,653)</u>	<u>28,865</u>	<u>(394,385)</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers In	1,312,678	5,612,500	2,050,000	8,975,178
Transfers Out	(7,809,609)	-	-	(7,809,609)
Insurance Proceeds	-	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>(6,496,931)</u>	<u>5,612,500</u>	<u>2,050,000</u>	<u>1,165,569</u>
<u>NET CHANGE IN FUND BALANCES</u>	<u>(5,461,528)</u>	<u>4,153,847</u>	<u>2,078,865</u>	<u>771,184</u>
<u>FUND BALANCES – Beginning</u>	<u>20,600,376</u>	<u>7,046,881</u>	<u>618,044</u>	<u>28,265,301</u>
<u>PRIOR PERIOD ADJUSTMENT</u>	<u>-</u>	<u>(44,447)</u>	<u>-</u>	<u>(44,447)</u>
<u>FUND BALANCES - Ending</u>	<u>15,138,848</u>	<u>11,156,281</u>	<u>2,696,909</u>	<u>28,992,038</u>

The accompanying notes are an integral part of these financial statements.

CITY OF TRINIDAD, COLORADO  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCES OF GOVERNMENT FUNDS TO THE STATEMENT OF ACTIVITIES  
 Year Ended December 31, 2022

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

Net Change in Fund Balances – Total Governmental Funds 771,184

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Capital outlays more than \$5,000	9,486,055	
Gain or loss on disposition	-	
Depreciation expense	<u>(2,373,494)</u>	7,112,561

The governmental funds report debt proceeds as an other financing source, while repayment of debt principal is reported as an expenditure. The effect of issuance cost and premiums are recognized when the debt is issued in governmental funds, whereas these amounts are deferred and amortized in the statement of activities. Interest expense is recognized as it accrues in the statement of activities regardless of when it is due. The net effect of these differences follows:

Lease proceeds	-	
Repayment of debt principal	-	
Interest expense	<u>-</u>	-

In the statement of activities compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amount paid). During the year, compensated absences changed by this amount. (1,657)

In the statement of activities net pension liabilities are measured by the amounts incurred during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amount paid). During the year, changes to net pension amounts and the related deferred flows created this difference from the fund financial statements: 21,231

Change in Net Position of Governmental Activities 7,903,319

The accompanying notes are an integral part of these financial statements.

CITY OF TRINIDAD, COLORADO  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
December 31, 2022

	Business Type Activities					Totals
	Enterprise Funds					
	Gas Fund	Power Fund	Water Fund	Sewer Fund	Landfill Fund	
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and Equivalents	5,063,876	1,139,639	2,017,457	1,270,028	466,461	9,957,461
Receivables:						
Accounts	354,951	614,455	133,059	115,469	69,726	1,287,660
Notes	-	-	-	-	-	-
Grants and Other	28,528	14,670	15,567	-	-	58,765
Inventories	434,958	523,318	316,303	-	-	1,274,579
Due From Other Funds	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-
<u>Total Current Assets</u>	<u>5,882,313</u>	<u>2,292,082</u>	<u>2,482,386</u>	<u>1,385,497</u>	<u>536,187</u>	<u>12,578,465</u>
<b>Non Current Assets</b>						
<b>Restricted</b>						
Cash and Equivalents	316,494	499,387	2,351,931	-	763,151	3,930,963
Due From Other Funds	-	-	-	-	-	-
<u>Total Restricted Assets</u>	<u>316,494</u>	<u>499,387</u>	<u>2,351,931</u>	<u>-</u>	<u>763,151</u>	<u>3,930,963</u>
<b>Property, Plant and Equipment</b>						
Equity ARPA	-	314,284	-	-	-	314,284
Land and Water Rights	221,679	21,047	1,423,255	146,770	115,993	1,928,744
Buildings & Improvements	967,593	4,699,411	6,947,608	7,546,345	17,398	20,178,355
Utility System	2,979,810	2,691,253	25,757,896	5,700,014	-	37,128,973
Equipment	829,364	1,422,314	1,184,562	925,481	1,025,761	5,387,482
Construction in Progress	133,675	922,071	538,938	-	-	1,594,684
Less Accumulated Depreciation	<u>(2,379,956)</u>	<u>(6,896,767)</u>	<u>(16,667,106)</u>	<u>(6,974,780)</u>	<u>(532,442)</u>	<u>(33,451,051)</u>
<u>Net Property, Plant &amp; Equipment</u>	<u>2,752,165</u>	<u>3,173,613</u>	<u>19,185,153</u>	<u>7,343,830</u>	<u>626,710</u>	<u>33,081,471</u>
<b>TOTAL ASSETS</b>	<b><u>8,950,972</u></b>	<b><u>5,965,082</u></b>	<b><u>24,019,470</u></b>	<b><u>8,729,327</u></b>	<b><u>1,926,048</u></b>	<b><u>49,590,899</u></b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>						
Purchased Natural Gas Adjustment	<u>1,669,631</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,669,631</u>

The accompanying notes are an integral part of these financial statements.

	Business Type Activities					Totals
	Enterprise Funds					
	Gas Fund	Power Fund	Water Fund	Sewer Fund	Landfill Fund	
<u>LIABILITIES</u>						
<u>Current Liabilities</u>						
Accounts Payable	480,780	653,634	177,564	1,190	7,725	1,320,893
Accrued Interest Payable	8,160	15,586	16,645	-	4,908	45,299
Accrued Wages & Benefits Payable	13,493	22,606	28,130	1,832	4,609	70,670
Unearned Revenue	-	20,729	76,933	-	-	97,662
Due To Other Funds	-	461,391	-	-	-	461,391
Lease Payable	61,341	153,290	125,123	-	41,150	380,904
<u>Total Current Liabilities</u>	<u>563,774</u>	<u>1,327,236</u>	<u>424,395</u>	<u>3,022</u>	<u>58,392</u>	<u>2,376,819</u>
<u>Current Liabilities Payable from Restricted Assets</u>						
Meter Deposits Payable	160,072	127,408	25,980	-	-	313,460
Due To Other Funds	-	-	-	-	-	-
<u>Total Restricted Liabilities</u>	<u>160,072</u>	<u>127,408</u>	<u>25,980</u>	<u>-</u>	<u>-</u>	<u>313,460</u>
<u>Noncurrent Liabilities</u>						
Accrued Vacation & Sick Leave Payable	211,659	332,648	237,022	-	25,765	807,094
Landfill Closure and Post Closure Cost	-	-	-	-	2,203,769	2,203,769
Lease Payable	788,660	1,393,703	1,608,706	-	176,650	3,967,719
<u>Total Long-Term Liabilities</u>	<u>1,000,319</u>	<u>1,726,351</u>	<u>1,845,728</u>	<u>-</u>	<u>2,406,184</u>	<u>6,978,582</u>
<u>TOTAL LIABILITIES</u>	<u>1,724,165</u>	<u>3,180,995</u>	<u>2,296,103</u>	<u>3,022</u>	<u>2,464,576</u>	<u>9,668,861</u>
<u>DEFERRED INFLOW OF RESOURCES</u>						
Purchased Natural Gas Adjustment	-	-	-	-	-	-
<u>NET POSITION</u>						
Net Investment in Capital Assets Unrestricted	1,902,164	1,626,620	17,451,324	7,343,830	408,910	28,732,848
	6,994,274	1,157,467	4,272,043	1,382,475	(947,438)	12,858,821
<u>TOTAL NET POSITION</u>	<u>8,896,438</u>	<u>2,784,087</u>	<u>21,723,367</u>	<u>8,726,305</u>	<u>(538,528)</u>	<u>41,591,669</u>

The accompanying notes are an integral part of these financial statements.

CITY OF TRINIDAD, COLORADO  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
Year Ended December 31, 2022

	Business Type Activities Enterprise Funds					Totals
	Gas Fund	Power Fund	Water Fund	Sewer Fund	Landfill Fund	
<u>Operating Revenues</u>						
Charges for Utility/Landfill Sales	3,304,994	7,892,183	3,283,974	1,863,960	648,388	16,993,499
Other	29,496	93,919	19,136	13,640	13,763	169,954
<u>Total Operating Revenues</u>	<u>3,334,490</u>	<u>7,986,102</u>	<u>3,303,110</u>	<u>1,877,600</u>	<u>662,151</u>	<u>17,163,453</u>
<u>Operating Expenses</u>						
Personal Services	872,957	1,467,296	1,255,110	136,709	295,209	4,027,281
Purchased Services	47,853	71,154	349,999	1,326,057	67,254	1,862,317
Supplies and Materials	32,110	38,356	164,583	3,273	62,519	300,841
Power, Gas & Utilities	1,628,187	5,663,251	193,068	-	2,314	7,486,820
Maintenance and Repair	56,818	170,359	400,936	5,550	128,454	762,117
Depreciation/Amortization	68,908	85,313	665,509	309,180	47,558	1,176,468
Bad Debts	10,382	26,071	7,412	6,492	197	50,554
Other	37,271	56,279	49,445	2,968	5,276	151,239
<u>Total Operating Expenses</u>	<u>2,754,486</u>	<u>7,578,079</u>	<u>3,086,062</u>	<u>1,790,229</u>	<u>608,781</u>	<u>15,817,637</u>
<u>Operating Income (Loss)</u>	<u>580,004</u>	<u>408,023</u>	<u>217,048</u>	<u>87,371</u>	<u>53,370</u>	<u>1,345,816</u>
<u>Non-Operating Revenues (Expenses)</u>						
Grants and Contributions	69,705	436,840	521,384	9,802	27,276	1,065,007
Interest Revenue	58,951	11,685	40,606	5,805	12,017	129,064
Interest Expense	(34,305)	(62,933)	(69,976)	-	(4,908)	(172,122)
<u>Total Non-Operating Revenues (Expenses)</u>	<u>94,351</u>	<u>385,592</u>	<u>492,014</u>	<u>15,607</u>	<u>34,385</u>	<u>1,021,949</u>
<u>INCOME (LOSS) BEFORE TRANSFERS</u>	<u>674,355</u>	<u>793,615</u>	<u>709,062</u>	<u>102,978</u>	<u>87,755</u>	<u>2,367,765</u>
<u>Operating Transfers In (Out)(Net)</u>	<u>(325,370)</u>	<u>(282,085)</u>	<u>(403,470)</u>	<u>(117,284)</u>	<u>(37,360)</u>	<u>(1,165,569)</u>
<u>Change in Net Position</u>	<u>348,985</u>	<u>511,530</u>	<u>305,592</u>	<u>(14,306)</u>	<u>50,395</u>	<u>1,202,196</u>
<u>TOTAL NET POSITION, Beginning</u>	<u>8,547,453</u>	<u>2,272,557</u>	<u>21,417,775</u>	<u>8,740,611</u>	<u>(633,370)</u>	<u>40,345,026</u>
<u>PRIOR PERIOD ADJUSTMENT</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,447</u>	<u>44,447</u>
<u>TOTAL NET POSITION, Ending</u>	<u>8,896,438</u>	<u>2,784,087</u>	<u>21,723,367</u>	<u>8,726,305</u>	<u>(538,528)</u>	<u>41,591,669</u>

The accompanying notes are an integral part of these financial statements.

CITY OF TRINIDAD, COLORADO  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
Year Ended December 31, 2022

	Business Type Activities					Totals
	Enterprise Funds					
	Gas Fund	Power Fund	Water Fund	Sewer Fund	Landfill Fund	
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>						
Receipts from Customers & Users	3,286,027	7,895,666	3,303,585	1,882,160	617,885	16,985,323
Payments to Employees & Benefit Providers	(845,932)	(1,500,270)	(1,272,924)	(136,784)	(291,496)	(4,047,406)
Payments to Vendors – Supplies and Services	(3,225,720)	(5,955,125)	(1,033,260)	(1,339,541)	(185,213)	(11,738,859)
<u>NET CASH PROVIDED BY OPERATIONS</u>	<u>(785,625)</u>	<u>440,271</u>	<u>997,401</u>	<u>405,835</u>	<u>141,176</u>	<u>1,199,058</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>						
Transfers – Other Funds	(325,370)	(282,085)	(403,470)	(117,284)	(37,360)	(1,165,569)
Customer Deposits	(18,078)	(9,635)	(3,113)	-	-	(30,826)
Due To/From Other Funds	-	461,391	-	-	-	461,391
<u>NET CASH PROVIDED (USED) – NON CAPITAL FINANCING</u>	<u>(343,448)</u>	<u>169,671</u>	<u>(406,583)</u>	<u>(117,284)</u>	<u>(37,360)</u>	<u>(735,004)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>						
Non-Financed Purchase of Property & Equipment	(277,679)	(938,421)	(616,687)	(27,560)	(50,000)	(1,910,347)
Disposition of Equipment	-	-	-	-	-	-
Grant and Contributions	69,705	417,688	521,384	9,802	27,276	1,045,855
Interest Paid on Debt	(34,860)	(65,035)	(71,108)	-	-	(171,003)
Principal Paid on Debt	(57,827)	(145,399)	(117,956)	-	-	(321,182)
<u>NET CASH PROVIDED (USED) – CAPITAL FINANCING</u>	<u>(300,661)</u>	<u>(731,167)</u>	<u>(284,367)</u>	<u>(17,758)</u>	<u>(22,724)</u>	<u>(1,356,677)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>						
Interest Received	58,951	11,685	40,606	5,805	12,017	129,064
<u>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	<u>(1,370,783)</u>	<u>(109,540)</u>	<u>347,057</u>	<u>276,598</u>	<u>93,109</u>	<u>(763,559)</u>
<u>CASH AND CASH EQUIVALENTS – Beginning</u>	<u>6,751,153</u>	<u>1,748,566</u>	<u>4,022,331</u>	<u>993,430</u>	<u>1,136,503</u>	<u>14,651,983</u>
<u>CASH AND CASH EQUIVALENTS – Ending</u>	<u>5,380,370</u>	<u>1,639,026</u>	<u>4,369,388</u>	<u>1,270,028</u>	<u>1,229,612</u>	<u>13,888,424</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATIONS</u>						
Operating Income (Loss)	580,004	408,023	217,048	87,371	53,370	1,345,816
Non Cash Items in Operations:						
Amortization/Depreciation Expense	68,908	85,313	665,509	309,180	47,558	1,176,468
(Increase) Decrease in Inventory	(373,899)	(13,311)	(16,665)	4,727	-	(399,148)
(Increase) Decrease Receivables/Accruals	(48,463)	(100,254)	94,926	4,560	(44,266)	(93,497)
(Increase) Decrease Prepaid Expense	-	-	-	-	-	-
Increase (Decrease) in Payables/Accruals	172,931	60,500	36,583	(3)	(4,314)	265,697
Change in Purchased Natural Gas Adjustment	(1,185,106)	-	-	-	-	(1,185,106)
Increase (Decrease) in Closure/Post Closure Cost	-	-	-	-	88,828	88,828
<u>NET CASH PROVIDED (USED) BY OPERATIONS</u>	<u>(785,625)</u>	<u>440,271</u>	<u>997,401</u>	<u>405,835</u>	<u>141,176</u>	<u>1,199,058</u>

The accompanying notes are an integral part of these financial statements.

