

City of Trinidad, Colorado

Financial Statements
with Independent Auditor's Report

December 31, 2024



**HINKLE &
COMPANY**
Strategic ^{PC}
Business Advisors

City of Trinidad, Colorado

Table of Contents December 31, 2024

Independent Auditor’s Report	1
Management’s Discussion and Analysis	i
Basic Financial Statements	
<i>Government-wide Financial Statements</i>	
Statement of Net Position	4
Statement of Activities	5
<i>Governmental Funds</i>	
Balance Sheet	6
Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Position	7
Statement of Revenues, Expenditures and Changes in Fund Balance	8
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	9
<i>Proprietary Fund</i>	
Statement of Net Position	10
Statement of Revenues, Expenses and Changes in Net Position	11
Statement of Cash Flows.....	12
<i>Notes to Financial Statements</i>	13
Required Supplementary Information	
<i>Required Pension Disclosure</i>	
Schedule of Proportionate Share of the Net Pension (Asset) Liability and Contributions - FPPA Statewide Combined Plan.....	45
Schedule of Proportionate Share of the Net Pension (Asset) Liability and Contributions - FPPA Statewide Defined Plan	46
Schedule of Proportionate Share of the Net Pension (Asset) Liability and Contributions - FPPA Statewide Hybrid Plan	48
Schedule of Changes in Net Pension Liability (Asset), Related Ratios (Multiyear) and Contributions - Old Hire Fire Pension Plan.....	50
Schedule of Changes in Net Pension Liability (Asset), Related Ratios (Multiyear) and Contributions - Old Hire Police Pension Plan	52
<i>Budgetary Comparison Schedules</i>	
General Fund.....	54
Capital Projects Fund	56
<i>Notes to Required Supplementary Information</i>	57

City of Trinidad, Colorado

Table of Contents December 31, 2024 (Continued)

Supplementary Information

Nonmajor Governmental Funds

Balance sheet	58
Statement of Revenues, Expenditures and Changes in Fund Balance	59

Budgetary Comparison Schedules

Economic Development Fund	60
Tourism Fund	61
Lottery Fund	62
Power and Light Fund	63
Water Fund	64
Gas Fund	65
Sewer Fund	66

State Compliance

Local Highway Finance Report	67
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Business Advisors

Independent Auditor's Report

Honorable Mayor and Members of the Board of Trustees
City of Trinidad, Colorado
Trinidad, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and each major fund of the City of Trinidad, Colorado (the City) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City, 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 business-type activities and each major fund of the City as of December 31, 2024, and the respective changes in financial position and cash flows 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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.

Office Locations:

Colorado Springs, CO
Denver, CO
Frisco, CO
Tulsa, OK

Denver Office:

750 W. Hampden Avenue,
Suite 400
Englewood,
Colorado 80110
TEL: 303.796.1000
FAX: 303.796.1001
www.HinkleCPAs.com

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

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

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

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



Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information and the local highway finance report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Hick & Company, PC

Englewood, Colorado
July 30, 2025



City of Trinidad, Colorado
Management's Discussion and Analysis
December 31, 2024

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, 2024.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at December 31, 2024 by \$120,129,848 (Net Position). Of this amount, \$26,850,882 is the Unrestricted Net Position that may be used to meet the government's ongoing obligations to citizens and creditors.
- At December 31, 2024, the City's Governmental Funds reported combined ending fund balances of \$22,421,134. Approximately 31.6% of this total amount or \$7,082,182 is unassigned.
- The General Fund, presented on a current financial resources basis, reports a Fund Balance of \$13,501,025 at the end of the current fiscal year, or 84% of total General Fund expenditures.
- The City's total bond and capital lease debt was \$3,817,066 at the close of 2024.
- 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 2024 the City reported a net pension liability of \$474,407.

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.

City of Trinidad, Colorado
Management's Discussion and Analysis
December 31, 2024

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 2024. 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, and electricity 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, 2024 reflects the collection of \$60,648 in property taxes and an increase in Net Position of \$62,220. In addition, the City Council approved establishment of the La Puerta Business Improvement District in 2018. There has been very little financial activity with the collection of \$24,253 in property taxes and an increase in Net Position of \$10,899. Upon the recognition of significant financial activity, an annual audit will be scheduled.

City of Trinidad, Colorado
Management's Discussion and Analysis
December 31, 2024

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 states 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.

City of Trinidad, Colorado
Management's Discussion and Analysis
December 31, 2024

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 four enterprise funds to account for its Electric, Gas, Water, and Wastewater 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 \$120,129,848 at the close of 2024 as compared to \$118,681,357 at the close of 2023.

The largest portion of the City's Net Position (71%) reflects its investment in capital assets, less than 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.

City of Trinidad, Colorado
Management's Discussion and Analysis
December 31, 2024

The following table reflects a condensed Statement of Net Position.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2023	2024	2023	2024	2023	2024
Current & Other Assets	\$29,643,892	\$25,906,745	\$17,264,545	\$17,925,825	\$ 46,908,437	\$ 43,832,570
Capital Assets	51,074,501	56,379,880	34,202,501	33,008,835	85,277,002	89,388,715
Total Assets	<u>80,718,393</u>	<u>82,286,625</u>	<u>51,467,046</u>	<u>50,934,660</u>	<u>132,185,439</u>	<u>133,221,285</u>
Deferred Outflows	628,399	686,723	2,753,719	1,364,192	3,382,118	2,050,915
Long-term Liabilities	1,865,264	3,832,651	6,897,665	3,997,879	8,762,929	7,830,530
Other Liabilities	2,880,361	2,212,610	3,277,783	3,442,429	6,158,144	5,655,039
Total Liabilities	<u>4,745,625</u>	<u>6,045,261</u>	<u>10,175,448</u>	<u>7,440,308</u>	<u>14,921,073</u>	<u>13,485,569</u>
Deferred Inflows	1,965,127	1,656,783	-	-	1,965,127	1,656,783
Net Position:						
Invested in Capital Assets, net of related debt	51,074,501	56,245,551	28,804,165	29,326,098	79,878,666	85,571,649
Restricted	8,408,898	8,574,202	-	-	8,408,898	8,574,202
Unrestricted	15,152,641	10,451,551	15,241,152	15,532,446	30,393,793	25,983,997
Total Net Position	<u>\$74,636,040</u>	<u>\$75,271,304</u>	<u>\$44,045,317</u>	<u>\$44,858,544</u>	<u>\$118,681,357</u>	<u>\$120,129,848</u>

The City's combined Net Position was \$120,129,848 at December 31, 2024 of which \$25,983,997 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 \$44,858,544 at December 31, 2024. The Net Position is used to finance the continuing operations of the utilities.

City of Trinidad, Colorado
Management's Discussion and Analysis
December 31, 2024

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	
	2023	2024	2023	2024	2023	2024
Revenues:						
Program Revenues:						
Charges for Services	\$ 1,672,366	\$ 1,364,478	\$16,913,840	\$17,782,153	\$ 18,586,206	\$ 19,146,631
Operating Capital Grants & Contributions	2,583,444	1,445,290	1,687,625	698,663	4,271,069	2,143,953
General Revenues:						
Property Taxes	1,385,082	1,665,618	-	-	1,385,082	1,665,618
Other Taxes	12,475,088	11,472,146	-	-	12,475,088	11,472,146
Other Revenues	1,325,037	1,480,469	1,352,850	692,601	2,677,887	2,173,070
Investment Earnings	896,097	975,370	347,844	403,209	1,243,941	1,378,579
Total Revenues	20,337,114	18,403,371	20,302,159	19,576,626	40,639,273	37,979,997
Expenses:						
General Government	5,298,434	5,395,688	-	-	5,298,434	5,395,688
Public Safety	7,806,880	6,158,928	-	-	7,806,880	6,158,928
Public Works	4,985,235	4,827,419	-	-	4,985,235	4,827,419
Parks, Culture and Recreation	1,591,963	1,644,012	-	-	1,591,963	1,644,012
Economic Development	493,849	329,427	-	-	493,849	329,427
Business-type	-	-	16,475,974	18,176,032	16,475,974	18,176,032
Total Expenses	20,176,361	18,355,474	16,475,974	18,176,032	36,652,335	36,531,506
Increase in Net Position before Transfers	160,753	47,897	3,826,185	1,400,594	3,986,938	1,448,491
Transfers	1,372,537	587,367	(1,372,537)	(587,367)	-	-
Increase in Net Position	1,533,290	635,264	2,453,648	813,227	3,986,938	1,448,491
Net Position - January 1	73,102,750	74,636,040	41,591,669	44,045,317	114,694,419	118,681,357
Net Position - December 31	<u>\$74,636,040</u>	<u>\$75,271,304</u>	<u>\$44,045,317</u>	<u>\$44,858,544</u>	<u>\$118,681,357</u>	<u>\$ 120,129,848</u>

Total City revenue was \$38 million and the total cost of all programs and services was \$36.5 million.

City of Trinidad, Colorado
Management's Discussion and Analysis
December 31, 2024

Governmental Activities. Revenues for governmental activities decreased in 2024 to \$18.4 million, a decrease of \$1.9 million from 2023 and expenses decreased to \$18.4 million or \$1.8 million less than 2023.

Business-Type Activities. Operating revenues for business-type activities decreased in 2024 to \$19.6 million, a decrease of \$726,000 from 2023 and expenses increased to \$18.2 million or \$1.7 million more than 2023.

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

	Cost of Services			
	2023		2024	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
General Government	\$ 5,298,434	\$ 3,583,775	\$ 5,395,688	\$ 3,924,374
Public Safety	7,806,880	7,734,218	6,158,928	6,098,738
Public Works	4,985,235	4,775,133	4,827,419	4,588,507
Parks, Culture and Rec	1,591,963	(666,424)	1,644,012	604,660
Economic Development	493,849	493,849	329,427	329,427
Total	<u>\$ 20,176,361</u>	<u>\$ 15,920,551</u>	<u>\$ 18,355,474</u>	<u>\$ 15,545,706</u>

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 2024, the City's Governmental Funds reported total combined fund balances of \$22,421,134 of which approximately 38.2% (\$8,574,202) is restricted for TABOR Emergency Reserve, Parks & Recreation, Capital Projects, and Debt Service. Of the reserve fund balance, 21.5% (\$4,824,233) is committed to city projects, compensated absences, economic development land acquisition, fleet and the Library. 8.4% is assigned to Economic Development and Tourism Promotion (Lodging Tax).