NOTE 1    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A.    Reporting Entity

The City of Trinidad (the City) was incorporated in 1876, under the provision of the State of Colorado, Council Bill No. 98. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning and general administrative services.

The reporting entity, for financial purposes, is defined as the primary government (the City of Trinidad) and its component units. The City has two discretely presented component unit.

Discretely presented component units:

Trinidad Urban Renewal Authority (TURA)

TURA was created as a separate legal entity by the City pursuant to the State Urban Renewal Law to acquire, clear, rehabilitate, conserve, develop or redevelop identified blighted areas existing within the City and to prevent future blight from developing. The Council appoints the TURA board of directors. Any project undertaken by TURA or amounts contributed by the City to TURA must receive prior approval by the City Council.

La Puerta Business Improvement District (Bid)

The BID was created as a separate legal entity by the City pursuant to state statutes. It was created for the purpose of making and maintaining public improvements and planning development activities within the geographic boundaries of the BID. The BID is governed by an appointed board and must have annual approval of the City for its operating plan and budget.

The accounting policies of the City of Trinidad conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

B.    Government – Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from the City's legally separate *component units* for which the city is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or identifiable activity are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or identifiable activity. *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*.

CITY OF TRINIDAD, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022

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NOTE 1    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C.    Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements 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* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

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 general government, except those required to be accounted for in another fund.

The *capital project fund* is a special revenue fund that accounts for the use of revenues from a 1% sales tax earmarked for capital improvement projects.

The City reports the following major proprietary funds:

The *water fund* accounts for the activities of the City's water distribution and treatment system.

The *gas fund* accounts for the activities of the City's gas distribution system.

The *power fund* accounts for the City's electrical generation and distribution system.

The *sewer fund* accounts for the activities of the sewage disposal and treatment system.

The *land fill fund* accounts for the activity of the waste disposal and land fill operations.

CITY OF TRINIDAD, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022

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NOTE 1    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The City applies the provisions of standards originally issued as FASB No. 71, *Accounting for the Effects of Certain Types of Regulation* in the Gas Fund. In accordance with those standards, regulatory assets and liabilities are recorded in the balance sheets. Regulatory assets are the deferral of costs expected to be recovered in future customer rates and regulatory liabilities represent current recovery of expected future costs. If the City was required to terminate the application of this standard, it would have to record the amounts of all regulatory assets and liabilities in the statements of revenues, expenses, and changes in net position.

Ordinances require the City to adjust customers' gas bills for changes between estimated and actual costs of gas purchased. An under-recovery of \$1,669,631 for purchased natural gas adjustment was recorded at December 31, 2022.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's utility functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating revenues* and expenses from *nonoperating* 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. The principal operating revenues of the utility enterprise funds are charges to customers for sales and services. The enterprise funds also recognize as operating revenues the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

CITY OF TRINIDAD, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022

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NOTE 1     SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Capital Assets (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the assets constructed. No such interest expense was incurred during the current fiscal year.

Capital assets of the primary government are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	20-30
Parks, Recreational and Other	20-30
Streets and Improvements	25-40
Vehicles	5-20
Equipment	3-10

E. Budgets and Budgetary Accounting

The City has set procedures to be followed in establishing the budgetary data reflected in the financial statements:

1. Prior to October 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to December 31, the budget is legally enacted through passage of an ordinance or resolution.
4. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. Revisions were made in 2020.
5. Budgets for the General, Special Revenue and Capital Projects Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets for Enterprise Funds are on a non GAAP basis.

F. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds, and Enterprise Funds. All encumbrances lapse at the end of the year.

G. Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the General and Special Revenue Funds consists of expendable supplies held for consumption. The costs of inventories are recorded as expenditures when they are used.

NOTE 1    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H.    Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefits Amounts

Accumulated unpaid vacation, sick pay, and other employee benefits amounts should be accrued when incurred in proprietary funds (using the accrual basis of accounting). Such amounts would not be accrued in governmental funds (using the modified accrual basis of accounting). Accrued vacation and sick leave payable has been reflected in the financial statements of the Proprietary Funds and in the statement of net position for all governmental fund types.

I.    Property Taxes

Property taxes represent ad valorem taxes levied by the City, which are payable to the County Treasurer, and are recognized as revenue by the City in the year for which they are levied.

Property taxes are levied in December for collection in the subsequent year.

Property taxes attach as an enforceable lien on property as of January 1. Taxes may be paid without penalty in either of two ways: (a) Full payment by April 30, or (b) First half must be paid by last day of February, and second half must be paid by June 15.

J.    Contraband

There were no contraband proceeds for the year ended December 31, 2022.

K.    Use of 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 expense during the reporting period. Actual results could differ from those estimates.

L.    Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the City to deposit in the accounts of federally insured banks, credit unions, and savings and loan associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers acceptances, and mutual funds composed of otherwise legal investments.

CITY OF TRINIDAD, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022

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NOTE 1    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M.    Due To/From Funds

Outstanding balances between funds created by lending/borrowing or cash allocation in common purchasing activities are reported as due to/from funds.

N.    Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

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

O.    Deferred Outflows / Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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

The City records regulatory assets / liabilities associated with the accounting for the deferral of costs or the current recovery of expected future costs for the Gas Fund (as fully described in Note 1C.) as a purchased natural gas adjustment, either a deferred inflow or a deferred outflow based on the position at year end.

P.    GASB Statement No. 54

The Government Accounting Standards Board (GASB) has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). This statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

NOTE 1    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

P.    GASB Statement No. 54 (Continued)

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories list below.

1. Nonspendable such as fund balances associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
2. Restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City Council (the City's highest level of decision-making authority).
4. Assigned fund balance classifications are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.
5. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

The City's Committed Fund Balance is fund balance reporting required by the Council, either because of a Council Policy in the City Policy Manual, or because of motions that passed at Council meetings.

Assigned Fund Balance Policy:

The City's Assigned Fund Balance is fund balance reporting occurring by Council authority, under the direction of the Chief Financial Officer.

Order of Fund Balance Spending Policy

The City's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year by adjusting journal entries.

First, non-spendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then unrestricted fund balances are determined following the order of committed, assigned, and unassigned.

CITY OF TRINIDAD, COLORADO  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2022

NOTE 1    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

P.    GASB Statement No. 54 (continued)

Fund Balance Classification by Fund:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Economic Development Fund</u>	<u>Tourism Fund</u>	<u>Lottery Fund</u>	<u>Total Governmental Funds</u>
<u>Nonspendable:</u>						
Inventories	41,092	-	-	-	-	41,092
<u>Restricted:</u>						
Emergencies	660,000	-	-	-	-	660,000
Capital Outlay	-	11,156,281	-	-	-	11,156,281
Parks & Recreation	-	-	-	-	161,049	161,049
<u>Committed:</u>						
Library	44,398	-	-	-	-	44,398
Special Projects & Uses	8,300,000	-	-	-	-	8,300,000
<u>Assigned:</u>						
Tourism Promotion	-	-	-	535,860	-	535,860
Economic Development	-	-	2,000,000	-	-	2,000,000
<u>Unassigned</u>						
	<u>6,093,358</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,093,358</u>
<b>Total Fund Balances</b>	<b><u>15,138,848</u></b>	<b><u>11,156,281</u></b>	<b><u>2,000,000</u></b>	<b><u>535,860</u></b>	<b><u>161,049</u></b>	<b><u>28,992,038</u></b>

Q.    Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Statewide Defined Benefit Plans and Old Hire Fire and Police Pension Plans, administered by the Fire and Police Pension Association of Colorado (FPPA), and additions to/deductions from the various pension plan's fiduciary net position have been determined on the same basis as they are reported by FPPA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

R.    Recently Adopted Accounting Pronouncements

In June of 2017, the Governmental Accounting Standards Board issued Statement No. 87, Leases. The original effective date was for reporting periods beginning after December 15, 2019 but was extended to periods beginning after June 15, 2021.

On January 1, 2022 the City implemented the statement for leases. The City will comply on all leases that are individually or aggregately material to the financial statements.

CITY OF TRINIDAD, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022

NOTE 2    CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustment</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>					
Capital Assets Not Being Depreciated:					
Land	1,144,835	-	-	-	1,144,835
Art	114,170	11,300	-	-	125,470
Construction in Progress	<u>6,654,010</u>	<u>7,634,926</u>	<u>899,643</u>	-	<u>13,389,293</u>
Total Capital Assets Not Being Depreciated	<u>7,913,015</u>	<u>7,646,226</u>	<u>899,643</u>	-	<u>14,659,598</u>
Capital Assets Being Depreciated:					
Buildings	17,764,456	<u>1,278,434</u>	-	-	19,042,890
Vehicles	4,262,496	329,298	34,432	-	4,557,362
Equipment	4,262,219	357,846	-	-	4,620,065
Infrastructure	<u>39,935,101</u>	<u>773,894</u>	-	-	<u>40,708,995</u>
Total Capital Assets Being Depreciated	<u>66,224,272</u>	<u>2,739,472</u>	<u>34,432</u>	-	<u>68,929,312</u>
Less Accumulated Depreciation for:					
Buildings	8,585,161	471,868	-	-	9,057,029
Vehicles	2,694,119	401,230	34,432	-	3,060,917
Equipment	3,438,552	248,526	-	-	3,687,078
Infrastructure	<u>21,762,050</u>	<u>1,251,870</u>	-	-	<u>23,013,920</u>
Total Accumulated Depreciation	<u>36,479,882</u>	<u>2,373,494</u>	<u>34,432</u>	-	<u>38,818,944</u>
Total Capital Assets Being Depreciated, Net	<u>29,744,390</u>	<u>365,978</u>	-	-	<u>30,110,368</u>
<u>Governmental Activities</u>					
Capital Assets, Net	<u>37,657,405</u>	<u>8,012,204</u>	<u>899,643</u>	-	<u>44,769,966</u>
<u>Business-Type Activities</u>					
Capital Assets Not Being Depreciated:					
Land, Equity, Water Rights	<u>2,271,600</u>	-	<u>28,572</u>	-	<u>2,243,028</u>
Capital Assets Being Depreciated:					
Buildings & Systems	50,085,480	131,077	-	7,090,770	57,307,327
Equipment	5,215,921	362,662	214,355	23,254	5,387,482
Construction In Progress	<u>7,051,046</u>	<u>1,697,613</u>	<u>63,204</u>	<u>(7,090,770)</u>	<u>1,594,685</u>
Total Capital Assets Being Depreciated	<u>62,352,447</u>	<u>2,191,352</u>	<u>277,559</u>	<u>23,254</u>	<u>64,289,494</u>
Less Accumulated Depreciation for:					
Buildings & Systems	28,496,748	942,996	-	-	29,439,744
Equipment	3,997,506	204,901	214,355	23,254	4,011,306
Total Accumulated Depreciation	<u>32,494,254</u>	<u>1,147,897</u>	<u>214,355</u>	<u>23,254</u>	<u>33,451,050</u>
Business-Type Activities, Net	<u>32,129,793</u>	<u>1,043,455</u>	<u>91,776</u>	-	<u>33,081,472</u>

CITY OF TRINIDAD, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022

NOTE 2    CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

General Government	277,360
Public Safety	402,900
Public Works	1,270,193
Parks and Recreation	<u>423,041</u>
<u>Total Depreciation Expense – Governmental Activities</u>	<u>2,373,494</u>

Business-Type Activities:

Gas	68,908
Power	56,741
Water	665,509
Sewer	309,180
Landfill	<u>47,559</u>
<u>Total Depreciation Expense – Business Type Activities</u>	<u>1,147,897</u>

NOTE 3    CHANGES IN LONG-TERM DEBT

Changes in Long-Term Debt, Long-Term Liability activity for the year ended December 31, 2022, were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental Activities</u>					
Compensated Absences	<u>931,644</u>	<u>1,657</u>	-	<u>933,301</u>	-
	<u>931,644</u>	<u>1,657</u>	<u>-</u>	<u>933,301</u>	<u>-</u>
<u>Business – Type Activities</u>					
Compensated Absences	782,398	24,696	-	807,094	-
Lease Financing	4,452,005	217,800	321,182	4,348,623	380,904
Landfill Closure/Post Closure	<u>2,114,941</u>	<u>88,828</u>	-	<u>2,203,769</u>	-
	<u>7,349,344</u>	<u>331,324</u>	<u>321,182</u>	<u>7,359,486</u>	<u>380,904</u>

CITY OF TRINIDAD, COLORADO  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2022

NOTE 3    CHANGES IN LONG-TERM DEBT (Continued)

Compensated Absences

Governmental Funds

Governmental funds compensated absences at December 31, 2022 were \$933,301. As explained in Note 1(H), this amount is not recorded in the governmental fund financial statements, but is reflected in the statement of net position.

Enterprise Funds

Compensated absences accrued, payable and recorded in the Enterprise Funds are as follows:

Power and Light Fund	332,648
Water Fund	237,022
Gas Fund	211,659
Sewer Fund	-
Landfill Fund	<u>25,765</u>
<u>Total</u>	<u>807,094</u>

Lease Financing Payable

At December 31, 2022 the City had the following capital leases for the purchase of equipment:

Meter Project – A project to replace utility meters in the City was funded in late 2018 under a lease arrangement. \$4,750,000 was placed in a construction fund to complete the project and will be repaid by annual payments over 15 years ranging from \$222,157 to \$515,144. The payments begin on October 1, 2019 and include interest at a rate of 3.84%.

Future minimum payments follow:

	<u>Meter Project</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2023	294,864	156,900	451,764
2024	302,498	145,578	448,076
2025	330,797	133,961	464,758
2026	340,290	121,258	461,548
2027	360,352	108,191	468,543
2028	228,705	94,354	323,059
2029	397,595	85,572	483,167
2030	420,506	70,304	490,810
2031	444,527	54,156	498,683
2032	469,704	37,087	506,791
2033	<u>496,095</u>	<u>19,050</u>	<u>515,145</u>
Total Minimum Lease Payments	<u>4,085,933</u>	<u>1,026,411</u>	5,112,344
Less Amounts Representing Interest			<u>1,026,411</u>
Present Value of Future Minimum Lease Payments			<u>4,085,933</u>

CITY OF TRINIDAD, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022

NOTE 3    CHANGES IN LONG-TERM DEBT (Continued)

Lease Financing Payable (Continued)

In 2022, the City financed the purchase of a wheel loader by lease. Required payments begin in 2023. The interest and principle will be paid in five equal installments of \$47,350. Interest is at a rate of 2.85%.

Future minimum payments follow:

	Wheel Loader		
	Principal	Interest	Total
2023	41,150	6,200	47,350
2024	42,321	5,029	47,350
2025	43,526	3,824	47,350
2026	44,764	2,586	47,350
2027	46,039	1,311	47,350
Total Minimum Lease Payments	217,800	18,950	236,750
Less Amounts Representing Interest			18,950
Present Value of Future Minimum Lease Payments			217,800

The City purchased a bucket truck using a lease on February 15, 2019. The lease requires four annual payments of \$46,638 beginning May 1, 2020. The interest rate is 3.9%. The purchase price was \$168,350.

Future minimum payments follow:

	Bucket Truck		
	Principal	Interest	Total
2023	44,890	1,748	46,638
Total Minimum Lease Payments	44,890	1,748	46,638
Less Amounts Representing Interest			1,748
Present Value of Future Minimum Lease Payments			44,890

CITY OF TRINIDAD, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022

NOTE 3 CHANGES IN LONG-TERM DEBT (Continued)

Lease Financing Payable (Continued)

A summary of all leases is provided below:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	380,904	164,847	545,751
2024	344,819	150,607	495,426
2025	374,323	137,785	512,108
2026	385,054	123,844	508,898
2027	406,391	109,502	515,893
2028	228,705	94,354	323,059
2029	397,595	85,572	483,167
2030	420,506	70,304	490,810
2031	444,527	54,156	498,683
2032	469,704	37,087	506,791
2033	<u>496,095</u>	<u>19,050</u>	<u>515,145</u>
Total Minimum Lease Payments	<u>4,348,623</u>	<u>1,047,108</u>	5,395,731
Less Amounts Representing Interest			<u>1,047,108</u>
Present Value of Future Minimum Lease Payments			<u>4,348,623</u>

NOTE 4 DEFINED BENEFIT PENSION PLAN - FIREMEN AND POLICEMEN

The City has four plans covering members of the Fire and Police Department. The plans are:

- Fire and Police Pension Plan – Statewide Hybrid Defined Benefit Plan (FPPA SWHDB)
- Fire and Police Pension Plan – Statewide Defined Benefit Plan (FPPA SWDB)
- Trinidad Old Hire Fire Pension Fund (Old Hire Fire)
- Trinidad Old Hire Police Fund (Old Hire Police)

Below is a summary of pension related items as of and for the year end December 31, 2022:

<u>Plan</u>	<u>Net Pension Liability</u>	<u>Net Pension Asset</u>	<u>Pension Expense</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Trinidad Old Hire Fire	740,524	-	164,663	75,937	22,540
Trinidad Old Hire Police	70,376	-	(4,925)	14,167	1,023
FPPA Statewide Hybrid Plan	-	523,334	(37,670)	155,061	213,876
FPPA Statewide Plan	<u>-</u>	<u>575,222</u>	<u>(143,299)</u>	<u>398,028</u>	<u>419,363</u>
Totals	<u>810,900</u>	<u>1,098,556</u>	<u>(21,231)</u>	<u>643,193</u>	<u>656,802</u>

NOTE 4    DEFINED BENEFIT PENSION PLAN - FIREMEN AND POLICEMEN (Continued)

Cost Sharing Multiple-Employer Defined Benefit Pension Plans

*Fire & Police Statewide Hybrid Plan*

*Plan description.*

The Statewide Hybrid Plan (SWH) was established January 1, 2004 as a cost-sharing multiple-employer pension plan covering full-time firefighters and police officers from departments that elect coverage. The plan may also cover clerical staff, other fire district personnel whose services are auxiliary to fire protection, or chiefs who have opted out of the Statewide Defined Benefit Plan. The Plan is comprised of two components: Defined Benefit and Money Purchase. With the latter component, members have the option of choosing among various investment options offered by an outside investment manager. Employers may not withdraw from the Plan once affiliated.

The SWH is comprised of two components: Defined Benefit and Money Purchase. The Plan assets associated with the Defined Benefit Component are included in the Fire & Police Members' Benefit Investment Fund and the Plan assets associated with the Money Purchase Component and Deferred Retirement Option Plan (DROP) assets are included in the Fire & Police Members' Self-Directed Investment Fund.

The plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available comprehensive annual financial report which can be obtained on FPPA's website at <http://www.FPPAco.org>.

*Benefits provided.* The Plan document states that any member may retire from further service and become eligible for a normal retirement pension at any time after age 55, if the member has at least 25 years of service.

The annual normal pension of the Defined Benefit Component is 1.5 percent of the average of the member's highest three years' base salary for each year of credited service. Benefits paid to retired members of the Defined Benefit Component are evaluated and may be re-determined annually on October 1. The amount of any increase is based on the Board's discretion and can range from 0 to 3 percent.

A member is eligible for early retirement at age 50 or after of 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, a member may elect to have all contributions, along with 5 percent as interest, returned as a lump sum distribution from the Defined Benefit Component. Alternatively, a member with at least five years of accredited service may leave contributions with the Defined Benefit Component of the Plan and remain eligible for a retirement pension at age 55 equal to 1.5 percent of the average of the member's highest three years' base salary for each year of credited service.

NOTE 4    DEFINED BENEFIT PENSION PLAN - FIREMEN AND POLICEMEN (Continued)

*Contributions.* The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. The members of this Plan and their employers are currently each contributing at the rate determined by the individual employer, however, the rate for both employer and members must be at least 8 percent of the member's base salary. The amount allocated to the Defined Benefit Component is set annually by the Fire & Police Pension Association Board of Directors. Excess contributions fund the Money Purchase Component of the Plan. The Defined Benefit Component contribution rate from July 1, 2020 through June 30, 2021 was 13.80 percent. The Defined Benefit Component contribution rate from July 1, 2019 through June 30, 2020 was 13.80 percent. Effective July 1, 2021, the Defined Benefit Component contribution rate is set at 14.10 percent.

Within the Money Purchase Component, members are always fully vested in their own contributions, as well as the earnings on those contributions. Vesting in the employer's contributions within the Money Purchase Component, and earnings on those contributions occurs according to the vesting schedule set by the plan document at 20 percent per year after the first year of service to be 100 percent vested after 5 years of service.

Employer and member contributions are invested in funds at the discretion of members.

Contributions to the Plan from the Department were \$11,619 for the year ended December 31, 2022.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At December 31, 2022, the Department reported a liability/(asset) of \$(523,344) for its proportionate share of the net pension liability/(asset). The net pension liability/(asset) was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date. The Department's proportion of the net pension liability/(asset) was based on a projection of the Department's long-term share of contributions to the pension plan relative to the projected contributions of all participating Departments, actuarially determined. At December 31, 2021, the Department's proportion was 1.3801 percent, which was an increase of .13 percent from its proportion measured as of December 31, 2020.

CITY OF TRINIDAD, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022

**NOTE 4**    **DEFINED BENEFIT PENSION PLAN - FIREMEN AND POLICEMEN (Continued)**

For the year ended December 31, 2022, the Department recognized pension expense (reduction of expense) of \$(37,670). At December 31, 2022, the Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between actual and expected experience	\$ 104,519	\$ -
Changes in assumptions	12,875	-
Net difference between actual and projected earnings on pension plan investments	-	(148,254)
Changes in proportion and differences between Department contributions and proportionate share of contributions	26,048	(65,622)
Department contributions subsequent to the measurement date	11,619	N/A
	<b>\$ 155,061</b>	<b>\$ (213,876)</b>

\$11,619 reported as deferred outflows of resources related to pensions resulting from Department contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended December 31,</b>	
2023	\$(767)
2024	(18,684)
2025	(27,874)
2026	(18,171)
2027	(3,097)
Thereafter	(1,841)

CITY OF TRINIDAD, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022

NOTE 4 DEFINED BENEFIT PENSION PLAN - FIREMEN AND POLICEMEN (Continued)

*Actuarial assumptions.*

The actuarial valuations for the SWH – Defined Benefit Component were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2021. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	January 1, 2022	January 1, 2021
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-Term Investment Rate of Return *	7.0%	7.0%
Projected Salary Increases *	4.25% - 11.25%	4.25% – 11.25%
Cost of Living Adjustments (COLA)	0%	0%
* Includes Inflation at	2.5%	2.5%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	39%	8.23%
Equity Long/Short	8%	6.87%
Private Markets	26%	10.63%
Fixed Income - Rates	10%	4.01%
Absolute Return	10%	5.60%
Fixed Income Credit	5%	5.25%
Cash	2%	2.32%
<b>Total</b>	<b>100%</b>	

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Plans target asset allocation as of December 31, 2021, are summarized in the above table.

CITY OF TRINIDAD, COLORADO  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2022

**NOTE 4**    DEFINED BENEFIT PENSION PLAN - FIREMEN AND POLICEMEN (Continued)

*Discount rate.*

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan’s fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan’s projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 1.84 percent (based on the weekly rate closest to but not later than the measurement date of the “state & local bonds” rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00 Percent.

*Sensitivity of the Department’s proportionate share of the net pension liability to changes in the discount rate.* The following presents the Department’s proportionate share of the net pension liability/(asset) calculated using a Single Discount Rate of 7.00 percent, as well as what the Department’s proportionate share of the net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	<b>1.00% Decrease 6.00%</b>	<b>Single Discount Rate Assumption 7.00%</b>	<b>1.00% Increase 8.00%</b>
Department’s proportionate share of the net pension liability/(asset)	(399,326)	(523,334)	(626,873)

*Pension plan fiduciary net position.* Detailed information about the pension plan’s fiduciary net position is available in the separately issued Fire & Police Pension Association of Colorado financial report.

NOTE 4     DEFINED BENEFIT PENSION PLAN - FIREMEN AND POLICEMEN (Continued)

*Fire & Police Statewide Defined Benefit Plan*

*Plan description.* The Plan is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided that they are not already covered by a statutorily exempt plan. As of August 5, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The Plan became effective January 1, 1980.

The Plan assets are included in the Fire & Police Members' Benefit Investment Fund and the Fire & Police Members' Self-Directed Investment Fund (for Deferred Retirement Option Plan (DROP) assets and Separate Retirement Account assets from eligible retired members).

The Plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at <http://www.FPPAco.org>.

*Benefits provided.* A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members covered under Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefit adjustments paid to retired members are evaluated annually and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

*Contributions.* Contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

CITY OF TRINIDAD, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022

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NOTE 4    DEFINED BENEFIT PENSION PLAN - FIREMEN AND POLICEMEN (Continued)

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates increased 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13 percent of pensionable earnings. In 2021, members of the SWDB plan and their employers are contributing at the rate of 11.5 percent and 8.5 percent, respectively, of pensionable earnings for a total contribution rate of 19.0 percent.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reduce the additional 4 percent contribution, to reflect the actual cost of reentry by department. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

The contribution rate for members and employers of affiliated social security employers is 5.75 percent and 4.25 percent, respectively, of pensionable earnings for a total contribution rate of 10 percent in 2021. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of pensionable earnings. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

Contributions to the Plan from the Department were \$86,447 for the year ended December 31, 2022.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At December 31, 2022, the Department reported a liability/(asset) of \$(575,222) for its proportionate share of the net pension liability/(asset). The net pension liability/(asset) was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date. The Department's proportion of the net pension liability/(asset) was based on a projection of the Department's long-term share of contributions to the pension plan relative to the projected contributions of all participating Departments, actuarially determined. At December 31, 2021, the Department's proportion was .1062 percent, which was a decrease of .009 percent from its proportion measured as of December 31, 2020.

CITY OF TRINIDAD, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022

**NOTE 4** DEFINED BENEFIT PENSION PLAN - FIREMEN AND POLICEMEN (Continued)

For the year ended December 31, 2022, the Department recognized pension income of \$143,299. At December 31, 2022, the Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 164,716	\$ (13,416)
Changes in assumptions	82,031	-
Net difference between actual and projected earnings on pension plan investments	-	(384,971)
Changes in proportion and differences between Department contributions and proportionate share of contributions	64,834	(20,976)
Department contributions subsequent to the measurement date	86,447	N/A
Total	\$ 398,028	\$ (419,363)

\$86,447 reported as deferred outflows of resources related to pensions resulting from Department contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	
2023	\$ (45,155)
2024	(84,975)
2025	(44,543)
2026	(6,853)
2027	40,892
Thereafter	32,852

*Actuarial assumptions.* The actuarial valuations for the Statewide Defined Benefit Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2021. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	January 1, 2022	January 1, 2021
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term Investment Rate of Return*	7.0%	7.0%
Projected Salary Increases*	4.25% - 11.25%	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0%	0%
*Includes Inflation at	2.5%	2.5%

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**NOTE 4**    DEFINED BENEFIT PENSION PLAN - FIREMEN AND POLICEMEN (Continued)

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Plans target asset allocation as of December 31, 2021, are summarized in the following table.