City of Trinidad, Colorado
Management's Discussion and Analysis
December 31, 2024

The General Fund is the chief operating fund of the City. At the end of 2024, the unassigned fund balance of the General Fund was \$7,082,182 while total fund balance was \$13,501,025. 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 44% of total General Fund expenditures, while total fund balance represents 84% of that same amount.

The fund balance of the City's General Fund decreased by nearly \$2 million in 2024. Of note, as of January 1, 2024, the Landfill Enterprise Fund was returned to the General Fund (by a vote of the electorate), carrying forward a \$941,478 negative net position.

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, 2024 for the Proprietary Funds was as follows:

	Unrestricted Net Position		
	2023	2024	Variance
Gas Utilities	\$ 7,662,563	\$ 6,303,830	\$ (1,358,733)
Electric Utilities	1,721,601	1,230,673	(490,928)
Water Utilities	4,735,796	5,301,648	565,852
Sewer Utilities	2,062,670	2,696,295	633,625
Landfill Utilities	(941,478)	-	941,478
Total	\$ 15,241,152	\$ 15,532,446	\$ 291,294

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 2024 appropriation ordinance totaled \$82,987,365, an increase of \$16,362,867 over 2023. During the year the budget was amended by \$3,125,445 increasing the appropriation to \$86,112,810. General Fund Revenue totals were \$184,862 more than the amended and approved 2024 budget. General Fund Expenditure totals were \$1,171,570 under the amended and approved 2024 budget.

City of Trinidad, Colorado
Management's Discussion and Analysis
December 31, 2024

Capital Assets and Debt Administration

At the end of 2024, the City had \$89,388,715 (net of accumulated depreciation) in a broad range of capital assets and infrastructure. This amount represents a net increase (including additions and deletions) of \$4.1 million from 2023. \$592,885 or 0.7% 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	
	2023	2024	2023	2024	2023	2024
Land, Equity, Water Rights	\$ 1,593,247	\$ 1,709,240	\$ 2,214,456	\$ 2,069,892	\$ 3,807,703	\$ 3,779,132
Infrastructure	18,963,504	26,000,903	-	-	18,963,504	26,000,903
Buildings & Systems	18,455,467	18,429,036	28,951,932	29,091,975	47,407,399	47,521,011
Construction in Progress	9,715,562	6,739,940	1,294,880	698,427	11,010,442	7,438,367
Equipment & Vehicles	2,346,721	3,500,761	1,741,233	1,148,541	4,087,954	4,649,302
Total Net Capital Assets	\$51,074,501	\$56,379,880	\$34,202,501	\$33,008,835	\$85,277,002	\$89,388,715

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 2024 year.

Outstanding Debt at Year End						
	Governmental Activities		Business-type Activities		Total	
	2023	2024	2023	2024	2023	2024
Landfill Closure/Post closure	\$ -	\$ 2,442,921	\$ 2,331,576	\$ -	\$ 2,331,576	\$ 2,442,921
Lease Purchases	-	134,329	4,204,416	3,682,737	4,204,416	3,817,066
Compensated Absences	979,237	916,133	832,247	767,821	1,811,484	1,683,954
Total Debt	\$ 979,237	\$ 3,493,383	\$ 7,368,239	\$ 4,450,558	\$ 8,347,476	\$ 7,943,941

Net decrease in debt for 2024 was \$403,535. Debt due within the next year is \$587,818. 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,

City of Trinidad, Colorado
Management's Discussion and Analysis
December 31, 2024

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 9.2% decrease in general sales tax and marijuana sales tax revenue for 2024 as compared to 2023 and a 13.1% decrease as compared to 2022 as a result of a significant decline in economic activity centered primarily on retail marijuana sales coupled with overall reduced spending nationwide due to increased inflation. At the time the 2024 Budget was adopted, it was expected both taxes would decrease by 5.3% in 2024.

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 look for ways to diversify its economy, including adding to its outdoor tourism. New pickleball courts are slated to be complete before the end of 2025, offering the ability to attract tournaments. With a planned new section of interstate that would be part of the U. S. Ports-to-Plains Corridor that will connect Interstate 27 in north Texas to Interstate 25 in Raton, New Mexico, a number of new fueling stations have cropped up along the route. The City has annexed property on both the east and west sides of Exit 18 on Interstate 25 to accommodate newly-built large gas and convenience stations that are expected to open in early Fall, 2025. Another will be constructed by mid-year 2026. Additionally, efforts continue to rehabilitate the Fox West Theatre to return it to a performance venue. Private investments will add to the local economy. Those investments include a developer providing 15 new residential lots, an investment firm constructing a new \$2.25 million commercial building and a new \$2.4 million entertainment venue with restaurant near the Trinidad Municipal Golf Course.

The Housing Now Incentive Program undertaken by the Trinidad City Council in 2022 has seen great success in developing affordable workforce housing. 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. This \$2 million dollar investment has been leveraged to generate \$24 million dollars in private investment and will result in 160 additional affordable housing units by the close of 2026. Included in that estimate through use of program funding and combined with private and grant funding, the City will see a complete rehabilitation of four blocks of Church Street and the former Holy Trinity School.

City of Trinidad, Colorado
Management's Discussion and Analysis
December 31, 2024

Fiscal Year 2025 Budget

In December of 2024, the City adopted the 2025 annual operating budget, which provided \$87,428,715 in appropriations. This budget anticipated \$7.6 million more in revenue receipts as budgeted in FY 2024. 2025 General Fund operating expenditures were budgeted \$3.8 million less than the amended and approved 2024 budgeted amounts. Capital expenditures include \$1.3 million budgeted for ADA compliance projects throughout the City and \$1 million budgeted for citywide paving projects. Also, \$3.5 million has been budgeted for the DOLA Church & Convent Street Improvements and Holy Trinity Apartments Projects, and \$2 million has been budgeted for the CDOT Santa Fe Trail Pedestrian Path Grant Project. Finally, \$23.4 million has been budgeted for the US Department of Transportation Southwest Chief Restoration Grant Project. Major capital expenditures planned for utilities include \$4.3 million for the Power & Light 4160 and Substructure Improvements Project, \$5.5 million for the Water Department water tank rehabilitation and water main replacement projects, \$600,000 for the Gas Department new gate station at Industrial Park and \$152,000 for gas line repairs at Van Buren Street, High Street and Alley A. The Sewer Fund has budgeted \$800,000 for the purchase of a Jet Vac Truck.

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, 2024

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Assets				
Cash and Cash Equivalents	\$ 16,178,089	\$ 11,638,265	\$ 27,816,354	\$ 601,341
Restricted Cash and Cash Equivalents	5,690,363	3,359,912	9,050,275	-
Accounts Receivable	838,456	1,468,877	2,307,333	728
Taxes Receivable	1,741,945	-	1,741,945	-
Property Taxes Receivable	1,411,167	-	1,411,167	-
Inventories	46,725	1,458,771	1,505,496	-
Capital Assets, <i>Not Being Depreciated</i>	8,449,180	2,768,319	11,217,499	-
Capital Assets, <i>Net of Accumulated Depreciation</i>	47,930,700	30,240,516	78,171,216	-
Total Assets	82,286,625	50,934,660	133,221,285	602,069
Deferred Outflows of Resources				
Deferred Gas Charges	-	1,364,192	1,364,192	-
Deferred Outflows Due to Pensions	686,723	-	686,723	-
Total Deferred Outflows of Resources	686,723	1,364,192	2,050,915	-
Liabilities				
Accounts Payable	1,163,633	1,448,837	2,612,470	-
Retainage Payable	76,639	11,413	88,052	-
Accrued Interest Payable	3,027	41,059	44,086	-
Accrued Expenses	260	60,601	60,861	-
Accrued Salaries	240,439	86,489	326,928	-
Unearned Revenue	593,473	1,075,232	1,668,705	-
Deposits	-	266,119	266,119	-
Net Pension Liability	474,407	-	474,407	-
Long-term Liabilities				
Due Within One Year	135,139	452,679	587,818	-
Due In More Than One Year	3,358,244	3,997,879	7,356,123	-
Total Liabilities	6,045,261	7,440,308	13,485,569	-
Deferred Inflows of Resources				
Deferred Inflows Due to Pensions	245,616	-	245,616	-
Unavailable Revenue - Property Taxes	1,411,167	-	1,411,167	-
Total Deferred inflows of Resources	1,656,783	-	1,656,783	-
Net Position				
Net Investment in Capital Assets	56,245,551	29,326,098	85,571,649	-
Restricted for:				
Emergencies (TABOR)	681,000	-	681,000	-
Debt Service	866,885	-	866,885	-
Capital Improvements	6,836,061	-	6,836,061	-
Parks and Recreation	190,256	-	190,256	-
Unrestricted, unreserved	10,451,551	15,532,446	25,983,997	602,069
Total Net Position	\$ 75,271,304	\$ 44,858,544	\$ 120,129,848	\$ 602,069

See Notes to the Financial Statements.

City of Trinidad, Colorado
Statement of Activities
For the Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Primary Government							
Governmental Activities							
General Government	\$ 5,395,688	\$ 963,538	\$ 507,776	\$ (3,924,374)	\$ -	\$ (3,924,374)	\$ -
Public Safety	6,158,928	60,190	-	(6,098,738)	-	(6,098,738)	-
Public Works	4,827,419	238,912	-	(4,588,507)	-	(4,588,507)	-
Culture and Recreation	1,644,012	101,838	937,514	(604,660)	-	(604,660)	-
Economic Development	329,427	-	-	(329,427)	-	(329,427)	-
Total Governmental Activities	18,355,474	1,364,478	1,445,290	(15,545,706)	-	(15,545,706)	-
Business-Type Activities							
Power & Light	7,805,167	8,098,916	158,827	-	452,576	452,576	-
Water	3,426,793	3,339,365	442,986	-	355,558	355,558	-
Gas	4,757,715	3,845,448	49,264	-	(863,003)	(863,003)	-
Sewer	2,186,357	2,498,424	47,586	-	359,653	359,653	-
Total Business-Type Activities	18,176,032	17,782,153	698,663	-	304,784	304,784	-
Total Primary Government	\$ 36,531,506	\$ 19,146,631	\$ 2,143,953	(15,545,706)	304,784	(15,240,922)	-
Total Component Units	\$ 18,938	\$ -	\$ -	-	-	-	(18,938)
General Revenues							
Taxes							
Property				1,665,618	-	1,665,618	84,901
Specific ownership				240,935	-	240,935	-
General sales				11,142,039	-	11,142,039	-
Franchise				89,172	-	89,172	-
Other				365,355	-	365,355	1,216
Investment Income				975,370	403,209	1,378,579	5,927
Gain on Sale of Assets				-	344,598	344,598	-
Miscellaneous				1,115,114	348,003	1,463,117	13
Transfers				587,367	(587,367)	-	-
Total General Revenues and Transfers				16,180,970	508,443	16,689,413	92,057
Change in Net Position				635,264	813,227	1,448,491	73,119
Net Position, Beginning of year				74,636,040	44,045,317	118,681,357	528,950
Net Position, End of year				\$ 75,271,304	\$ 44,858,544	\$ 120,129,848	\$ 602,069

City of Trinidad, Colorado
 Balance Sheet
 Governmental Funds
 December 31, 2024

	Major Funds			Total
	General	Capital Projects	Non-Major Funds	
Assets				
Cash and cash equivalents				
Unrestricted	\$ 7,024,602	\$ 7,117,858	\$ 2,035,629	\$ 16,178,089
Restricted	5,690,363	-	-	5,690,363
Property Taxes Receivable	1,411,167	-	-	1,411,167
Other Taxes Receivable	1,292,495	384,648	64,802	1,741,945
Accounts Receivable	446,535	390,854	1,067	838,456
Inventories	46,725	-	-	46,725
	<u>\$ 15,911,887</u>	<u>\$ 7,893,360</u>	<u>\$ 2,101,498</u>	<u>\$ 25,906,745</u>
Liabilities				
Accounts Payable	\$ 601,088	\$ 546,721	\$ 15,824	\$ 1,163,633
Retainage Payable	-	76,639	-	76,639
Accrued Expenses	-	-	260	260
Accrued Salaries	239,073	-	1,366	240,439
Unearned Revenue	159,534	433,939	-	593,473
	<u>999,695</u>	<u>1,057,299</u>	<u>17,450</u>	<u>2,074,444</u>
Deferred Inflows of Resources				
Property Taxes	1,411,167	-	-	1,411,167
Fund Balance				
Nonspendable				
Inventories	46,725	-	-	46,725
Restricted for:				
Emergencies (TABOR)	681,000	-	-	681,000
Debt Service	866,885	-	-	866,885
Capital Improvement	-	6,836,061	-	6,836,061
Parks and Recreation	-	-	190,256	190,256
Committed				
Library	49,233	-	-	49,233
Specific Projects and Uses	4,775,000	-	-	4,775,000
Assigned				
Tourism Promotion	-	-	156,264	156,264
Economic Development	-	-	1,737,528	1,737,528
Unassigned	7,082,182	-	-	7,082,182
	<u>13,501,025</u>	<u>6,836,061</u>	<u>2,084,048</u>	<u>22,421,134</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 15,911,887</u>	<u>\$ 7,893,360</u>	<u>\$ 2,101,498</u>	<u>\$ 25,906,745</u>

See Notes to the Financial Statements.

City of Trinidad, Colorado
 Reconciliation of the Balance Sheet of the Governmental Funds
 to the Statement of Net Position
 December 31, 2024

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

Total Fund Balance of Governmental Funds	\$ 22,421,134
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in governmental funds.	56,379,880
Pension assets and deferred outflows are not current, therefore, are not reported in governmental funds:	
Net Pension Liability	(474,407)
Deferred Outflows, Pensions	686,723
Deferred Inflows, Pensions	(245,616)
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds.	
Accrued Interest Payable	(3,027)
Landfill Post-closure Liability	(2,442,921)
Lease Purchase Liability	(134,329)
Accrued Compensated Absences	(916,133)
Total Net Position of Governmental Activities	\$ 75,271,304

City of Trinidad, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2024

	Major Funds			Total
	General	Capital Projects	Non-Major Funds	
Revenues				
Taxes	\$ 10,738,302	\$ 2,399,462	\$ 365,355	\$ 13,503,119
Licenses and Permits	222,375	-	-	222,375
Intergovernmental	882,949	1,153,802	101,838	2,138,589
Charges for Services	412,728	-	-	412,728
Fines and Forfeitures	36,076	-	-	36,076
Investment Income	584,734	346,429	44,207	975,370
Miscellaneous	1,043,175	32,545	39,395	1,115,115
Total Revenues	<u>13,920,339</u>	<u>3,932,238</u>	<u>550,795</u>	<u>18,403,372</u>
Expenditures				
Current				
General Government	4,637,677	1,370,709	93,402	6,101,788
Public Safety	6,310,609	-	-	6,310,609
Public Works	2,901,032	2,253,346	-	5,154,378
Culture and Recreation	962,831	3,170,888	86,417	4,220,136
Economic Development	169,662	-	159,765	329,427
Tourism	-	-	638,512	638,512
Capital Outlay	1,062,990	55,608	-	1,118,598
Total Expenditures	<u>16,044,801</u>	<u>6,850,551</u>	<u>978,096</u>	<u>23,873,448</u>
Excess Revenues Over (Under) Expenditures	<u>(2,124,462)</u>	<u>(2,918,313)</u>	<u>(427,301)</u>	<u>(5,470,076)</u>
Other Financing Sources (Uses)				
Transfers In	2,852,452	2,180,161	109,109	5,141,722
Transfers Out	(2,716,200)	-	(7,281)	(2,723,481)
Other Financing Sources (Uses)	<u>136,252</u>	<u>2,180,161</u>	<u>101,828</u>	<u>2,418,241</u>
Net Change in Fund Balance	(1,988,210)	(738,152)	(325,473)	(3,051,835)
Fund Balance, Beginning of Year	<u>15,489,235</u>	<u>7,574,213</u>	<u>2,409,521</u>	<u>25,472,969</u>
Fund Balance, End of Year	<u>\$ 13,501,025</u>	<u>\$ 6,836,061</u>	<u>\$ 2,084,048</u>	<u>\$ 22,421,134</u>

City of Trinidad, Colorado
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balance of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2024

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balance of Governmental Funds	\$	(3,051,835)
<p>Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.</p>		
Capital Outlays		8,531,610
Depreciation Expense		(3,222,351)
Disposal of Assets		(3,880)
<p>FPPA Pension liabilities reported in governmental funds as expenditures when contributions are made. However, for governmental activities those costs are reflected as liabilities when incurred.</p>		
Net Pension Liability		500,339
Deferred Outflows of Resources		58,324
Deferred Inflows of Resources		340,230
<p>Repayments of long-term liabilities are expenditures in governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities.</p>		
Transfer of the Liabilities in the Landfill Fund to Governmental Activities		(2,533,516)
Change in Landfill Closure/Post Closure		(111,345)
Change in Accrued Interest		(3,027)
Change in Accrued Compensated Absences		88,394
Payment of Lease Purchase Liability		42,321
		42,321
Change in Net Position of Governmental Activities	\$	635,264

City of Trinidad, Colorado
Statement of Net Position
Proprietary Fund
December 31, 2024

Assets	Power and Light	Water	Gas	Sewer	Non-Major Landfill	Total
<i>Current Assets</i>						
Cash and Investments	\$ 933,749	\$ 3,810,481	\$ 4,314,494	\$ 2,579,541	\$ -	\$ 11,638,265
Restricted Cash and Investments	539,752	2,486,984	333,176	-	-	3,359,912
Accounts Receivable	586,868	269,815	449,609	162,585	-	1,468,877
Inventory	633,311	334,414	491,046	-	-	1,458,771
Total Current Assets	2,693,680	6,901,694	5,588,325	2,742,126	-	17,925,825
<i>Noncurrent Assets</i>						
Capital Assets, <i>Not Being Depreciated</i>	278,187	1,788,244	322,564	379,324	-	2,768,319
Capital Assets, <i>Net of Accumulated Depreciation</i>	4,187,416	16,583,444	2,611,986	6,857,670	-	30,240,516
Total Noncurrent Assets	4,465,603	18,371,688	2,934,550	7,236,994	-	33,008,835
Total Assets	7,159,283	25,273,382	8,522,875	9,979,120	-	50,934,660
Deferred Inflow of Resources	-	-	1,364,192	-	-	1,364,192
Liabilities						
<i>Current Liabilities</i>						
Accounts Payable	972,176	217,777	226,739	32,145	-	1,448,837
Retainage Payable	-	-	-	11,413	-	11,413
Accrued Interest Payable	19,881	14,211	6,967	-	-	41,059
Accrued Expenses	32,906	-	27,695	-	-	60,601
Accrued Salaries	36,154	29,166	18,896	2,273	-	86,489
Unearned Revenue	-	1,070,048	5,184	-	-	1,075,232
Current Portion of Noncurrent Liabilities	196,697	163,980	92,002	-	-	452,679
Total Current Liabilities	1,257,814	1,495,182	377,483	45,831	-	3,176,310
<i>Noncurrent Liabilities</i>						
Deposits	109,867	18,395	137,857	-	-	266,119
Long-Term Liabilities	1,571,989	1,566,812	859,078	-	-	3,997,879
Total Noncurrent Liabilities	1,681,856	1,585,207	996,935	-	-	4,263,998
Total Liabilities	2,939,670	3,080,389	1,374,418	45,831	-	7,440,308
Net Position						
Net Investment in Capital Assets	2,988,940	16,891,345	2,208,819	7,236,994	-	29,326,098
Restricted for Debt Service	-	-	-	-	-	-
Unrestricted	1,230,673	5,301,648	6,303,830	2,696,295	-	15,532,446
Total Net Position	\$ 4,219,613	\$ 22,192,993	\$ 8,512,649	\$ 9,933,289	-	\$ 44,858,544