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long Term Expected Rate of Return</b>
Global Equity	39%	8.23%
Equity Long/Short	8%	6.87%
Private Market	26%	10.63%
Fixed Income -Rates	10%	4.01%
Absolute Return	10%	5.60%
Fixed Income - Credit	5%	5.25%
Cash	2%	2.32%
<b>Total</b>	<b>100%</b>	

CITY OF TRINIDAD, COLORADO  
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**NOTE 4**    **DEFINED BENEFIT PENSION PLAN - FIREMEN AND POLICEMEN (Continued)**

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Fire & Police Pension Association Board of Director's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the Plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Discount rate.* Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 1.84 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00 percent.

Regarding the sensitivity of the net pension liability/(asset) to changes in the Single Discount Rate, the following presents the plan's net pension liability/(asset), calculated using a Single Discount Rate of 7.00 percent, as well as what the plan's net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher.

	<b>1% Decrease 6.00%</b>	<b>Single Discount Rate Assumption 7.00%</b>	<b>1% Increase 8.00%</b>
Department's proportionate share of the net pension liability/(asset)	(79,327)	(575,222)	(986,020)

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued Fire & Police Pension Association of Colorado financial report.

NOTE 4     DEFINED BENEFIT PENSION PLAN - FIREMEN AND POLICEMEN (Continued)

**Agent Multiple-Employer Defined Benefit Plans**

**Trinidad Old Hire Fire and Police Pension Funds (FPPA Old Hire Fire and Police)**

**Plan Description.** The Old Hire plans are agent multiple-employer defined benefit pension plans that are administered by the Fire and Police Pension Association (FPPA). Authority for the plans, including benefit and contribution provisions, is derived from Title 31, Articles 30, 30.5, and 31 of the Colorado Revised Statutes. The Plans are amended by statute. The plans provide normal, early, vested, or deferred retirement benefits to plan participants. The Old Hire pension plans are for fire fighter and police employees hired before April 8, 1978. The plans are accounted for using the economic resources measurement focus and the accrual basis of accounting and are closed to new entrants. FPPA issues a publicly available comprehensive annual financial report that includes the old hire plans and can be obtained at [fppaco.org/toc\\_frames.html](http://fppaco.org/toc_frames.html).

**Funding Policy.** The City is required to contribute to the Old Hire plans at an actuarially determined rate. Modification of the Old Hire plans is regulated by state law and by FPPA Rules and Regulations as authorized by state law. Changes to contribution requirements require an affirmative vote of 65.00% of active members and City Council ordinance. The City's contributions to the FPPA Old Hire Fire and Police plans for the year ended December 31, 2020 were \$48,033 and \$12,966, respectively.

**Plan Membership.** The plan membership of the Old Hire plans as of December 31, 2020 is presented as follows:

<u>Members</u>	<u>Old Hire Fire</u>	<u>Old Hire Police</u>	<u>Total</u>
Retirees and Beneficiaries	4	3	7
Inactive, Non-Retired Beneficiaries	-	-	-
Active Members	-	-	-
<b>Total</b>	<u>4</u>	<u>3</u>	<u>7</u>

**Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions.** At December 31, 2022, the City reported a liability of \$740,524 and \$70,376 for the Old Hire Fire and Old Hire Police plans, respectively, for the net pension liability related to the FPPA old hire plans. The net pension liabilities were measured as of December 31, 2021, and the total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of January 1, 2020. Standard update procedures were used to roll forward the total pension liabilities to December 31, 2021.

The components of the net pension liability of the City as of December 31, 2022, is presented below:

<u>Members</u>	<u>Old Hire Fire</u>	<u>Old Hire Police</u>
Total Pension Liability	1,287,381	90,998
Fiduciary Net Position	<u>546,857</u>	<u>20,622</u>
<b>Total</b>	<u>740,524</u>	<u>70,376</u>

CITY OF TRINIDAD, COLORADO  
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NOTE 4    DEFINED BENEFIT PENSION PLAN - FIREMEN AND POLICEMEN (Continued)

For the year ended December 31, 2022, the City recognized \$164,663 and \$(4,925) of pension expense (income) for the Old Hire Fire and Old Hire Police plans, respectively. A summary of the City's deferred outflows of resources and deferred inflows of resources related to pensions for the Old Hire Fire and Old Hire Police plans as of December 31, 2022, is presented below:

	Old Hire Fire		Old Hire Police	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	-	-	-	-
Changes of assumptions or other inputs	-	-	-	-
Net difference between projected and actual earnings on pension plan investments	27,904	22,540	1,201	1,023
Contributions subsequent to the measurement date	<u>48,033</u>	<u>-</u>	<u>12,966</u>	<u>-</u>
Total	<u>75,937</u>	<u>22,540</u>	<u>14,167</u>	<u>1,023</u>

The \$48,033 and \$12,966 reported by the Old Hire Fire and Old Hire Police plans, respectively, as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as presented in the following:

<u>Year</u>	<u>Old Hire Fire</u>	<u>Old Hire Police</u>
2023	4,665	231
2024	(4,744)	(252)
2025	818	21
2026	4,625	178
2027	-	-
Thereafter	<u>-</u>	<u>-</u>
Total	<u>5,364</u>	<u>178</u>

CITY OF TRINIDAD, COLORADO  
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December 31, 2022

NOTE 4    DEFINED BENEFIT PENSION PLAN - FIREMEN AND POLICEMEN (Continued)

The changes in net pension liability for Old Hire Fire and Old Hire Police plans were:

	Old Hire Fire			Old Hire Police		
	Total Pension <u>Liability</u>	Plan Fiduciary Net <u>Position</u>	Net Pension <u>Liability</u>	Total Pension <u>Liability</u>	Plan Fiduciary Net <u>Position</u>	Net Pension <u>Liability</u>
<u>Balances as of</u>						
<u>January 1, 2022</u>	1,153,551	604,482	549,069	97,907	23,753	74,154
<b>Changes for the year:</b>						
Service Cost	-	-	-	-	-	-
Interest	49,535	-	49,535	4,083	-	4,083
Differences between expected and actual experience	191,011	-	191,011	3,525	-	3,525
Change of Assumptions	-	-	-	-	-	-
Contributions – Employer	-	48,033	(48,033)	-	12,966	(12,966)
Contributions – Employee	-	-	-	-	-	-
Net Investment Income	-	2,737	(2,737)	-	99	(99)
Benefit Payments	(106,716)	(106,716)	-	(14,517)	(14,517)	-
Administrative Expense	-	(1,679)	1,679	-	(1,679)	1,679
Other Changes	-	-	-	-	-	-
<b>Total Net Changes</b>	<u>133,830</u>	<u>(57,625)</u>	<u>191,455</u>	<u>(6,909)</u>	<u>(3,131)</u>	<u>(3,778)</u>
<b>Balances as of</b>						
<b>December 31, 2022</b>	<u>1,287,381</u>	<u>546,857</u>	<u>740,524</u>	<u>90,998</u>	<u>20,622</u>	<u>70,376</u>

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Plans target asset allocation as of December 31, 2021 these best estimates are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate Nominal Rate of Return</u>
Global Public Equity	10.00%	7.8%
Long/Short	0.00%	6.9%
Private Capital	0.00%	10.5%
Fixed Income - Rates	70.00%	2.3%
Absolute Return	0.00%	5.6%
Fixed Income - Credit	10.00%	3.5%
Cash	10.00%	0.1%
Total	<u>100.00%</u>	

CITY OF TRINIDAD, COLORADO  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2022

**NOTE 4**    DEFINED BENEFIT PENSION PLAN - FIREMEN AND POLICEMEN (Continued)

The total pension liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs:

	Old Hire Fire	Old Hire Police
Investment rate of return	4.50%	4.50%
Salary increases	N/A	N/A
Inflation	2.50%	2.50%

Mortality rates were based on the RP-2014 Annuitant Mortality Tables for males and females, projected to 2018 using the MP-2017 projection scales.

The discount rate used to measure the total pension liability was 4.5%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the plan fiduciary net position was projected to be available to make all the projected future benefit payment of current plan members. Therefore, the long-term expected rate of return of pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City's Net Pension Liability to Changes in the Discount Rate.** Following is the city's net pension liability/(asset), calculated using a current single discount rate of 4.50%, as well as what the City's net pension liability/(asset) would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher:

	1% Decrease 3.50%	Current Single Discount 4.50%	1% Increase 5.50%
Old Hire Fire Net Pension Liability	848,073	740,524	646,523
Old Hire Police Net Pension Liability	77,620	70,376	64,122

**Pension Plan Fiduciary Net Position.** Detailed information about the pension plan's fiduciary net position is available in the separately issued FPPA financial reports found at [http://fppaco.org/toc\\_frames.html](http://fppaco.org/toc_frames.html).

Each retirement system issues a publicly available financial report that includes financial statements and required supplementary information of that plan. Those reports are available by contacting:

Fire and Police Pension Association  
 5290 DTC Parkway, Suite 100  
 Greenwood Village, Colorado 80111  
[www.fppaco.org](http://www.fppaco.org)

NOTE 5    DEFINED CONTRIBUTION PLANS

The City provides pension benefits for all non fire or police full time employees through a defined contribution plan of the Colorado Retirement Association and for full time city manager department employees through the city money purchase pension plan for that department. Police employees (full-time) that are not eligible for the defined benefit plan described in the preceding note are provided pension benefits through the City's departmental money purchase pension plan (a defined contribution plan). In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate from the date of employment in the police plan and the city manager department plan. One year of service is required previous to participation in the Colorado Retirement Association Plan.

- Colorado Retirement Association

Employees contribute 3% of their salary to the plan with an equal amount contributed by the City. Vesting occurs at the rate of 25% per year. City contributions for, and earnings forfeited by, employees who leave employment before fully vesting are returned to the City. Forfeitures were \$-0- during 2022 and pension expense was \$410,827. The City had no outstanding liability for this plan at year end.

- Police Department Money Purchase Pension Plan (Administered by Pensions Management Assoc., Inc.)

The City contributes 8% for Police (to the employees 8%), of the employee's compensation to the plan. Policemen vest fully after 5 years of service. Contributions and earnings forfeited by participants are accumulated in a reserve fund available for plan expenses not to exceed \$10,000. The pension expense recognized by the City during 2022 was \$247,381. No liability existed at year end.

- The benefit terms for all plans are established by the City Council of the City of Trinidad and may only be amended by them.

NOTE 6    FIRE AND POLICE PENSION ASSOCIATION (FPPA) DEATH AND DISABILITY PLAN

All full-time police officers and firefighters are covered by the Fire and Police Pension Association (FPPA), a multiple-employer cost-sharing plan for pre-retirement death and disability. To date, contributions to the plan have been determined and budgeted by the State legislature. State law provided that these contributions would continue in diminishing amounts until 1994. The State requires employees hired on or after January 1, 1997, to contribute 2.6% of salary. The City pays the 2.6% for all affected police officers and firefighters. In 2022, the City paid \$72,719, equal to their required contribution.

FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information. That report may be obtained online at [www.fppaco.org](http://www.fppaco.org) or by writing to Fire and Police Pension Association of Colorado, 5290 DTC Parkway, Suite 100, Greenwood Village, Colorado, 80111-2721 or by calling FPPA at (303) 770-3772 or 1-800-332-3772.

CITY OF TRINIDAD, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
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NOTE 7    INTERGOVERNMENTAL AGREEMENT

The City of Trinidad is a member of (CIRSA). The Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity, was formed by intergovernmental agreement by member municipalities pursuant to the provisions of 29-1-201 et. seq., C.R.S. as amended, 8-44-101(1)(c) and (3), and 8-44-110, C.R.S. as amended, and Colorado Constitution, Article XIV, Section 18(2).

The purposes of CIRSA are to provide members a self-insurance pool to provide defined coverages, and claims and risk management services related thereto.

It is the intent of the members of CIRSA to create an entity to defend and indemnify, in accordance with the Bylaws, any member of CIRSA against liability or loss, to the limit of the financial resources of CIRSA available to pay such liability or loss. 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. The Bylaws shall constitute the substance of the intergovernmental contract among the members.

Summary audited financial information as of December 31, 2021 follows:

Assets	<u>98,166,748</u>
Liabilities	42,047,618
Net Position	<u>56,119,130</u>
	<u>98,166,748</u>
Revenues	32,058,222
Expenditures	33,223,759
Distributions to Members (Credits to Members)	<u>(1,138,217)</u>
Increase (Decrease) in Net Position	<u>(2,303,754)</u>

NOTE 8    CONTINGENCIES

The City is a defendant in various actions that have been brought in the courts or with regulatory agencies such as the Office of Civil Rights and the Equal Employment Opportunity Commission. It has also been made aware of certain claims for damages. It is the belief of those representing the City that none of these claims or actions will result in costs or losses to the City that are uninsured or of a material nature.

NOTE 9    COMMITMENTS

The City has various operating leases for equipment. These agreements are all subject to annual appropriation of funds by the City.

CITY OF TRINIDAD, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022

NOTE 10 CLOSURE AND POSTCLOSURE CARE COST

State and Federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, The City reports a portion of these closure and postclosure costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$2,203,768 reported in the Landfill Fund as landfill closure and postclosure care liability at December 31, 2022, represents the cumulative expense incurred to date based on the use of the existing facility and the requirements to close and monitor as the facility currently exists. The City will recognize a reduction in this liability to close due to the fact that usage at the site will be through vertical expansion and cover will be applied throughout the next 28 years of use. The estimate of cost for final closure is \$790,272 and cost for postclosure care is \$1,413,496. These amounts are based upon what it would cost to perform all closure and postclosure care in 2022. The City expects to close the landfill in the year 2050. Actual cost may be higher due to inflation, changes in technology or changes in regulations. No closure or post closure costs remain unrecognized. Increases and decreases in the liability are due to cost changes, technology changes and inflation and are recognized currently as changes to Long-Term Debt. Current closure costs were recognized in the amount of \$31,853. Current postclosure costs were \$56,974.