City of Trinidad, Colorado
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
For the Year Ended December 31, 2024

	Power and Light	Water	Gas	Sewer	Non-Major Landfill	Total
Operating Revenues						
Charges for Services	\$ 8,098,916	\$ 3,339,365	\$ 3,845,448	\$ 2,498,424	\$ -	\$ 17,782,153
Miscellaneous	<u>158,827</u>	<u>442,986</u>	<u>49,264</u>	<u>47,586</u>	<u>-</u>	<u>698,663</u>
Total Operating Revenues	<u>8,257,743</u>	<u>3,782,351</u>	<u>3,894,712</u>	<u>2,546,010</u>	<u>-</u>	<u>18,480,816</u>
Operating Expenses						
General and Administrative	1,765,210	1,805,601	977,053	263,088	-	4,810,952
Purchased Services	5,463,826	590	3,357,593	-	-	8,822,009
Operations	47,077	245,086	4,587	1,583,445	-	1,880,195
Distribution / Collection	207,207	522,817	186,338	19,731	-	936,093
Depreciation	<u>259,300</u>	<u>792,157</u>	<u>202,464</u>	<u>320,093</u>	<u>-</u>	<u>1,574,014</u>
Total Operating Expenses	<u>7,742,620</u>	<u>3,366,251</u>	<u>4,728,035</u>	<u>2,186,357</u>	<u>-</u>	<u>18,023,263</u>
Net Operating Income	515,123	416,100	(833,323)	359,653	-	457,553
Non-Operating Revenues (Expenses)						
Grant Revenue	-	-	92,203	-	-	92,203
Capital Contributions	255,800	-	-	-	-	255,800
Gain on Sale of Assets	-	344,598	-	-	-	344,598
Interest Income	32,652	164,143	167,120	39,294	-	403,209
Interest Expense	<u>(62,547)</u>	<u>(60,542)</u>	<u>(29,680)</u>	<u>-</u>	<u>-</u>	<u>(152,769)</u>
Net Income (Loss) Before Contributed Capital	<u>741,028</u>	<u>864,299</u>	<u>(603,680)</u>	<u>398,947</u>	<u>-</u>	<u>1,400,594</u>
Contributed Capital and Transfers						
Transfers In	20,000	15,750	35,000	356,180	417,236	844,166
Transfers Out	<u>(554,757)</u>	<u>(344,168)</u>	<u>(393,630)</u>	<u>(138,978)</u>	<u>-</u>	<u>(1,431,533)</u>
Total Capital Contributions and Transfers	<u>(534,757)</u>	<u>(328,418)</u>	<u>(358,630)</u>	<u>217,202</u>	<u>417,236</u>	<u>(587,367)</u>
Change in Net Position	206,271	535,881	(962,310)	616,149	417,236	813,227
Net Position, Beginning of Year	<u>4,013,342</u>	<u>21,657,112</u>	<u>9,474,959</u>	<u>9,317,140</u>	<u>(417,236)</u>	<u>44,045,317</u>
Net Position, End of Year	<u>\$ 4,219,613</u>	<u>\$ 22,192,993</u>	<u>\$ 8,512,649</u>	<u>\$ 9,933,289</u>	<u>\$ -</u>	<u>\$ 44,858,544</u>

City of Trinidad, Colorado
Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2024

	Power and Light	Water	Gas	Sewer	Non-Major Landfill	Total
Cash Flows From Operating Activities						
Cash Received from Customers	\$ 7,978,420	\$ 3,264,540	\$ 5,119,535	\$ 2,503,673	\$ -	\$ 18,866,168
Cash Received from Others	158,827	442,986	49,264	47,586	-	698,663
Cash Paid to Suppliers	(5,962,138)	(1,432,249)	(4,055,522)	(1,745,270)	-	(13,195,179)
Cash Paid to Employees	(1,193,966)	(938,485)	(646,374)	(92,439)	-	(2,871,264)
Net Cash Provided by Operating Activities	<u>981,143</u>	<u>1,336,792</u>	<u>466,903</u>	<u>713,550</u>	<u>-</u>	<u>3,498,388</u>
Cash Flows From Noncapital Financing Activities						
Donations Received	255,800	-	-	-	-	255,800
Grants Received	-	-	92,203	-	-	92,203
Transfer to Other Funds	(534,757)	(328,418)	(358,630)	217,202	(1,380,995)	(2,385,598)
Net Cash Provided by Noncapital Financing Activities	<u>(278,957)</u>	<u>(328,418)</u>	<u>(266,427)</u>	<u>217,202</u>	<u>(1,380,995)</u>	<u>(2,037,595)</u>
Cash Flows From Capital and Related Financing Activities						
Acquisition and Construction of Capital Assets	(352,854)	(382,348)	(211,666)	(291,204)	-	(1,238,072)
Sale of Capital Assets	-	348,407	-	-	-	348,407
Debt Principal Payments	(153,737)	(128,363)	(62,929)	-	-	(345,029)
Debt Interest Payments	(65,649)	(61,775)	(30,284)	-	-	(157,708)
Net Cash Used by Capital and Related Financing Activities	<u>(572,240)</u>	<u>(224,079)</u>	<u>(304,879)</u>	<u>(291,204)</u>	<u>-</u>	<u>(1,392,402)</u>
Cash Flows From Investing Activities						
Interest received	32,652	164,143	167,120	39,294	-	403,209
Net Cash Used by Capital and Related Financing Activities	<u>32,652</u>	<u>164,143</u>	<u>167,120</u>	<u>39,294</u>	<u>-</u>	<u>403,209</u>
Net Change in Cash and Cash Equivalents	162,598	948,438	62,717	678,842	(1,380,995)	471,600
Cash and Cash Equivalents, Beginning of Year	1,310,903	5,349,027	4,584,953	1,900,699	1,380,995	14,526,577
Cash and Cash Equivalents, End of Year	<u>\$ 1,473,501</u>	<u>\$ 6,297,465</u>	<u>\$ 4,647,670</u>	<u>\$ 2,579,541</u>	<u>\$ -</u>	<u>\$ 14,998,177</u>
Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities:						
Net Operating Income	\$ 515,123	\$ 416,100	\$ (833,323)	\$ 359,653	\$ -	\$ 457,553
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities						
Depreciation Expense	287,872	792,157	202,464	320,093	-	1,602,586
Changes in:						
Accounts Receivable	55,376	(48,812)	(102,754)	5,249	-	(90,941)
Inventory	(48,704)	81	(95,194)	-	-	(143,817)
Accounts Payable	396,694	179,433	(95,096)	31,610	-	512,641
Accrued Expenses	(678)	-	8,557	-	-	7,879
Accrued Salaries	5,075	5,279	1,757	(3,055)	-	9,056
Accrued Compensated Absences	(61,354)	18,567	3,651	-	-	(39,136)
Purchased Gas	-	-	1,389,527	-	-	1,389,527
Unearned Revenue	(163,296)	(24,781)	(3,366)	-	-	(191,443)
Deposits	(4,965)	(1,232)	(9,320)	-	-	(15,517)
Net Cash Provided by Operating Activities	<u>\$ 981,143</u>	<u>\$ 1,336,792</u>	<u>\$ 466,903</u>	<u>\$ 713,550</u>	<u>\$ -</u>	<u>\$ 3,498,388</u>
Total Cash and Cash Equivalents						
Unrestricted	\$ 933,749	\$ 3,810,481	\$ 4,314,494	\$ 2,579,541	\$ -	\$ 11,638,265
Restricted	<u>539,752</u>	<u>2,486,984</u>	<u>333,176</u>	<u>-</u>	<u>-</u>	<u>3,359,912</u>
	<u>\$ 1,473,501</u>	<u>\$ 6,297,465</u>	<u>\$ 4,647,670</u>	<u>\$ 2,579,541</u>	<u>\$ -</u>	<u>\$ 14,998,177</u>

See Notes to the Financial Statements.

City of Trinidad, Colorado
Notes to Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies

The City of Trinidad, Colorado (the City) was incorporated under Colorado statutes in 1876 and provides services related to public safety, highways and streets, airport, water, recreation, planning and zoning, and general administration. The City is the lowest level of government having oversight responsibility and control over all activities within the geographical area organized as the City of Trinidad, Colorado. 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 and recreation, public improvements, planning and zoning, and general administrative services.

The City's financial statements are prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

Reporting Entity

In accordance with governmental accounting standards, the City has considered the possibility of inclusion of additional entities in its basic financial statements.

The definition of the reporting entity is based primarily on financial accountability. The City is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if the City officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the City. The City may also be financially accountable for governmental organizations that are fiscally dependent upon it.

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.

City of Trinidad, Colorado

Notes to Financial Statements

December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

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 of the nonfiduciary activities of the City. 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.

The statement of net position reports all financial, capital and debt resources of the City. The difference between assets, liabilities and deferred inflows of the City is net position.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Fund Financial Statements

Following the government-wide financial statements are separate financial statements for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The total fund balances for all governmental funds is reconciled to total net position for governmental activities as shown on the statement of net position. The net change in fund balance for all governmental funds is reconciled to the total change in net position as shown on the statement of activities in the government-wide financial statements.

Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with self-balancing accounts. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The City has all three categories of funds: governmental, proprietary, and fiduciary.

City of Trinidad, Colorado

Notes to Financial Statements

December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

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 financial statements. Revenues are recorded when earned and expenses are recorded when the 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 collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, specific ownership taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

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, are recorded only when payment is due.

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. Operating expenses for 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.

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

The City reports the following major Governmental funds:

General Fund - The General Fund is used to account for all financial resources except those required to be accounted for in another fund and is the general operating fund of the City.

Capital Projects Fund - The Capital Projects Fund is a special revenue fund that accounts for the use of revenues from a 1% sales tax earmarked for capital improvement projects.

City of Trinidad, Colorado

Notes to Financial Statements

December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

(Continued)

The City also reports the following major enterprise funds:

Power and Light Fund - The Power and Light Fund accounts for all activities necessary for the provision of electrical generation and distribution to the City residents.

Water Fund - The Water Fund accounts for all activities necessary for the provision of water services to the City residents.

Gas Fund - The Gas Fund accounts for all activities necessary for the provision of natural gas services to the City residents.

Sewer Fund - The Sewer Fund accounts for all activities necessary for the provision of sewer services to the City residents.

Natural Gas Cost

The City applies the provisions of standards originally issued under Financial Accounting Standards 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 sheet. 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.

City Ordinances require the City to adjust customer's gas bills for charges between estimated and actual costs of gas purchased. An under-recovery of \$1,364,192 for the purchased natural gas adjustment was recorded at December 31, 2024.

Cash and Investments

The City considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. State statutes and City policy authorize the City to invest in obligations of the United States or any agency thereof, time deposit certificates, and repurchase agreements. The Pension Trust Funds are also authorized to invest in corporate common or preferred stocks, bonds and mortgages, real or personal property, and other evidence of indebtedness or ownership (excluding any debt of the City itself), and individual insurance policies.

City of Trinidad, Colorado

Notes to Financial Statements

December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Receivables

The City uses the allowance method for recognizing the uncollectable delinquent accounts receivable. At December 31, 2024, no allowance has been established, as all amounts are considered collectible. Each October, any utility bills more than 60 days old are certified to the County Treasurer for collection with the property taxes to be collected the following year.

Property Taxes

Property taxes are assessed in one year as a lien on the property, but not collected by governmental units until the subsequent year. In accordance with GAAP, the assessed, but uncollected, property taxes for calendar year 2024 have been recorded as receivable and as deferred revenue. Property taxes are billed and collected by Chaffee County, Colorado and distributed to the municipalities and special districts within the county the month after collection.

Inventories

Water parts are valued at market values based on current pricing. Airport fuel inventories are valued at average cost.

Interfund Receivables and Payables

Transfers of resources from a fund receiving revenue to the fund through which the resources are to be expended are recorded as transfers. Such transfers are reported as other financing sources (uses) in the governmental funds and transfers in (out) in the proprietary funds.

Transactions between the City's various funds are accounted for as revenues and expenditures or expenses in the funds involved if they are similar to transactions with organizations external to the City government.

Activity between funds that is representative of borrowing/lending arrangements outstanding at the end of the fiscal year is referred to as either "due to/due from other funds.". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

In the process of aggregating data for the statement of net position and the statement of activities some amounts reported on interfund activity and balances in the funds have been eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activity's column.

City of Trinidad, Colorado

Notes to Financial Statements

December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Deferred Outflows and 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 future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item qualifying for this category: the collective deferred outflows related to the City's net pension obligation. Pension contributions made after the measurement date, and the net difference between projected and actual earnings will be recognized as a change of the net pension liability or asset in future periods.

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 future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items that qualify for reporting in this category. Unavailable revenue from property taxes, reported in the governmental balance sheet are deferred and recognized as an inflow from resources in the period that the amounts become available. Collective deferred inflows related to the City's net pension obligation are reported on the Statement of Net Position and are amortized over the average service lives of participants.

Capital Assets

Capital assets, which include property, equipment, and infrastructure (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 cost of more than \$5,000 and an estimated useful life in excess of one year. Purchased or constructed assets are recorded at historical cost where historical records are available or estimated historical costs where no historical records exist. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend the asset's life is not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Capital assets (excluding land, water rights, construction in progress and capital assets held for other government) are depreciated using the straight-line method over the following estimated useful lives:

Buildings and Improvements	20 - 30 years
Parks, Recreational and Other	20 - 30 years
Streets and Improvements	25 - 40 years
Vehicles	5 - 20 years
Equipment	3 - 10 years

City of Trinidad, Colorado
Notes to Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Capital Assets *(Continued)*

Capital assets held for other government represents a sewer line constructed in 2004 and 2005 from several funding sources, including Federal grants. This sewer line will ultimately be conveyed to the City Sanitation District, the government responsible for providing sanitation services within City boundaries. No depreciation is reported by the City for the sewer line as a separate government is the operator of this system and the City does not recognize any associated revenue.

Compensated Absences

Vacation, sick leave, and compensatory time are accrued as earned. Accumulated unpaid vacation, compensatory time, and vested sick leave amounts are recorded in the government-wide financial statements by fund. The City's personnel policy imposes limits on the maximum accrual of accumulated vacation time and sick leave. Upon termination, accrued unpaid vacation and compensatory time will be paid to the employee. Accrued sick leave has a cash value upon termination only if the employee has at least five years of full-time service with the City at termination. Accrued compensated absences are liquidated by the fund that incurred the liability during the employee's employment.

A liability for vested, accrued leave time is reported in the governmental funds only if the amounts due at year end have matured.

Pensions

For purposes of measuring the net pension liability or asset, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the City's defined benefit pension plan and additions to/deductions from the fiduciary net position of the City's defined benefit pension plans have been determined using the economic resources measurement focus and the accrual basis of accounting. 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.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt is reported as a liability in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

City of Trinidad, Colorado
Notes to Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Long-Term Obligations (Continued)

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.

Fund Balance Classification

In the government-wide and proprietary fund financial statements, net position is displayed in three components as follows:

Net Investment in Capital Assets - This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Nonspendable - This consists of inventories, prepaid expenses, and other similar assets that cannot be used to meet current obligations.

Restricted - This consists of net position legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Committed - This consists of net position that can be used only for the specific purpose determined by a formal action of the City Council.

Assigned - This consists of net position legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Unrestricted - This consists of net position intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.

When an expense is incurred for purposes for which restricted and unrestricted net position is available, the City's policy is to apply restricted net position first.

The City's Board of Trustees establishes (and modifies or rescinds) fund balance commitments by passage of a resolution or ordinance. Each December the budget is adopted by resolution for the coming year. A fund balance commitment is indicated in the budget by the use of reserves. The budget document will also identify the budgeted use of any restricted funds planned in the budget.

City of Trinidad, Colorado
Notes to Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Balance Classification (Continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless City Council has provided otherwise in its commitment or assignment actions.

Use of Estimates

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

Subsequent Events

The City has evaluated subsequent events through July 30, 2025, the date the financial statements were available to be issued.

Note 2: Cash Deposits and Investments

At year end, the City had the following deposits and investments as reported in the financial statements:

Petty Cash	\$	6,104
Cash Deposits		17,299,068
Investments		19,519,587
Cash held by Others		41,870
 Total	 \$	 <u><u>36,866,629</u></u>

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible depositories. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance (FDIC) on deposits held. Each eligible depository with deposits in excess of the insured levels must pledge a collateral pool of defined eligible assets maintained by another institution or held in trust for all of its local government depositors as a group with a market value of at least 102% of the uninsured deposits. The State Regulatory Commission for banks and savings and loan associations are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

City of Trinidad, Colorado
Notes to Financial Statements
December 31, 2024

Note 2: Cash Deposits and Investments (Continued)

Deposits (Continued)

As of December 31, 2024, the City had deposits of \$16,893,383. Depositor's insurance (FDIC) covers \$250,000 of this amount; the remaining balance of \$16,643,383 is covered by PDPA.

Investments

The City's investment policy lists the authorized investment types as defined by Colorado statutes. Authorized investments include direct obligations of the United States, obligations of U.S. government agencies, general or revenue obligations of any state of the United States, any territory, or political subdivision of any state, qualified bankers' acceptances, commercial paper, certificates of participation, repurchase agreements, qualified local government investment pool, money market funds, qualified corporate or bank debt, and certain guaranteed investment contracts. The City held no such investments at December 31, 2024.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Trustees. Such actions are generally associated with a debt service reserve or sinking fund requirements.

State statutes specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following.

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

Local Government Investment Pool - At December 31, 2024, the City had \$8,708,394 (fair value) invested in Colorado Local Government Liquid Asset Trust (COLOTRUST) and \$10,811,194 invested in Colorado Surplus Asset Fund Trust (CSAFE), an investment vehicle established by State statute for local government entities in Colorado to pool surplus funds. The pools are investment vehicles established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the pools. The pools operate in conformity with the Securities and Exchange Commission's Rule 2a-7. The pools are measured at the net asset value per share, with each share valued at \$1. The pools are rated AAAM by Standard and Poor's. Investments of the pools are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

City of Trinidad, Colorado
Notes to Financial Statements
December 31, 2024

Note 2: Cash Deposits and Investments (Continued)

Investments (Continued)

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. To minimize credit risk the City requires that U.S. Agency Securities have the highest possible rating. Colorado statutes establish standards for local government investment pools and the City requires the investment pool to maintain the highest possible rating.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. State statute limits investments in U.S. Agency Securities to a maximum five-year maturity. The City seeks to minimize interest rate risk by:

- Structuring investments to meet ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and
- Structuring investments to have staggered maturities of less than five years.