The City is required by law to provide assurance that it can meet the cost of closure and postclosure care. The City has provided that assurance by meeting the test requirements of the Colorado Department of Public Health and Environment. The City expects that future inflation costs may need to be covered by charges to future landfill users or other future revenues.

NOTE 11 CASH

The City's cash at year-end consisted of deposits in financial institutions and was entirely covered by federal depository insurance or by collateral held by the financial institutions as their agent in the City's name. Collateral is held under provisions of the Public Deposit Protection Act of 1975.

This act requires pledged collateral to be clearly identified as security for public deposits and it requires that the pledging financial institution certify to the secured governmental unit that it is secured and indicate the location of the collateral. In the event of default or insolvency on the part of the pledging financial institution, the custodian will surrender the collateral to the state bank commissioner. A breakdown of deposits follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Insured	250,000	250,000
Insured	250,000	250,000
Insured	250,000	250,000
Insured	250,000	250,000
Uninsured, Collateral held by		
Bank or its agent in City's name	<u>21,068,441</u>	<u>26,251,520</u>
<u>Sub-Total</u>	22,068,441	27,251,520
Plus Cash with County Treasurer	53,227	-
Cash Equivalents	21,904,013	-
Plus Cash on Hand	925	-
<u>Net Cash</u>	<u>44,026,606</u>	<u>27,251,520</u>

CITY OF TRINIDAD, COLORADO  
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NOTE 11 CASH (Continued)

Cash and equivalents is comprised of \$40,095,643 unrestricted and \$3,930,963 restricted for a total of \$44,026,606.

As presented above, deposits with a bank balance of \$26,251,520 and a carrying balance of \$21,068,441 as of December 31, 2022 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

Reserves

Article X, Section 20 of the Constitution of the State of Colorado requires the City to establish Emergency Reserves (see Note 13). \$660,000 of fund balance has been reserved in compliance with this requirement.

NOTE 12 INTERFUND RECEIVABLES AND PAYABLES

Interfund amounts are created as a result of pooling cash. They are expected to be repaid within a year.

<u>Interfund Receivable</u>	<u>Interfund Payable</u>
461,391	461,391

NOTE 13 CONTINGENCIES - TAX, SPENDING AND DEBT LIMITATIONS

In November 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer's Bill of Rights (TABOR), which adds a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR.

The initial base for local government spending and revenue limits is 1992 Fiscal Year Spending. Future spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

CITY OF TRINIDAD, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022

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NOTE 13     CONTINGENCIES - TAX, SPENDING AND DEBT LIMITATIONS (Continued)

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 1% of Fiscal Year Spending (excluding bonded debt service) in 1993, 2% in 1994 and 3% thereafter. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

TABOR requires, with certain exceptions, voters approval prior to imposing new taxes, increasing a tax rate, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government.

Except for bond refinancing at lower interest rates or adding employees to existing pension plans, TABOR specifically prohibits the creation of multiple-fiscal year debt or other financial obligations without voter approval or without irrevocably pledging present cash reserves for all future payments.

During 1994, the authorized voters of the City of Trinidad, Colorado voted to authorize the City to collect, retain and expend all revenues and other funds collected beginning in 1995, from any source, notwithstanding the limitations of Article X, Section 20 of the Colorado constitution, effective January 1, 1995, provided that no local tax rate or mill levy shall be increased without further voter approval.

The City's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits and qualifications as an Enterprise will require judicial interpretation.

NOTE 14     RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God.

The City maintains commercial insurance and participates in a public entity risk pool for all risks of loss. Settled claims have not exceeded these coverages in any of the past three fiscal years.

NOTE 15     ALLOWANCE FOR ESTIMATED UNCOLLECTIBLE ACCOUNTS

At December 31, 2022, the City has provided an allowance for estimated uncollectible utility billings of \$136,611. The receivables shown in the financial statements of the utility funds are net of this allowance.

NOTE 16     CAPITALIZED INTEREST

Net interest costs associated with the sewer revenue bond were capitalized during the construction period of the new sewer treatment facility as required by generally accepted accounting principles. There was no interest capitalized in 2022.

CITY OF TRINIDAD, COLORADO  
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NOTE 17      RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental funds balance sheet includes a reconciliation between *fund balances – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances – total government funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities.

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for governmental fund statements to the economic resources measurement and full accrual basis used for government-wide statements.

The following have been eliminated in the entity-wide financial statements:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
None	-	-
<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	-	7,662,500
Capital Projects Fund	5,612,500	-
Tourism	50,000	-
Economic Development	<u>2,000,000</u>	-
	<u>7,662,500</u>	<u>7,662,500</u>

NOTE 18      INTERFUND TRANSFERS

<u>Fund</u>	<u>Transfer From Other Funds</u>	<u>Transfer To Other Funds</u>
General	1,312,678	7,809,609
Gas	5,367	330,737
Power	206,485	488,570
Water	85,257	488,727
Sewer	-	117,284
Landfill	50,000	87,360
Capital Project	5,612,500	-
Economic Development	2,000,000	-
Tourism	<u>50,000</u>	-
	<u>9,322,287</u>	<u>9,322,287</u>

Transfers to the General Fund were for service reimbursement and payments in lieu of tax and occur on a routine basis. Transfers from the General Fund were to support current or future operations.

CITY OF TRINIDAD, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022

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NOTE 19    INTERGOVERNMENTAL AGREEMENT

The City of Trinidad is one of five member cities of the Arkansas River Power Authority (ARPA). ARPA exists to provide wholesale power to its members who provide electrical utilities in their communities. ARPA is an independent governmental entity with a governing board appointed by the member cities. The governing board is responsible for hiring management.

The City is amortizing a generation agreement with ARPA over 35 years. The original amount was \$1,000,000. The remaining amount at December 31, 2022 was \$314,284.

NOTE 20    BUDGET INFORMATION

Expenditures in the Landfill Fund exceeded amounts budgeted by \$264,366.

NOTE 21    PRIOR PERIOD ADJUSTMENT

In fiscal years 2021 and 2020, the Capital Project Special Revenue Fund should have been charged and paid for landfill fees incurred in conjunction with infrastructure projects. The beginning net position of the Landfill Fund has been increased for those fees of \$44,447 and the beginning fund balance of the Capital Projects Special Revenue Fund has been decreased by the same amount.

REQUIRED SUPPLEMENTARY INFORMATION

General Fund – Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Capital Projects Fund – Statement of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual

Pension Data

CITY OF TRINIDAD, COLORADO  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance-
	<u>Original</u>	<u>Final</u>		Favorable <u>(Unfavorable)</u>
<u>REVENUES</u>				
Taxes				
General Property	1,252,000	1,252,000	1,312,184	60,184
Specific Ownership	275,000	275,000	282,028	7,028
General Sales and Use	8,100,000	8,100,000	8,031,209	(68,791)
Selective Sales and Use	3,542,000	3,542,000	2,984,691	(557,309)
Franchise	100,000	100,000	101,515	1,515
Licenses and Permits				
Business	110,200	110,200	118,799	8,599
Building, Zoning and Paving Permits	115,000	115,000	274,940	159,940
Intergovernmental Revenues				
State Shared Revenues	373,500	729,500	718,584	(10,916)
Other	628,234	1,333,234	1,029,188	(304,046)
Charges for Services				
Delinquent Assessment	-	-	50,570	50,570
Culture and Recreation	50,000	50,000	63,828	13,828
Security	230,100	230,100	202,375	(27,725)
Other	15,265	15,265	52,169	36,904
Fines and Forfeits				
Court	22,500	22,500	18,333	(4,167)
Miscellaneous				
Earnings on Investments	30,000	30,000	230,318	200,318
Other	116,000	116,000	242,468	126,468
<u>TOTAL REVENUES</u>	<u>14,959,799</u>	<u>16,020,799</u>	<u>15,713,199</u>	<u>(307,600)</u>
<u>EXPENDITURES</u>				
<u>General Government</u>				
City Council	89,712	89,712	97,110	(7,398)
City Attorney	89,275	89,275	85,047	4,228
Municipal Court	88,577	88,577	99,578	(11,001)
City Manager	491,243	491,243	562,628	(71,385)
Information Technology	596,352	596,352	648,997	(52,645)
Elections	-	-	6,675	(6,675)
Finance	312,579	312,579	333,666	(21,087)
5% Tax Revenue Projects	2,470,000	2,470,000	1,117,500	1,352,500
Development Services	958,798	958,798	535,625	423,173
Other General and Administrative	853,243	853,243	610,619	242,624
Local Agencies Support	184,400	184,400	189,800	(5,400)
Facilities Services	355,000	355,000	430,323	(75,323)
Economic Development	307,968	307,968	229,408	78,560
<u>Total General Government</u>	<u>6,797,147</u>	<u>6,797,147</u>	<u>4,946,976</u>	<u>1,850,171</u>

The accompanying notes are an integral part of these financial statements.

CITY OF TRINIDAD, COLORADO  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance-
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<u>Public Safety</u>				
Police	3,106,712	3,366,712	3,338,481	28,231
Dispatch	508,398	508,398	378,961	129,437
Fire	1,864,647	2,154,647	2,091,733	62,914
<u>Total Public Safety</u>	<u>5,479,757</u>	<u>6,029,757</u>	<u>5,809,175</u>	<u>220,582</u>
<u>Public Works</u>				
Engineering	358,090	358,090	338,187	19,903
Fleet Maintenance	457,309	457,309	475,309	(18,000)
Public Works	1,504,269	1,504,269	1,591,791	(87,522)
<u>Total Public Works</u>	<u>2,319,668</u>	<u>2,319,668</u>	<u>2,405,287</u>	<u>(85,619)</u>
<u>Culture and Recreation</u>				
Parks, Sports and Recreation	603,169	603,169	612,732	(9,563)
Public Library	371,737	371,737	373,249	(1,512)
<u>Total Culture and Recreation</u>	<u>974,906</u>	<u>974,906</u>	<u>985,981</u>	<u>(11,075)</u>
<u>Capital Outlay, Debt Service</u>				
Fleet Replacement - General	651,000	651,000	530,377	120,623
<u>Total Capital Outlay</u>	<u>651,000</u>	<u>651,000</u>	<u>530,377</u>	<u>120,623</u>
<u>APPROPRIATED RESERVES</u>	<u>2,600,000</u>	-	-	-
<u>TOTAL EXPENDITURES</u>	<u>18,822,478</u>	<u>16,772,478</u>	<u>14,677,796</u>	<u>2,094,682</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	<u>(3,862,679)</u>	<u>(751,679)</u>	<u>1,035,403</u>	
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating Transfers In	1,312,679	1,312,679	1,312,678	(1)
Operating Transfers Out	(50,000)	(8,020,422)	(7,809,609)	210,813
<u>Total Other Financing Sources (Uses)</u>	<u>1,262,679</u>	<u>(6,707,743)</u>	<u>(6,496,931)</u>	<u>210,812</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)</u>	<u>(2,600,000)</u>	<u>(7,459,422)</u>	<u>(5,461,528)</u>	
<u>FUND BALANCE, January 1</u>	<u>18,918,713</u>	<u>18,918,713</u>	<u>20,600,376</u>	
<u>FUND BALANCE, December 31</u>	<u>16,318,713</u>	<u>11,459,291</u>	<u>15,138,848</u>	

The accompanying notes are an integral part of these financial statements.

CITY OF TRINIDAD, COLORADO  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 For the Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance-
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<u>REVENUES</u>				
Sales Taxes	2,700,000	2,700,000	2,677,070	(22,930)
Grants	2,193,619	4,943,619	4,348,684	(594,935)
Interest	2,000	2,000	24,780	22,780
Other	-	-	55	55
Local Contributions	<u>900,000</u>	<u>900,000</u>	<u>547,032</u>	<u>(352,968)</u>
<u>Total Revenues</u>	<u>5,795,619</u>	<u>8,545,619</u>	<u>7,597,621</u>	<u>(947,998)</u>
<u>EXPENDITURES</u>				
Capital Projects	<u>19,953,569</u>	<u>19,953,569</u>	<u>9,056,274</u>	<u>10,897,295</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(14,157,950)	(11,407,950)	(1,458,653)	
<u>Other Financing Sources (Uses)</u>				
Operating Transfers In	2,600,000	5,612,500	5,612,500	-
Operating Transfers (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Other Financing Sources (Uses)</u>	<u>2,600,000</u>	<u>5,612,500</u>	<u>5,612,500</u>	<u>-</u>
<u>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES</u>	(11,557,950)	(5,795,450)	4,153,847	
<u>FUND BALANCE – Beginning</u>	11,560,275	11,560,275	7,046,881	
<u>PRIOR PERIOD ADJUSTMENT</u>	<u>-</u>	<u>-</u>	<u>(44,447)</u>	
<u>FUND BALANCE – Ending</u>	<u>2,325</u>	<u>5,764,825</u>	<u>11,156,281</u>	

The accompanying notes are an integral part of these financial statements.

PENSION DATA

**CITY OF TRINIDAD, COLORADO**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**FPPA STATEWIDE HYBRID PLAN**  
**Year Ended December 31, 2022**

**Schedule of the Department's Proportionate Share of the Net Pension Liability/(Asset)**  
**Fire & Police Statewide Hybrid Plan**  
**As of December 31**

*[Build to 10 years prospectively]*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Department's proportion of the net pension liability/(asset)	1.380%	1.256%	1.304%	1.1711%	1.1290%	1.3955%	1.3724%	1.3705%	1.1041%
Department's proportionate share of the net pension liability/(asset)	\$(523,334)	\$(345,550)	\$(253,970)	\$(161,646)	\$(220,754)	\$(151,899)	\$(139,809)	\$(162,540)	\$(115,618)
Department's covered payroll	\$112,271	\$222,533	\$203,218	\$198,207	\$177,757	\$164,407	\$166,476	\$161,572	\$136,034
Department's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	466.13%	155.28%	124.97%	81.55%	124.19%	92.4%	83.9%	100.6%	82.8%
Plan fiduciary net position as a percentage of the total pension liability	149.01%	137.99%	130.06%	123.46%	138.86%	125.79%	129.44%	140.6%	139%

**Schedule of Department Contributions**  
**Fire & Police Statewide Hybrid Plan**  
**As of December 31**

*[Build to 10 years prospectively]*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$11,619	\$23,366	\$21,338	\$20,812	\$18,664	\$17,263	\$17,480	\$16,965	\$14,248
Contributions in relation to the contractually required contribution	\$11,619	\$23,366	\$21,338	\$20,812	\$18,664	\$17,263	\$17,480	\$16,965	14,248
Contribution deficiency (excess)	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-
Department's covered payroll	\$112,271	\$222,533	\$203,218	\$198,207	\$177,757	\$164,407	\$166,476	\$161,573	\$136,034
Contributions as a percentage of covered payroll	10.35%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%

**Notes to Required Supplementary Information**  
**For the Year Ended December 31, 2022**

*Changes in plan provisions.* The plan provisions have not changed since the prior valuation. The rate for both employers and members must be at least 8% of the members base salary.

*Benefit Adjustments.* Benefits to members and beneficiaries may be increased annually on October 1. The amount is based on the Fire & Police Pension Association Board of Directors discretion and can range from 0 percent to 3 percent. Benefit adjustment may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1.

*Changes of assumptions.* Beginning in the January 1, 2014 actuarial valuation, the married assumption for active members was increased from 80 percent to 85 percent to reflect the passage of the Colorado Civil Union Act.

CITY OF TRINIDAD, COLORADO  
REQUIRED SUPPLEMENTARY INFORMATION  
FPPA STATEWIDE PLAN  
Year Ended December 31, 2022

Schedule of the Department's Proportionate Share of the Net Pension Liability/(Asset)

Fire & Police Statewide Defined Benefit Plan

As of December 31,

*(Build to 10 years prospectively)*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Department's proportion of the net pension liability/(asset)	.10614%	.11514%	.12084%	.11160%	.11951%	.1526%	.1468%	.1438%	.1395%
Department's proportionate share of the net pension liability/(asset)	\$ (575,222)	\$ (249,965)	\$ (68,345)	\$ 141,093	\$ (171,940)	\$ 55,142	\$ (2,589)	\$ (162,242)	\$ (124,772)
Department's covered payroll	\$ 895,609	\$ 786,793	\$ 765,029	\$ 735,157	\$ 609,801	\$ 568,978	\$ 621,778	\$ 568,414	\$ 514,585
Department's proportionate share of the net pension liability/(asset) as a percentage of is covered payroll	64.22%	31.77%	8.93%	19.19%	28.19%	7.69%	.004%	28.5%	24.2%
Plan fiduciary net position as a percentage of the total pension liability	116.2%	106.7%	101.9%	95.2%	106.3%	98.21%	100.1%	106.8%	105.8%

Schedule of Department Contributions

Fire & Police Statewide Defined Benefit Plan

As of December 31,

*(Build to 10 years prospectively)*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 86,447	\$ 73,810	\$ 67,990	\$ 65,313	\$ 54,397	\$ 50,868	\$ 56,950	\$ 51,718	\$ 48,485
Contributions in relation to the contractually required contribution	\$ 86,447	\$ 73,810	\$ 67,990	\$ 65,313	\$ 54,397	\$ 50,868	\$ 56,950	\$ 51,718	\$ 48,485
Contribution deficiency (excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Department's covered payroll	\$ 895,609	\$ 786,793	\$ 765,029	\$ 735,157	\$ 609,801	\$ 568,978	\$ 621,778	\$ 568,414	\$ 514,585
Contributions as a percentage of covered payroll	9.65%	9.38%	8.9%	8.9%	8.9%	8.9%	9.2%	9.1%	9.4%

Notes to Required Supplementary Information for the Year Ended December 31, 2022

*Changes in plan provisions.* The plan provisions have not changed since the prior valuation. The member contribution rate will increase annually to a total of 13% of base salary in 2030 as a result of the member election.

*Benefit Adjustments.* Benefits to members and beneficiaries may be increased annually on October 1. The amount is based on the Fire & Police Pension Association Board of Directors discretion and can range from 0 percent to 3 percent. Benefit adjustment may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1.

*Changes of assumptions.* Beginning in the January 1, 2014 actuarial valuation, the married assumption for active members was increased from 80 percent to 85 percent to reflect the passage of the Colorado Civil Union Act.

CITY OF TRINIDAD, COLORADO  
 OLD HIRE FIRE PENSION FUND  
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET)  
 AND RELATED RATIOS MULTIYEAR  
 LAST 10 FISCAL YEARS (TO BE BUILT PROSPECTIVELY)

Measurement period ending December 31,	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability	-	-	-	-	-	-	-	-
Service Cost	49,535	51,762	66,020	68,458	88,397	89,671	89,327	91,715
Interest on the Total Pension Liability	-	-	-	-	-	-	-	-
Benefit Changes	-	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	191,011	-	65,140	-	(251,600)	-	(57,783)	-
Assumption Changes	-	-	237,654	-	-	-	89,102	-
Benefit Payments	<u>(106,716)</u>	<u>(95,912)</u>	<u>(100,941)</u>	<u>(100,986)</u>	<u>(104,242)</u>	<u>(108,992)</u>	<u>(122,872)</u>	<u>(124,229)</u>
Net Change in Total Pension Liability	133,830	(44,150)	267,873	(32,528)	(267,445)	(19,321)	(2,226)	(32,514)
Total Pension Liability – Beginning	<u>1,153,551</u>	<u>1,197,701</u>	<u>929,828</u>	<u>962,356</u>	<u>1,229,801</u>	<u>1,249,122</u>	<u>1,251,348</u>	<u>1,283,862</u>
Total Pension Liability – Ending	<u>1,287,381</u>	<u>1,153,551</u>	<u>1,197,701</u>	<u>929,828</u>	<u>962,356</u>	<u>1,229,801</u>	<u>1,249,122</u>	<u>1,251,348</u>
Plan Fiduciary Net Position	48,033	35,720	35,720	72,529	72,529	72,428	78,695	75,199
Employer Contributions	-	-	-	-	-	-	-	-
Employee Contributions	2,737	45,624	71,657	512	85,284	31,425	11,624	42,816
Pension Plan Net Investment Income	(106,716)	(95,912)	(100,941)	(100,986)	(104,242)	(108,992)	(122,872)	(124,229)
Benefit Payments	<u>(1,679)</u>	<u>(3,186)</u>	<u>(2,002)</u>	<u>(4,081)</u>	<u>(1,628)</u>	<u>(3,062)</u>	<u>(1,255)</u>	<u>(4,362)</u>
Pension Plan Administrative Expense	(57,625)	(17,754)	4,434	(32,026)	51,943	(8,201)	(33,808)	(10,576)
Net Change in Plan Fiduciary Net Position	604,482	622,236	617,802	649,828	597,885	606,086	639,894	650,470
Plan Fiduciary Net Position – Beginning	<u>546,857</u>	<u>604,482</u>	<u>622,236</u>	<u>617,802</u>	<u>649,828</u>	<u>597,885</u>	<u>606,086</u>	<u>639,894</u>
Plan Fiduciary Net Position – Ending	740,524	549,069	575,465	312,026	312,528	631,916	643,036	611,454
Net Pension Liability/(Asset) – Ending	42.47%	52.40%	51.95%	66.44%	67.52%	48.62%	48.52%	51.14%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

CITY OF TRINIDAD, COLORADO  
 OLD HIRE POLICE PENSION FUND  
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET)  
 AND RELATED RATIOS MULTIYEAR  
 LAST 10 FISCAL YEARS (TO BE BUILT PROSPECTIVELY)

Measurement period ending December 31,	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability	-	-	-	-	-	-	-	-
Service Cost	4,083	4,541	6,095	6,711	7,783	8,501	7,877	8,620
Interest on the Total Pension Liability	-	-	-	-	-	-	-	-
Benefit Changes	-	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	3,525	-	11,168	-	(5,778)	-	13,012	-
Assumption Changes	-	-	17,347	-	-	-	5,956	-
Benefit Payments	(14,517)	(14,919)	(14,919)	(14,919)	(17,624)	(18,525)	(18,525)	(18,525)
Net Change in Total Pension Liability	(6,909)	(10,378)	19,691	(8,208)	(15,619)	(10,024)	8,320	(9,905)
Total Pension Liability – Beginning	97,907	108,285	88,594	96,802	112,421	122,445	114,125	124,030
Total Pension Liability – Ending	<u>90,998</u>	<u>97,907</u>	<u>108,285</u>	<u>88,594</u>	<u>96,802</u>	<u>112,421</u>	<u>122,445</u>	<u>114,125</u>
Plan Fiduciary Net Position	12,966	10,986	10,986	13,070	13,070	8,031	8,566	6,424
Employer Contributions	-	-	-	-	-	-	-	-
Employee Contributions	99	1,933	3,475	99	4,984	2,079	1,049	4,176
Pension Plan Net Investment Income	(14,517)	(14,919)	(14,919)	(14,919)	(17,624)	(18,525)	(18,525)	(18,525)
Benefit Payments	(1,679)	(2,935)	(1,794)	(3,616)	(1,440)	(1,941)	(443)	(3,232)
Pension Plan Administrative Expense	(3,131)	(4,935)	(2,252)	(5,366)	(1,010)	(10,356)	(9,353)	(11,157)
Net Change in Plan Fiduciary Net Position	23,753	28,688	30,940	36,306	37,316	47,672	57,025	68,182
Plan Fiduciary Net Position – Beginning	<u>20,622</u>	<u>23,753</u>	<u>28,688</u>	<u>30,940</u>	<u>36,306</u>	<u>37,316</u>	<u>47,672</u>	<u>68,182</u>
Plan Fiduciary Net Position – Ending	70,376	74,154	79,597	57,654	60,496	75,105	74,773	57,100
Net Pension Liability/(Asset) – Ending	22.66%	24.26%	26.49%	34.92%	37.50%	33.19%	38.93%	49.97%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

CITY OF TRINIDAD, COLORADO  
 OLD HIRE FIRE PENSION FUND  
 SCHEDULE OF CONTRIBUTIONS MULTI-YEAR  
 LAST 10 FISCAL YEARS (TO BE BUILT PROSPECTIVELY)

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<u>FY Ending December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution*</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2021	48,033	48,033	-	N/A	N/A
2020	35,720	35,720	-	N/A	N/A
2019	35,720	35,720	-	N/A	N/A
2018	72,529	72,529	-	N/A	N/A
2017	72,529	72,529	-	N/A	N/A
2016	72,529	72,529	-	N/A	N/A
2015	72,428	78,695	(6,267)	N/A	N/A
2014	75,199	75,199	-	N/A	N/A

*\* Actuarially Determined Contribution is net of employee contributions. Actual contribution is from the employer only and does not include employee amounts.*

CITY OF TRINIDAD, COLORADO  
 OLD HIRE POLICE PENSION FUND  
 SCHEDULE OF CONTRIBUTIONS MULTI-YEAR  
 LAST 10 FISCAL YEARS (TO BE BUILT PROSPECTIVELY)

<u>FY Ending December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution*</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2021	12,966	12,966	-	N/A	N/A
2020	10,986	10,986	-	N/A	N/A
2019	10,986	10,986	-	N/A	N/A
2018	13,070	13,070	-	N/A	N/A
2017	13,070	13,070	-	N/A	N/A
2016	13,070	13,070	-	N/A	N/A
2015	8,031	8,566	(535)	N/A	N/A
2014	6,424	6,424	-	N/A	N/A

*\* Actuarially Determined Contribution is net of employee contributions. Actual contribution is from the employer only and does not include employee amounts.*

CITY OF TRINIDAD, COLORADO  
OLD HIRE FIRE AND OLD HIRE POLICE  
NOTES TO SCHEDULE OF CONTRIBUTIONS

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Valuation Date: Actuarially determined contribution rates are calculated as of January 1 of even numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2020, determines the contribution amounts for 2021 and 2022.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	N/A
Remaining Amortization Period	N/A
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.5%
Salary Increases	N/A
Investment Rate of Return	4.50%
Retirement Age	Any remaining actives are assumed to retire immediately.
Mortality	Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.  Disabled (pre-1980): Post-retirement rates set forward three years.

**FPPA SYSTEM DESCRIPTION**

The Fire & Police Pension Association (FPPA) administers an agent multiple-employer Public Employee Retirement System (PERS). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available comprehensive annual financial report that can be obtained at: [FPPAco.org](http://FPPAco.org). Once in the site, locate the site map at the bottom of the web page and you will find the 'Annual Report' link.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES

## NON MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Tourism Fund – to account for a lodger tax and interest which are to be used for the purpose of promoting tourism in Trinidad and Las Animas County. The expenditure of funds is overseen by an appointed board.

Lottery Fund – to account for the share of state lottery sent to the City of Trinidad. Expenditures are limited to those types allowed by statute, generally outdoor recreation.

CITY OF TRINIDAD, COLORADO  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 December 31, 2022

	Special Revenue Funds			Nonmajor Governmental Funds
	Economic Development Fund	Tourism Fund	Lottery Fund	
<u>ASSETS</u>				
Cash	2,000,000	466,433	161,840	2,628,273
Accrued Interest	-	-	-	-
Tax Receivable	-	73,553	-	73,553
Other Receivable	-	2,633	-	2,633
<u>Total Assets</u>	<u>2,000,000</u>	<u>542,619</u>	<u>161,840</u>	<u>2,704,459</u>
 <u>LIABILITIES AND FUND BALANCES:</u>				
<u>LIABILITIES</u>				
Due To Other Funds	-	-	-	-
Accounts Payable	-	4,591	791	5,382
Unearned Revenue	-	-	-	-
Accrued Salary & Benefits	-	2,168	-	2,168
<u>Total Liabilities</u>	<u>-</u>	<u>6,759</u>	<u>791</u>	<u>7,550</u>
 <u>FUND BALANCES</u>				
Restricted:				
Parks and Recreation	-	-	161,049	161,049
Assigned:				
Tourism Promotion	-	535,860	-	535,860
Economic Development	2,000,000	-	-	2,000,000
<u>Total Fund Balances</u>	<u>2,000,000</u>	<u>535,860</u>	<u>161,049</u>	<u>2,696,909</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>2,000,000</u>	<u>542,619</u>	<u>161,840</u>	<u>2,704,459</u>

The accompanying notes are an integral part of these financial statements.