Note 3: Capital Assets

Capital assets activity for the year ended December 31, 2024 is summarized below:

	Balance 12/31/23	Additions	Transfers	Deletions	Balance 12/31/24
Governmental Activities					
<i>Capital Assets, Not Being Depreciated</i>					
Land	\$ 1,457,100	\$ -	\$ 115,993	\$ -	\$ 1,573,093
Art	136,147	-	-	-	136,147
Construction in Progress	<u>9,715,562</u>	<u>5,794,378</u>	<u>(8,770,000)</u>	<u>-</u>	<u>6,739,940</u>
Total Capital Assets, <i>Not Being Depreciated</i>	<u>11,308,809</u>	<u>5,794,378</u>	<u>(8,654,007)</u>	<u>-</u>	<u>8,449,180</u>
<i>Capital Assets, Being Depreciated</i>					
Buildings	28,056,416	757,615	77,222	-	28,891,253
Infrastructure	43,235,287	507,397	8,055,163	-	51,797,847
Equipment	4,834,230	658,579	1,185,360	(186,277)	6,491,892
Vehicles	<u>4,802,242</u>	<u>107,029</u>	<u>705,393</u>	<u>(298,170)</u>	<u>5,316,494</u>
Total Capital Assets, <i>Being Depreciated</i>	<u>80,928,175</u>	<u>2,030,620</u>	<u>10,023,138</u>	<u>(484,447)</u>	<u>92,497,486</u>
<i>Less Accumulated Depreciation</i>					
Buildings	(9,600,949)	(843,870)	(17,398)	-	(10,462,217)
Infrastructure	(24,271,783)	(1,525,161)	-	-	(25,796,944)
Equipment	(3,927,715)	(362,297)	(540,067)	182,397	(4,647,682)
Vehicles	<u>(3,362,036)</u>	<u>(491,023)</u>	<u>(105,054)</u>	<u>298,170</u>	<u>(3,659,943)</u>
Total Accumulated Depreciation	<u>(41,162,483)</u>	<u>(3,222,351)</u>	<u>(662,519)</u>	<u>480,567</u>	<u>(44,566,786)</u>
Total Capital Assets, <i>Being Depreciated, Net</i>	<u>39,765,692</u>	<u>(1,191,731)</u>	<u>9,360,619</u>	<u>(3,880)</u>	<u>47,930,700</u>
Governmental Activities Capital Assets, <i>Net</i>	<u>\$ 51,074,501</u>	<u>\$ 4,602,647</u>	<u>\$ 706,612</u>	<u>\$ (3,880)</u>	<u>\$ 56,379,880</u>

City of Trinidad, Colorado
Notes to Financial Statements
December 31, 2024

Note 3: Capital Assets (Continued)

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

Governmental Activities	
General Government	\$ 663,781
Public Safety	455,352
Public Works	1,509,770
Parks and Recreation	<u>593,448</u>
 Total	 <u>\$ 3,222,351</u>

Capital assets Business-Type activity for the year ended December 31, 2024 is summarized below:

	Balance 12/31/23	Additions	Transfers	Deletions	Balance 12/31/24
Business-Type Activities					
<i>Capital Assets, Not Being Depreciated</i>					
Land and Water Rights	\$ 2,214,456	\$ -	\$ (115,993)	\$ (28,571)	\$ 2,069,892
Construction in Progress	<u>1,294,880</u>	<u>465,360</u>	<u>(1,061,813)</u>	<u>-</u>	<u>698,427</u>
Total Capital Assets, <i>Not Being Depreciated</i>	<u>3,509,336</u>	<u>465,360</u>	<u>(1,177,806)</u>	<u>(28,571)</u>	<u>2,768,319</u>
<i>Capital Assets, Being Depreciated</i>					
Building and Improvements	20,126,459	408,705	(17,398)	-	20,517,766
Utility Distribution System	39,069,866	7,377	1,061,813	-	40,139,056
Machinery & Equipment	1,315,334	17,028	(23,535)	-	1,308,827
Heavy Equipment	2,255,430	134,291	(1,107,151)	(11,145)	1,271,425
Vehicles	2,405,452	86,590	(105,054)	(23,254)	2,363,734
Total Capital Assets, <i>Being Depreciated</i>	<u>65,172,541</u>	<u>653,991</u>	<u>(191,325)</u>	<u>(34,399)</u>	<u>65,600,808</u>
Less: Accumulated depreciation					
Building and Improvements	(11,627,297)	(471,066)	17,398	-	(12,080,965)
Utility Distribution System	(18,617,096)	(866,786)	-	-	(19,483,882)
Machinery & Equipment	(1,149,178)	(26,019)	23,535	-	(1,151,662)
Heavy Equipment	(1,578,179)	(29,207)	516,532	7,334	(1,083,520)
Vehicles	(1,507,627)	(180,936)	105,054	23,246	(1,560,263)
	<u>(34,479,377)</u>	<u>(1,574,014)</u>	<u>662,519</u>	<u>30,580</u>	<u>(35,360,292)</u>
Total Capital Assets, <i>Being Depreciated, Net</i>	<u>30,693,164</u>	<u>(920,023)</u>	<u>471,194</u>	<u>(3,819)</u>	<u>30,240,516</u>
Business-Type Activities Capital Assets, Net	<u>\$ 34,202,500</u>	<u>\$ (454,663)</u>	<u>\$ (706,612)</u>	<u>\$ (32,390)</u>	<u>\$ 33,008,835</u>

City of Trinidad, Colorado
Notes to Financial Statements
December 31, 2024

Note 4: Long-Term Debt

Governmental Activities

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2024.

	Balance 12/31/23	Additions	Transfers	Deletions	Balance 12/31/24	Due Within One Year
Governmental Activities						
Lease Financing	\$ -	\$ -	\$ 176,650	\$ (42,321)	\$ 134,329	\$ 43,526
Landfill Closure/Post Closure	-	111,345	2,331,576	-	2,442,921	-
Compensated Absences	979,237	-	25,290	(88,394)	916,133	91,613
Total	\$ 979,237	\$ 111,345	\$ 2,533,516	\$ (130,715)	\$ 3,493,383	\$ 135,139

Accrued Compensated Absences are being paid from resources generated by the General Fund.

The City has one lease financing agreement as of December 31, 2024:

Wheel Loader - The City entered into a lease financing agreement for the acquisition of a wheel loader in March 2022. The required payments are in five annual payments of \$47,350 beginning in March 2023 and include interest at a rate of 2.85%.

The future minimum payments under the lease financing agreement is as follows:

Year Ended December 31,	Principal	Interest	Total
2025	\$ 43,526	\$ 3,824	\$ 47,350
2026	44,765	2,585	47,350
2027	46,038	1,311	47,349
	\$ 134,329	\$ 7,720	\$ 142,049

Business-Type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2024.

	Balance 12/31/23	Additions	Transfers	Deletions	Balance 12/31/24	Due Within One Year
Business-Type Activities						
Lease Financing	\$ 4,204,416	\$ -	\$ (176,650)	\$ (345,029)	\$ 3,682,737	\$ 375,897
Landfill Closure/Post Closure	2,331,576	-	(2,331,576)	-	-	-
Compensated Absences	832,247	-	(25,290)	(39,136)	767,821	76,782
Total	\$ 7,368,239	\$ -	\$ (2,533,516)	\$ (384,165)	\$ 4,450,558	\$ 452,679

Accrued Compensated Absences are being paid from resources generated by the Business-Type activities.

City of Trinidad, Colorado
Notes to Financial Statements
December 31, 2024

Note 4: Long-Term Debt (Continued)

Business-Type Activities (Continued)

The City has multiple lease financing agreements as of December 31, 2024, including the following.

Meter Project - A project to replace utility meters in the City was funded in late 2018 under a lease financing agreement. \$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 began on October 1, 2019 and include interest at a rate of 3.84%.

Digger Equipment - The City entered into a lease financing agreement for the acquisition of digger equipment in March 2023. The required payments are in five annual payments of \$54,661 beginning in March 2024 and include interest at a rate of 4.9%.

The future minimum payments under these lease financing agreements are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 375,897	\$ 143,522	\$ 519,419
2026	387,610	128,599	516,209
2027	410,002	113,201	523,203
2028	280,801	96,919	377,720
2029	397,595	85,572	483,167
2030-2033	<u>1,830,832</u>	<u>180,597</u>	<u>2,011,429</u>
	<u>\$ 3,682,737</u>	<u>\$ 748,410</u>	<u>\$ 4,431,147</u>

Note 5: Employee Retirement Plans

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

Fire and Police Pension Plan - Statewide Hybrid Defined Benefit Plan (FPPA SWH)

Fire and Police Pension Plan - Statewide Defined Benefit Plan (FPPA SWDB)

For the reporting period ended December 31, 2023, the actuarial report as required by GASB 68 for the FPPA Statewide Hybrid Defined Benefit Plan and the FPPA Statewide Defined Benefit Plan were combined into one actuarial report for the new Statewide Retirement Plan (FPPA SRP). Therefore, the disclosures that follow as well as the Required Supplemental Information (RSI) have been modified to report on the combined plans.

Trinidad Old Hire Fire Pension Fund (Old Hire Fire)

Trinidad Old Hire Police Pension Fund (Old Hire Police)

City of Trinidad, Colorado
Notes to Financial Statements
December 31, 2024

Note 5: Employee Retirement Plans (Continued)

A summary of the pension liability and related items as of December 31, 2024, is as follows:

Pension Plan	Deferred Outflow	Net Pension Liability	Deferred Inflow
FPPA Statewide Retirement Plan	\$ 554,895	\$ -	\$ 245,616
Trinidad Old Hire Fire	116,961	439,747	-
Trinidad Old Hire Police	14,867	34,660	-
	<u>\$ 686,723</u>	<u>\$ 474,407</u>	<u>\$ 245,616</u>

FPPA Statewide Retirement Plans

Plan Description - The Statewide Retirement Plan (SRP) is a cost-sharing multiple-employer defined benefit pension plan. 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>. For the year ended December 31, 2024, the FPPA combined its reporting for the Statewide Hybrid plan and the Defined Benefit Plan into one actuarial report.

Benefits Provided - The FPPA Board of Directors may change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The Normal Retirement Age should not be less than age 55 or more than age 60. Any member with at least 25 years of service may retire at any time after age 55 and shall be eligible for a normal retirement pension. Members with combined age and years of service totaling 80 or more, with a minimum age of 50 also qualify for a normal retirement pension.

A member is eligible for retirement after attainment of age 55 with at least five years of credited service.

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.

The annual retirement benefit for the Defined Benefit Component is 2.0 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent of the average of the member's highest three years' base salary for each year of service thereafter.

The annual retirement benefit of the Hybrid Defined Benefit Component is 1.9 percent of the average of the member's highest three years' base salary for each year of credited service through December 31, 2022 and 1.5 percent of the average of the member's highest three years' base salary for each year of credited service after January 1, 2023.

City of Trinidad, Colorado
Notes to Financial Statements
December 31, 2024

Note 5: Employee Retirement Plans (Continued)

FPPA Statewide Retirement Plans (Continued)

Benefits paid to retired members and beneficiaries may be increased annually on October 1 via cost of living adjustment (COLA). COLAs may be compounding or non-compounding. The increase in benefits, if any, is based on the FPPA Board of Director's discretion. Compounding COLAs can range from 0 percent to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers. Non-compounding COLAs take into consideration the investment returns, compounding COLAs and other economic factors. COLAs may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1.

Upon termination, a member may elect to have their member contributions, along with 5.0 percent as interest, returned as a lump sum distribution in lieu of a retirement benefit.

Contributions - Contribution rates for the Plan are set by state statute. The FPPA Board of Directors may further increase the required contributions, equally between employer and member, upon approval through an election of both employers and members.

Members of the Defined Benefit Component contribute 12.0 percent of base salary. In 2020, legislation was enacted to increase the employer contributions rate to the Plan beginning in 2021. Employer contribution rates will increase 0.5 percent annually through 2030 to a total of 13.0 percent of base salary. These increases result in a combined contribution rate of 25.0 percent of base salary in 2030. In 2023, the total combined member and employer contribution rate was 21.5 percent.

Contributions from Defined Benefit Component members and employers of plans reentering the Defined Benefit Component are established by resolution and approved by the FPPA Board of Directors. The continuing rate of contribution for reentry groups is determined for each reentry group. The additional contribution amount is determined locally and may be paid by the member, the employer or split 50/50. Per the 2020 legislation, the required employer contribution rate for reentry departments also increases 0.5 percent annually. These increases result in a minimum combined contribution rate of 25.2 percent in 2030. In 2023, the total minimum required member and employer contribution rate was 21.7 percent.

The City's contributions to the Plan for the year ended December 31, 2024, were \$105,879, equal to the required contributions.

The City and eligible employees are required to contribute to the SRP Plan at rates established by State statutes. Employer contribution rates can only be amended by the State Legislature. Employee contribution rates can be amended by the State Legislature or by election of the membership.

City of Trinidad, Colorado
Notes to Financial Statements
December 31, 2024

Note 5: Employee Retirement Plans (Continued)

FPPA Statewide Retirement Plans (Continued)

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

At December 31, 2024, the City reported a net pension liability of \$0 representing its proportionate share of the net pension asset of the Statewide Retirement Plan.

The net pension liability was measured at December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation at January 1, 2024. The City's proportion of the net pension liability was based on a projection of the City's contributions to the plans for the calendar year ended December 31, 2024, relative to the projected contributions of all participating employers.

At December 31, 2023, the City's proportion of the Statewide Retirement Plan was 0.113344336%, which was an increase of 0.01032238% from its proportion measured at December 31, 2022.

For the year ended December 31, 2024, the City recognized pension expense for the SRP plan of \$164,204.

At December 31, 2024, the City 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
Statewide Retirement Plan		
Differences between expected and actual experience	\$ 166,898	\$ 8,526
Net difference between projected and actual earnings on plan investments	146,269	-
Changes in assumptions and other inputs	97,703	-
Changes in proportion	29,115	237,090
Contributions subsequent to the measurement date	114,910	-
Total	\$ 554,895	\$ 245,616

City of Trinidad, Colorado
Notes to Financial Statements
December 31, 2024

Note 5: Employee Retirement Plans (Continued)

FPPA Statewide Retirement Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

City contributions to the SRP plan subsequent to the measurement date were \$114,910 and will be recognized as an increase or decrease to the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows.

<u>Year Ended December 31,</u>		
2025	\$	68,838
2026		121,939
2027		(31,155)
2028		6,381
2029		11,029
Thereafter		<u>17,337</u>
Total	\$	<u><u>194,369</u></u>

Actuarial Assumptions - The actuarial valuation at January 1, 2024, determined the total pension liability using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term Investment Rate of Return	7.0%
Projected Salary Increases	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0.0%
Includes Inflation at	2.5%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, and then projected using the ultimate values of the MP-2020 projection scale for all years. The pre-retirement mortality assumption used Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, and then projected with the MP-2020 Ultimate projection scale. The pre-retirement non-duty mortality tables are adjusted to 60% multiplier. The on-duty mortality rate is 0.00015.

City of Trinidad, Colorado
Notes to Financial Statements
December 31, 2024

Note 5: Employee Retirement Plans (Continued)

FPPA Statewide Retirement Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

For determining the actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses Pub-2010 Safety Healthy Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 60% of the MP-2020 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 2022 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 & Company, based on their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2023. 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 weighing 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 target asset allocation as of December 31, 2023, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Global Equity	35%	8.33%
Equity Long/Short	6%	7.27%
Private Markets	34%	10.31%
Fixed Income Rates	10%	5.35%
Fixed Income Credit	5%	5.89%
Absolute Return	9%	6.39%
Cash	1%	4.32%
	<u>100%</u>	

City of Trinidad, Colorado
Notes to Financial Statements
December 31, 2024

Note 5: Employee Retirement Plans (Continued)

FPPA Statewide Retirement Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Discount Rate - The discount rate used to measure the total pension liability was 7.0%. 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 in the FPPA Board of Director’s funding policy, which establishes the contractually required rates under State statutes. Based on this assumption, the Plans’ fiduciary net position was projected to be available to make all projected future benefit payments to current members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as the City’s proportionate share of the net pension liability if it were calculated using a discount that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate, as follows:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
City's proportionate share of the net pension (asset) liability	\$ <u>636,121</u>	\$ <u>-</u>	\$ <u>-</u>

Pension Plan Fiduciary Net Position - Detailed information about the Plans’ fiduciary net position is available in FPPA’s separately issued financial report, which may be obtained at www.fppaco.org.

Trinidad Old Hire Fire Pension Plan

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 plan is amended by statute. The plan provides normal, early, vested, or deferred retirement benefits to plan participants. The Old Hire pension plan is for fire employees hired before April 8, 1978. The plan is 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 plan and can be obtained at fppaco.org/toc_frames.html.

City of Trinidad, Colorado
Notes to Financial Statements
December 31, 2024

Note 5: Employee Retirement Plans (Continued)

Trinidad Old Hire Fire Pension Plan (Continued)

Funding Policy - The City is required to contribute to the Old Hire plan at an actuarially determined rate. Modification of the Old Hire plan is regulated by state law and by FPPA Rules and Regulations as authorized by state law. Changes to contributions requirements require an affirmative vote of 65% of the active members and City Council ordinance. The City's contributions to the FPPA Old Hire Fire plan for the year ended December 31, 2024 were \$65,065.

Plan Membership - The plan members of the Old Hire plan as of December 31, 2024 were 3 retirees and beneficiaries.

At December 31, 2024, the City reported a net pension liability of \$439,747 representing its proportionate share of the net pension liability. The components of the net pension liability of the City as of December 31, 2024, are as follows:

	2024
Total Pension Liability	\$ 834,236
Plan Fiduciary Net Position	(394,489)
Net Pension Liability (Asset)	\$ 439,747

The net pension liability was measured at December 31, 2023, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation at January 1, 2024. The City's proportion of the net pension asset was based on a projection of the City's contributions to the plans for the calendar year ended December 31, 2023, relative to the projected contributions of all participating employers.

For the year ended December 31, 2024, the City recognized pension benefit for the Volunteer Plan of \$292,515.

At December 31, 2024, the City 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
Volunteer		
Differences between expected and actual experience	\$ -	\$ -
Net difference between projected and actual earnings on plan investments	51,896	-
Changes in assumptions and other inputs	-	-
Changes in proportion	-	-
Contributions subsequent to measurement date	65,065	-
Total	\$ 116,961	\$ -

City of Trinidad, Colorado
Notes to Financial Statements
December 31, 2024

Note 5: Employee Retirement Plans (Continued)

Trinidad Old Hire Fire Pension Plan (Continued)

City contributions to the Volunteer Plan subsequent to the measurement date of \$65,065 will be recognized as an increase or decrease to the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows.

<u>Year Ended December 31,</u>	<u>Volunteer Plan</u>
2025	\$ 16,858
2026	20,665
2027	16,042
2028	(1,669)
2029	-
Thereafter	-
	<hr/>
Total	\$ <u><u>51,896</u></u>

The changes in net pension liability are as follows:

	<u>Measurement Period Ended December 31 2023</u>
Service cost	\$ -
Interest on the total pension liability	52,977
Benefit changes	-
Difference between expected and actual experience of the Total Pension Liability	(336,972)
Changes of assumptions	(4,325)
Benefit payments	(108,210)
Net change in total pension liability	<hr/> (396,530)
Total pension liability - beginning	1,230,766
Total pension liability - ending	<hr/> <u>\$ 834,236</u> <hr/>

City of Trinidad, Colorado
Notes to Financial Statements
December 31, 2024

Note 5: Employee Retirement Plans (Continued)

Trinidad Old Hire Fire Pension Plan (Continued)

Actuarial Assumptions - The actuarial valuation at January 1, 2024, determined the total pension liability using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Actuarial Method	Entry Age Normal
Amortization Method	N/A
Remaining Amortization Period	N/A
Asset Valuation Method	5-Year Smoothed Fair Value
Investment Rate of Return	4.5%
Salary Increases	N/A
Cost of Living Adjustments (COLA)	None
*Includes Inflation at	2.5%

Inputs to the Single 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 long-term expected rate of return on pension plan investments is 4.50%; the municipal bond rate is 3.77% (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 4.50%.

City of Trinidad, Colorado
Notes to Financial Statements
December 31, 2024

Note 5: Employee Retirement Plans (Continued)

Trinidad Old Hire Fire Pension Plan (Continued)

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 weighing 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 target asset allocation as of December 31, 2023, are summarized in the following table.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Cash	10.00%	5.50%
Fixed Income - Rates	70.00%	5.40%
Fixed Income - Credit	10.00%	5.90%
Diversifiers	0.00%	7.40%
Long Short	0.00%	7.00%
Global Public Equity	10.00%	8.30%
Private Markets	0.00%	10.20%
	<u>100.00%</u>	

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 4.5%, as well as the City's proportionate share of the net pension liability if it were calculated using a discount that is one percentage point lower (3.5%) or one percentage point higher (5.5%) than the current rate, as follows:

	<u>1% Decrease (3.5%)</u>	<u>Current Discount Rate (4.5%)</u>	<u>1% Increase (5.5%)</u>
City's proportionate share of the net pension liability (asset)	\$ <u>508,068</u>	\$ <u>439,747</u>	\$ <u>379,772</u>

The plan issues a publicly available financial report that includes financial statements and required supplementary information of that plan. Reports are available by contacting Fire and Police Pension Association, 5290 DTC Parkway, Suite 100, Greenwood Village, Colorado 80111, www.fppaco.org.