CITY OF TRINIDAD, COLORADO  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 NONMAJOR GOVERNMENTAL FUNDS  
 Year Ended December 31, 2022

	<u>Special Revenue</u>			<u>Nonmajor Governmental Funds</u>
	<u>Economic Development Fund</u>	<u>Tourism Fund</u>	<u>Lottery Fund</u>	
<u>REVENUES</u>				
Lodger Tax	-	401,660	-	401,660
State Shared – Lottery	-	-	106,665	106,665
Grants	-	15,253	-	15,253
Interest	-	3,862	117	3,979
Other Revenue	-	22,027	-	22,027
<u>Total Revenues</u>	<u>-</u>	<u>442,802</u>	<u>106,782</u>	<u>549,584</u>
<u>EXPENDITURES</u>				
Tourism Promotion	-	416,164	-	416,164
Parks and Recreation	-	-	104,555	104,555
Capital Projects	-	-	-	-
<u>Total Expenditures</u>	<u>-</u>	<u>416,164</u>	<u>104,555</u>	<u>520,719</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>-</u>	<u>26,638</u>	<u>2,227</u>	<u>28,865</u>
<u>Other Financing Sources (Uses)</u>				
Transfers	<u>2,000,000</u>	<u>50,000</u>	<u>-</u>	<u>2,050,000</u>
<u>Total Other Financing Sources (Uses)</u>	<u>2,000,000</u>	<u>50,000</u>	<u>-</u>	<u>2,050,000</u>
<u>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	<u>2,000,000</u>	<u>76,638</u>	<u>2,227</u>	<u>2,078,865</u>
<u>FUND BALANCE, January 1</u>	<u>-</u>	<u>459,222</u>	<u>158,822</u>	<u>618,044</u>
<u>FUND BALANCE, December 31</u>	<u>2,000,000</u>	<u>535,860</u>	<u>161,049</u>	<u>2,696,909</u>

The accompanying notes are an integral part of these financial statements.

CITY OF TRINIDAD, COLORADO  
 ECONOMIC DEVELOPMENT- SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Grants	-	-	-	-
In-Kind Match for Grants	-	-	-	-
Other	-	-	-	-
Interest	-	-	-	-
<u>Total Revenues</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>EXPENDITURES</u>				
General Development	-	-	-	-
Capital Projects	-	-	-	-
<u>Total Expenditures</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In (Out)	-	<u>2,000,000</u>	<u>2,000,000</u>	-
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>
<u>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	<u>-</u>	<u>2,000,000</u>	<u>2,000,000</u>	
<u>FUND BALANCE, January 1</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<u>FUND BALANCE, December 31</u>	<u>-</u>	<u>2,000,000</u>	<u>2,000,000</u>	

The accompanying notes are an integral part of these financial statements.

CITY OF TRINIDAD, COLORADO  
 TOURISM – SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance-
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<u>REVENUES</u>				
Lodger Tax	358,000	358,000	401,660	43,660
Grants	-	-	15,253	15,253
Interest	100	100	3,862	3,762
Other	<u>16,000</u>	<u>16,000</u>	<u>22,027</u>	<u>6,027</u>
<u>Total Revenues</u>	<u>374,100</u>	<u>374,100</u>	<u>442,802</u>	<u>68,702</u>
 <u>EXPENDITURES</u>				
Tourism Promotion	<u>413,669</u>	<u>523,669</u>	<u>416,164</u>	<u>107,505</u>
 <u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(39,569)</u>	<u>(149,569)</u>	<u>26,638</u>	
 <u>OTHER FINANCING SOURCES (USES)</u>				
Transfers	<u>50,000</u>	<u>65,253</u>	<u>50,000</u>	<u>(15,253)</u>
<u>Total Other Financing Sources (Uses)</u>	<u>50,000</u>	<u>65,253</u>	<u>50,000</u>	<u>(15,253)</u>
 <u>REVENUES AND OTHER SOURCES OVER EXPENDITURES</u>	10,431	(84,316)	76,638	
 <u>FUND BALANCE, January 1</u>	<u>426,787</u>	<u>426,787</u>	<u>459,222</u>	
 <u>FUND BALANCE, December 31</u>	<u>437,218</u>	<u>342,471</u>	<u>535,860</u>	

The accompanying notes are an integral part of these financial statements.

CITY OF TRINIDAD, COLORADO  
 LOTTERY – SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Lottery – State Shared	90,000	90,000	106,665	16,665
Interest	100	100	117	17
Other Grants	-	-	-	-
<u>Total Revenues</u>	<u>90,100</u>	<u>90,100</u>	<u>106,782</u>	<u>16,682</u>
<u>EXPENDITURES</u>				
Parks and Recreation	<u>102,000</u>	<u>152,000</u>	<u>104,555</u>	<u>47,445</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(11,900)	(61,900)	2,227	
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer In (Out)	-	-	-	-
<u>REVENUES AND OTHER SOURCES OVER EXPENDITURES</u>	(11,900)	(61,900)	2,227	
<u>FUND BALANCE, January 1</u>	<u>140,284</u>	<u>140,284</u>	<u>158,822</u>	
<u>FUND BALANCE, December 31</u>	<u>128,384</u>	<u>78,384</u>	<u>161,049</u>	

The accompanying notes are an integral part of these financial statements.

ENTERPRISE FUNDS – BUDGET SCHEDULES

CITY OF TRINIDAD, COLORADO  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET (NON-GAAP) AND ACTUAL  
GAS ENTERPRISE FUND  
For the Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>OPERATING REVENUES</u>				
Charges for Services	3,351,500	3,351,500	3,304,994	(46,506)
Other	42,500	42,500	29,496	(13,004)
<u>Total Operating Revenue</u>	<u>3,394,000</u>	<u>3,394,000</u>	<u>3,334,490</u>	<u>(59,510)</u>
<u>OPERATING EXPENSES</u>				
General Operations	975,885	975,885	1,024,871	(48,986)
Regulating Stations	6,000	6,000	-	6,000
Distribution Mains	165,050	165,050	113,888	51,162
Gas Purchases	1,800,000	1,800,000	1,615,727	184,273
<u>Total Operating Expenses</u>	<u>2,946,935</u>	<u>2,946,935</u>	<u>2,754,486</u>	<u>192,449</u>
<u>OPERATING INCOME</u>	<u>447,065</u>	<u>447,065</u>	<u>580,004</u>	
<u>OTHER REVENUES (EXPENSES)</u>				
Interest Expense	(34,861)	(34,861)	(34,305)	556
Capital Outlay	(1,061,687)	(1,061,687)	(328,016)	733,671
Debt Principal	(57,827)	(57,827)	(57,827)	-
Interest Income	12,500	12,500	58,951	46,451
Grants and Contributions	-	-	69,705	69,705
<u>Total Other Revenues (Expenses)</u>	<u>(1,141,875)</u>	<u>(1,141,875)</u>	<u>(291,492)</u>	<u>850,383</u>
<u>INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	<u>(694,810)</u>	<u>(694,810)</u>	<u>288,512</u>	
<u>OPERATING TRANSFERS</u>				
Operating Transfers In	61,437	-	5,367	5,367
Operating Transfers (Out)	(330,738)	(330,738)	(330,737)	1
<u>Total Operating Transfers</u>	<u>(269,301)</u>	<u>(330,738)</u>	<u>(325,370)</u>	<u>5,368</u>
<u>NET INCOME (LOSS) – (NON GAAP)</u>	<u>(964,111)</u>	<u>(1,025,548)</u>	<u>(36,858)</u>	
<u>RECONCILING ITEMS/GAAP NET INCOME</u>				
Debt Principal	57,827	57,827	57,827	
Capital Outlay	1,061,687	1,061,687	328,016	
<u>Total Reconciling Items</u>	<u>1,119,514</u>	<u>1,119,514</u>	<u>385,843</u>	
<u>NET INCOME (LOSS)(GAAP)</u>	<u>155,403</u>	<u>93,966</u>	<u>348,985</u>	
<u>NET POSITION, Beginning</u>	<u>8,507,104</u>	<u>8,507,104</u>	<u>8,547,453</u>	
<u>NET POSITION, Ending</u>	<u>8,662,507</u>	<u>8,601,070</u>	<u>8,896,438</u>	

The accompanying notes are an integral part of these financial statements.

CITY OF TRINIDAD, COLORADO  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET (NON-GAAP) AND ACTUAL  
POWER ENTERPRISE FUND  
For the Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>OPERATING REVENUES</u>				
Charges for Services	7,861,000	7,861,000	7,892,183	31,183
Other	88,000	88,000	93,919	5,919
<u>Total Operating Revenue</u>	<u>7,949,000</u>	<u>7,949,000</u>	<u>7,986,102</u>	<u>37,102</u>
<u>OPERATING EXPENSES</u>				
General Operations	1,671,644	1,671,644	1,688,897	(17,253)
Purchased Power and Generation	5,706,500	5,706,500	5,628,907	77,593
Power Plant	29,275	29,275	35,301	(6,026)
Distribution Operations	182,150	257,150	224,974	32,176
<u>Total Operating Expenses</u>	<u>7,589,569</u>	<u>7,664,569</u>	<u>7,578,079</u>	<u>86,490</u>
<u>OPERATING INCOME</u>	<u>359,431</u>	<u>284,431</u>	<u>408,023</u>	
<u>OTHER REVENUES (EXPENSES)</u>				
Principal Paid	(145,399)	(145,399)	(102,191)	43,208
Interest Expense	(65,035)	(65,035)	(62,933)	2,102
Capital Outlay	(368,500)	(568,500)	(593,735)	(25,235)
Lease Purchase Proceeds	-	-	-	-
Interest Income	10,000	10,000	11,685	1,685
Grants and Contributions	-	-	436,840	436,840
<u>Total Other Revenues (Expenses)</u>	<u>(568,934)</u>	<u>(768,934)</u>	<u>(310,334)</u>	<u>458,600</u>
<u>INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	<u>(209,503)</u>	<u>(484,503)</u>	<u>97,689</u>	
<u>OPERATING TRANSFERS</u>				
Operating Transfers In	-	298,940	206,485	(92,455)
Operating Transfers (Out)	(488,570)	(488,570)	(488,570)	-
<u>Total Operating Transfers</u>	<u>(488,570)</u>	<u>(189,630)</u>	<u>(282,085)</u>	<u>(92,455)</u>
<u>NET INCOME (LOSS)-(NON-GAAP)</u>	<u>(698,073)</u>	<u>(674,133)</u>	<u>(184,396)</u>	
<u>RECONCILING ITEMS GAAP NET INCOME</u>				
Lease Purchase Proceeds	-	-	-	
Debt Principal	145,399	145,399	102,191	
Capital Outlay	368,500	568,500	593,735	
<u>Total Reconciling Items</u>	<u>513,899</u>	<u>713,899</u>	<u>695,926</u>	
<u>NET INCOME (LOSS)(GAAP)</u>	<u>(184,174)</u>	<u>39,766</u>	<u>511,530</u>	
<u>NET POSITION, Beginning</u>	<u>2,126,506</u>	<u>2,126,506</u>	<u>2,272,557</u>	
<u>NET POSITION, Ending</u>	<u>1,942,332</u>	<u>2,166,272</u>	<u>2,784,087</u>	

The accompanying notes are an integral part of these financial statements.

CITY OF TRINIDAD, COLORADO  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET (NON-GAAP) AND ACTUAL  
WATER ENTERPRISE FUND  
For the Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance-
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<u>OPERATING REVENUES</u>				
Charges for Services	3,290,500	3,290,500	3,283,974	(6,526)
Other	15,900	15,900	19,136	3,236
<u>Total Operating Revenue</u>	<u>3,306,400</u>	<u>3,306,400</u>	<u>3,303,110</u>	<u>(3,290)</u>
<u>OPERATING EXPENSES</u>				
General Operations	2,375,685	2,375,685	2,410,529	(34,844)
Water Transmission Station	45,650	45,650	35,295	10,355
Water Distribution	395,600	395,600	454,951	(59,351)
Madrid Chlorination	550	550	547	3
Water Filtration Plant	116,000	116,000	163,525	(47,525)
North Lake	9,350	9,350	8,490	860
Monument Lake	22,000	22,000	12,724	9,276
<u>Total Operating Expenses</u>	<u>2,964,835</u>	<u>2,964,835</u>	<u>3,086,061</u>	<u>(121,226)</u>
<u>OPERATING INCOME</u>	<u>341,565</u>	<u>341,565</u>	<u>217,049</u>	
<u>OTHER REVENUES (EXPENSES)</u>				
Interest Expense	(71,109)	(71,109)	(69,976)	1,133
Capital Outlay	(811,400)	(811,400)	(616,688)	194,712
Principal Paid	(117,957)	(117,957)	(117,956)	1
Interest Income	20,000	20,000	40,606	20,606
Grants and Contributions	161,350	161,350	521,384	360,034
<u>Total Other Revenues (Expenses)</u>	<u>(819,116)</u>	<u>(819,116)</u>	<u>(242,630)</u>	<u>576,486</u>
<u>INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	<u>(477,551)</u>	<u>(477,551)</u>	<u>(25,581)</u>	
<u>OPERATING TRANSFERS</u>				
Operating Transfers In	-	-	85,257	85,257
Operating Transfers (Out)	(288,728)	(488,728)	(488,727)	1
<u>Total Operating Transfers</u>	<u>(288,728)</u>	<u>(488,728)</u>	<u>(403,470)</u>	<u>85,258</u>
<u>NET INCOME (LOSS)-(NON-GAAP)</u>	<u>(766,279)</u>	<u>(966,279)</u>	<u>(429,051)</u>	
<u>RECONCILING ITEMS GAAP NET INCOME</u>				
Principal Paid	117,957	117,957	117,956	
Capital Outlay	811,400	811,400	616,688	
<u>Total Reconciling Items</u>	<u>929,357</u>	<u>929,357</u>	<u>734,644</u>	
<u>NET INCOME (LOSS)(GAAP)</u>	<u>163,078</u>	<u>(36,922)</u>	<u>305,593</u>	
<u>NET POSITION, Beginning</u>	<u>21,461,730</u>	<u>21,461,730</u>	<u>21,417,774</u>	
<u>NET POSITION, Ending</u>	<u>21,624,808</u>	<u>21,424,808</u>	<u>21,723,367</u>	

The accompanying notes are an integral part of these financial statements.

CITY OF TRINIDAD, COLORADO  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET (NON-GAAP) AND ACTUAL  
SEWER ENTERPRISE FUND  
For the Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>OPERATING REVENUES</u>				
Charges for Services	1,850,000	1,850,000	1,863,960	13,960
Other	38,500	38,500	13,640	(24,860)
<u>Total Operating Revenue</u>	<u>1,888,500</u>	<u>1,888,500</u>	<u>1,877,600</u>	<u>(10,900)</u>
<u>OPERATING EXPENSES</u>				
General Operations	478,685	478,685	521,603	(42,918)
Treatment Plant	1,300,434	1,300,434	1,267,968	32,466
Collection	-	-	658	(658)
<u>Total Operating Expenses</u>	<u>1,779,119</u>	<u>1,779,119</u>	<u>1,790,229</u>	<u>(11,110)</u>
<u>OPERATING INCOME</u>	<u>109,381</u>	<u>109,381</u>	<u>87,371</u>	
<u>OTHER REVENUES (EXPENSES)</u>				
Interest Expense	-	-	-	-
Capital Outlay	(328,165)	(328,165)	(27,560)	300,605
Debt Principal	-	-	-	-
Interest Income	4,500	4,500	5,805	1,305
Grants and Contributions	328,165	328,165	9,802	(318,363)
<u>Total Other Revenues (Expenses)</u>	<u>4,500</u>	<u>4,500</u>	<u>(11,953)</u>	<u>(16,453)</u>
<u>INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	<u>113,881</u>	<u>113,881</u>	<u>75,418</u>	
<u>OPERATING TRANSFERS</u>				
Operating Transfers In	-	9,803	-	(9,803)
Operating Transfers (Out)	(117,284)	(117,284)	(117,284)	-
<u>Total Operating Transfers</u>	<u>(117,284)</u>	<u>(107,481)</u>	<u>(117,284)</u>	<u>(9,803)</u>
<u>NET INCOME (LOSS)-(NON-GAAP)</u>	<u>(3,403)</u>	<u>6,400</u>	<u>(41,866)</u>	
<u>RECONCILING ITEMS GAAP NET INCOME</u>				
Debt Principal	-	-	-	
Capital Outlay	328,165	328,165	27,560	
<u>Total Reconciling Items</u>	<u>328,165</u>	<u>328,165</u>	<u>27,560</u>	
<u>NET INCOME (LOSS)(GAAP)</u>	<u>324,762</u>	<u>334,565</u>	<u>(14,306)</u>	
<u>NET POSITION, Beginning</u>	<u>8,236,814</u>	<u>8,236,814</u>	<u>8,740,611</u>	
<u>NET POSITION, Ending</u>	<u>8,561,576</u>	<u>8,571,379</u>	<u>8,726,305</u>	

The accompanying notes are an integral part of these financial statements.

CITY OF TRINIDAD, COLORADO  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET (NON-GAAP) AND ACTUAL  
LANDFILL ENTERPRISE FUND  
For the Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance-
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<u>OPERATING REVENUES</u>				
Charges for Services	555,000	555,000	648,388	93,388
Other	<u>7,400</u>	<u>7,400</u>	<u>13,763</u>	<u>6,363</u>
<u>Total Operating Revenue</u>	<u>562,400</u>	<u>562,400</u>	<u>662,151</u>	<u>99,751</u>
<u>OPERATING EXPENSES</u>				
General Operations	<u>547,123</u>	<u>617,123</u>	<u>608,781</u>	<u>8,342</u>
<u>Total Operating Expenses</u>	<u>547,123</u>	<u>617,123</u>	<u>608,781</u>	<u>8,342</u>
<u>OPERATING INCOME</u>	<u>15,277</u>	<u>(54,723)</u>	<u>53,370</u>	
<u>OTHER REVENUES (EXPENSES)</u>				
Interest Expense	-	-	(4,908)	(4,908)
Capital Outlay	-	-	(267,800)	(267,800)
Interest Income	1,000	1,000	12,017	11,017
Grants and Contributions	<u>-</u>	<u>-</u>	<u>27,276</u>	<u>27,276</u>
<u>Total Other Revenues (Expenses)</u>	<u>1,000</u>	<u>1,000</u>	<u>(233,415)</u>	<u>(234,415)</u>
<u>INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	<u>16,277</u>	<u>(53,723)</u>	<u>(180,045)</u>	
<u>OPERATING TRANSFERS</u>				
Operating Transfers In	-	77,276	50,000	(27,276)
Operating Transfers (Out)	<u>(87,360)</u>	<u>(87,360)</u>	<u>(87,360)</u>	<u>-</u>
<u>Total Operating Transfers</u>	<u>(87,360)</u>	<u>(10,084)</u>	<u>(37,360)</u>	<u>(27,276)</u>
<u>NET INCOME (LOSS)-(NON-GAAP)</u>	<u>(71,083)</u>	<u>(63,807)</u>	<u>(217,405)</u>	
<u>RECONCILING ITEMS GAAP NET INCOME</u>				
Debt Principal	-	-	-	
Capital Outlay	<u>-</u>	<u>-</u>	<u>267,800</u>	
<u>Total Reconciling Items</u>	<u>-</u>	<u>-</u>	<u>267,800</u>	
<u>NET INCOME (LOSS)(GAAP)</u>	<u>(71,083)</u>	<u>(63,807)</u>	<u>50,395</u>	
<u>NET POSITION, Beginning,</u>				
<u>As Adjusted By Prior Period Correction</u>	<u>(674,300)</u>	<u>(674,300)</u>	<u>(588,923)</u>	
<u>NET POSITION, Ending</u>	<u>(745,383)</u>	<u>(738,107)</u>	<u>(538,528)</u>	

The accompanying notes are an integral part of these financial statements.

STATE REQUIRED SCHEDULE

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>	STATE:
	COLORADO
	YEAR ENDING (mm/yy) 12/22

This Information From The Records Of: CITY OF TRINIDAD	Prepared By: CHERYL NAVARETTE
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**I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE**

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. EXPENDITURES FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway expenditures:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ 363,431.00
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 947,547.00
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services	
c. Total (a.+b.)		a. Traffic control operations	\$ 189,509.00
2. General fund appropriations	\$ 1,611,649.00	b. Snow and ice removal	\$ 379,019.00
3. Other local imposts (from page 2)	\$ 723,788.00	c. Other	
4. Miscellaneous local receipts (from page 2)	\$ 37,215.00	d. Total (a. through c.)	\$ 568,528.00
5. Transfers from toll facilities		4. General administration & miscellaneous	\$ 25,141.00
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	\$ 833,311.00
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 2,737,958.00
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	\$ -	a. Interest	
7. Total (1 through 6)	\$ 2,372,652.00	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	\$ -
<b>C. Receipts from State government (from page 2)</b>	\$ 365,306.00	2. Notes:	
<b>D. Receipts from Federal Government (from page 2)</b>	\$ -	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	\$ 2,737,958.00	b. Redemption	
		c. Total (a + b.)	\$ -
		3. Total (1.c + 2.c)	\$ -
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total expenditures (A.6 + B.3 + C + D)</b>	\$ 2,737,958.00

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

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

**V. LOCAL ROAD AND STREET FUND BALANCE (RECEIPTS AND DISBURSEMENTS ONLY)**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		\$ 2,737,958.00	\$ 2,737,958.00		\$ -

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assesments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	\$ 15,405.00
1. Sales Taxes	\$ 299,710.00	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	\$ 21,810.00
5. Specific Ownership &/or Other	\$ 424,078.00	g. Other Misc. Receipts	
6. Total (1. through 5.)	\$ 723,788.00	h. Other	
c. Total (a. + b.)	\$ 723,788.00	i. Total (a. through h.)	\$ 37,215.00
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes (from Item I.C.5.)	\$ 332,418.00	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	\$ 32,888.00	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal	
f. Total (a. through e.)	\$ 32,888.00	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 365,306.00	3. Total (1. + 2.g)	\$ -
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			\$ -
b. Engineering Costs		\$ 13,593.00	\$ 13,593.00
c. Construction:			
(1). New Facilities			\$ -
(2). Capacity Improvements			\$ -
(3). System Preservation		\$ 349,838.00	\$ 349,838.00
(4). System Enhancement And Operation			\$ -
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ 349,838.00	\$ 349,838.00
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ -	\$ 363,431.00	\$ 363,431.00
<i>(Carry forward to page 1)</i>			

Notes and Comments:

SINGLE AUDIT SECTION

164 E. MAIN  
TRINIDAD, COLORADO 81082  
(719) 846-9241 FAX (719) 846-3352

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Mayor and City Council  
City of Trinidad  
Trinidad, Colorado 81082

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Trinidad as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise City of Trinidad's basic financial statements, and have issued our report thereon dated June 26, 2023.

**Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Report on Compliance and Other Matters

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

## Purpose of this Report

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



June 26, 2023

164 E. MAIN  
TRINIDAD, COLORADO 81082  
(719) 846-9241 FAX (719) 846-3352

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

Honorable Mayor and City Council  
City of Trinidad  
Trinidad, Colorado 81082

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

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

We have audited City of Trinidad's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of City of Trinidad's major federal programs for the year ended December 31, 2022. City of Trinidad's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

***Basis for Opinion on Each Major Federal Program***

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

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

**Responsibilities of Management for Compliance**

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

**Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Trinidad's

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Trinidad's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Trinidad's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Trinidad's internal control over compliance. Accordingly, no such opinion is expressed.

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

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

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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



June 26, 2023

CITY OF TRINIDAD, COLORADO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended December 31, 2022

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SECTION 1 - SUMMARY OF AUDITOR'S RESULTS:

FINANCIAL STATEMENTS

Auditor's Report

An unmodified opinion has been issued on the financial statements of City of Trinidad.

Internal Control Over Financial Reporting

There were no significant deficiencies or material weaknesses identified.

Noncompliance Material to Financial Statements

No instances of noncompliance in amounts material to the financial statements of City of Trinidad were disclosed by the audit.

FEDERAL AWARDS

Internal Control Over Major Programs

No significant deficiencies or material weaknesses were identified.

Auditor's Report on Compliance for Major Programs

An unmodified opinion has been issued on City of Trinidad compliance for major programs.

Audit Findings

No findings requiring disclosure in accordance with 2 CFR Section 200.516(a) were disclosed by the audit.

Major Programs

Coronavirus State and Local Fiscal Recovery Funds     ALN # 21.027

Dollar Threshold to Distinguish Type A and Type B Programs

\$750,000.

Qualification as Low-Risk Auditee

City of Trinidad qualified as a low-risk auditee for the fiscal year ended December 31, 2022.

CITY OF TRINIDAD, COLORADO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended December 31, 2022

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SECTION II – FINANCIAL STATEMENT FINDINGS

**None**

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

**None**

CITY OF TRINIDAD, COLORADO  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
For the Year Ended December 31, 2022

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NONE

CITY OF TRINIDAD, COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year ended December 31, 2022

<u>Federal Grantor/Program or Cluster Title</u>	<u>Federal ALN Number</u>	<u>Pass-through Grantor and Number</u>	<u>Name of Grant - Grant ID No.</u>	<u>Federal Expenditures(\$)</u>
<i>Highway Safety Cluster-Cluster</i>				
Department of Transportation				
National Priority Safety Programs	20.616	Colorado Department of Transportation		2,200
Total National Priority Safety Programs				<u>2,200</u>
<i>Total Highway Safety Cluster-Cluster</i>				<u>2,200</u>
<i>Other Programs</i>				
Department of the Interior				
Minerals Leasing Act	15.437	Colorado Department of Local Affairs		21,761
<i>Total Department of the Interior</i>				<u>21,761</u>
United States Department of Justice				
Bulletproof Vest Partnership Program	16.607			3,277
<i>Total United States Department of Justice</i>				<u>3,277</u>
United States Environmental Protection Agency				
Brownfields Assessment and Cleanup Cooperative Agreements	66.818		General	198,554
Brownfields Assessment and Cleanup Cooperative Agreements	66.818		Fox Theater	345,968
Total Brownfields Assessment and Cleanup Cooperative Agreements				<u>544,522</u>
<i>Total United States Environmental Protection</i>				<u>544,522</u>
National Endowment for the Humanities				
Grants to States	45.310	Colorado Department of Education		6,736
<i>Total National Endowment for the Humanities</i>				<u>6,736</u>
Department of the Treasury				
Coronavirus State and Local Fiscal Recovery Funds (Single or Program-specific Audit)	21.027 COVID-19	Colorado Department of Local Affairs	Planning	32,024
Coronavirus State and Local Fiscal Recovery Funds (Single or Program-specific Audit)	21.027 COVID-19	Colorado Department of Local Affairs	City	993,419
<i>Total Department of the Treasury</i>				<u>1,025,443</u>
<i>Total Other Programs</i>				<u>1,601,739</u>
<i>Total Expenditures of Federal Awards</i>				<u>\$ 1,603,939</u>

The accompanying notes are an integral part of this schedule.

CITY OF TRINIDAD, COLORADO  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2022

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NOTE 1 BASIS OF PRESENTATION

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

NOTE 2 PAYMENTS TO SUBRECIPIENTS

The City of Trinidad made no awards of federal financial assistance to sub-recipients in the year ended December 31, 2022.

NOTE 3 INDIRECT COSTS

The City of Trinidad elected not to use the 10 percent de minimus indirect cost rate allowed by Uniform Guidance.