City of Trinidad, Colorado
Notes to Financial Statements
December 31, 2024

Note 5: Employee Retirement Plans (Continued)

Trinidad Old Hire Fire Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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 plan is amended by statute. The plan provides normal, early, vested, or deferred retirement benefits to plan participants. The Old Hire pension plan is for fire employees hired before April 8, 1978. The plan is 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 plan and can be obtained at fppaco.org/toc_frames.html.

Funding Policy - The City is required to contribute to the Old Hire plan at an actuarially determined rate. Modification of the Old Hire plan is regulated by state law and by FPPA Rules and Regulations as authorized by state law. Changes to contributions requirements require an affirmative vote of 65% of the active members and City Council ordinance. The City's contributions to the FPPA Old Hire Fire plan for the year ended December 31, 2024 were \$12,966.

Plan Membership - The plan member of the Old Hire plan as of December 31, 2024 was 1 retiree and beneficiary.

At December 31, 2024, the City reported a net pension liability of \$34,660 representing its proportionate share of the net pension liability. The components of the net pension liability of the City as of December 31, 2024, are as follows:

	2024
Total Pension Liability	\$ 63,380
Plan Fiduciary Net Position	(28,720)
Net Pension Liability (Asset)	\$ 34,660

The net pension liability was measured at December 31, 2023, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation at January 1, 2024. The City's proportion of the net pension asset was based on a projection of the City's contributions to the plans for the calendar year ended December 31, 2023, relative to the projected contributions of all participating employers.

For the year ended December 31, 2024, the City recognized pension benefit for the Volunteer Plan of \$18,480.

City of Trinidad, Colorado
Notes to Financial Statements
December 31, 2024

Note 5: Employee Retirement Plans (Continued)

Trinidad Old Hire Fire Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

At December 31, 2024, the City 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
Volunteer		
Differences between expected and actual experience	\$ -	\$ -
Net difference between projected and actual earnings on plan investments	1,901	-
Changes in assumptions and other inputs	-	-
Changes in proportion	-	-
Contributions subsequent to measurement date	12,966	-
 Total	 \$ 14,867	 \$ -

City contributions to the Volunteer Plan subsequent to the measurement date of \$12,966 will be recognized as an increase or decrease to the net pension (asset) liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows.

Year Ended December 31,	Volunteer Plan
2025	\$ 627
2026	784
2027	608
2028	(118)
2029	-
Thereafter	-
 Total	 \$ 1,901

City of Trinidad, Colorado
Notes to Financial Statements
December 31, 2024

Note 5: Employee Retirement Plans (Continued)

Trinidad Old Hire Fire Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The change in net pension liability is as follows:

	Measurement Period Ended December 31 2023
Service cost	\$ -
Interest on the total pension liability	3,820
Benefit changes	-
Difference between expected and actual experience of the Total Pension Liability	(23,026)
Changes of assumptions	298
Benefit payments	<u>(5,158)</u>
Net change in total pension liability	(24,066)
Total pension liability - beginning	<u>87,446</u>
Total pension liability - ending	<u><u>\$ 63,380</u></u>

Actuarial Assumptions - The actuarial valuation at January 1, 2024, determined the total pension liability using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Actuarial Method	Entry Age Normal
Amortization Method	N/A
Remaining Amortization Period	N/A
Asset Valuation Method	5-Year Smoothed Fair Value
Investment Rate of Return	4.5%
Projected Salary Increases	N/A
Cost of Living Adjustments (COLA)	None
*Includes Inflation at	2.5%

City of Trinidad, Colorado
Notes to Financial Statements
December 31, 2024

Note 5: Employee Retirement Plans (Continued)

Trinidad Old Hire Fire Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Inputs to the Single 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 long-term expected rate of return on pension plan investments is 4.50%; the municipal bond rate is 3.77% (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 4.50%.

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 weighing 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 target asset allocation as of December 31, 2023, are summarized in the following table.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Cash	10.00%	5.50%
Fixed Income - Rates	70.00%	5.40%
Fixed Income - Credit	10.00%	5.90%
Diversifiers	0.00%	7.40%
Long Short	0.00%	7.00%
Global Public Equity	10.00%	8.30%
Private Markets	0.00%	10.20%
	<u>100.00%</u>	

City of Trinidad, Colorado
Notes to Financial Statements
December 31, 2024

Note 5: Employee Retirement Plans (Continued)

Trinidad Old Hire Fire Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 4.5%, as well as the City's proportionate share of the net pension liability if it were calculated using a discount that is one percentage point lower (3.5%) or one percentage point higher (5.5%) than the current rate, as follows:

	1% Decrease (3.5%)	Current Discount Rate (4.5%)	1% Increase (5.5%)
City's proportionate share of the net pension (asset)	\$ <u>40,554</u>	\$ <u>34,660</u>	\$ <u>29,574</u>

The plan issues a publicly available financial report that includes financial statements and required supplementary information of that plan. Reports are available by contacting Fire and Police Pension Association, 5290 DTC Parkway, Suite 100, Greenwood Village, Colorado 80111, www.fppaco.org.

Death and Disability Benefit Plan

Death and disability coverage is provided to full-time police officers through the Statewide Death and Disability Plan, which is administered by the FPPA. During the past year, the City's required contribution rate was 3.6% of base salary for members. City contributions to this plan totaled \$96,443 during 2024, with State supplemental contribution of \$12,000. Employees are not required to contribute to this plan.

General Employees Retirement Plan - Section 401(a) Plan

For all regular full-time employees, other than fire and police officers, the City contributes to a cost-sharing multiple-employer defined contribution pension plan (the Retirement Plan). The Retirement Plan, which was administered by Colorado County Officials and Employees Retirement Association (CCOERA) through October 1, 2024 and by Edward Jones and Associates through One America starting October 1, 2024, offers employees who have been with the City for six months and that work at least 32 hours per week every month of the year, the opportunity to build retirement savings by pre-tax contributions of 3% of salary, which are matched with City contributions. Employee contributions to the Pension Plan become immediately vested. City contributions are vested at an annual rate of 25%. City contributions become fully vested after four years. The contribution requirements of Retirement Plan participants and the City are established, and may be amended, by the Board of Trustees. Unvested employer contributions are returned to the City when an employee terminates employment and cashes out of the Retirement Plan. The amounts returned are recognized on the financial statements as revenue in the year received.

City of Trinidad, Colorado
Notes to Financial Statements
December 31, 2024

Note 5: Employee Retirement Plans (Continued)

General Employees Retirement Plan - Section 401(a) Plan (Continued)

For the year ended December 31, 2024, the City contributed \$413,354 to the Retirement Plan on behalf of participating employees. Participants of the Retirement Plan made equal matching contributions in 2024. No unvested contributions were returned to the City in 2024.

CCOERA is also the Trustee of the Retirement Plan and, accordingly, the City has no liability for losses under the plan. Consequently, the Retirement Plan is not part of the City's financial statements.

Note 6: Public Entity Risk Pool

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, the City is involved with the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, Section 18(2).

The purposes of CIRSA are to provide members with defined liability, property, and workers compensation coverages and to assist members in preventing and reducing losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees and officers.

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA.

It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity, and the City does not approve budgets, nor does it have the ability to significantly affect the operations of the entity.

CIRSA's operations are funded by contributions from member governments. Coverage is provided in the amount of \$500,000 per claim or occurrence for property damage, \$600,000 per claim or occurrence for liability, and \$150,000 per claim or occurrence for crime. CIRSA has also acquired additional excess coverage from outside sources. While the City may be liable for any losses in excess of this coverage, the City does not anticipate losses at December 31, 2024. No settlements of claims against the City in the last three years have exceeded the City's coverage.

City of Trinidad, Colorado
Notes to Financial Statements
December 31, 2024

Note 6: Public Entity Risk Pool (Continued)

Surpluses or deficits realized by CIRSA for any given year are subject to change for such reasons as interest earnings on invested amounts for those years and funds, re-estimation of losses for those years and funds, and credits or distributions from surplus for those years and funds. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. The Board of Directors may credit member municipalities' future contributions in the event of a surplus. Although it has never occurred, CIRSA member municipalities are subject to a supplemental assessment in the event of a deficiency.

For 2024, the City's deductible for property and liability claims per occurrence is \$1,000 for each. The auto liability deductible and the auto physical damage deductible are both \$1,000 per occurrence.

The City carries no deductible for workers Compensation coverage. CIRSA's coverage for workers' compensation claims are the Colorado statutory limits of \$500,000 per occurrence and \$1,000,000 for employer liability.

The City also carries accident medical insurance coverage for volunteers through CIRSA. This provides a medical coverage for a minor injury a volunteer receives when serving the City in a volunteer City such as a community service worker, volunteer trail work, or volunteer coaching for recreation. Coverage is \$15,000 per occurrence with a \$25 deductible.

Note 7: Litigation/Legal Claims

The City may be a defendant in lawsuits pertaining to matters which are incidental to performing routine governmental and other functions. Based on the current status of any legal proceedings, it is the opinion of management that they will not have a material effect on the City's financial position.

Federal and State Grants and Financial Sources

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Such audits could lead to reimbursements to the grantor agencies. It is the opinion of management that such reimbursements, if any, will not have a material effect on the City's financial position.

Note 8: Intergovernmental Agreement

The City 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.

City of Trinidad, Colorado
Notes to Financial Statements
December 31, 2024

Note 8: Intergovernmental Agreement (Continued)

The City is amortizing a generation agreement with ARPA over 35 years. The original amount was \$1,000,000. The remaining amount as December 31, 2024 is \$257,140.

Note 9: Commitments and Contingencies

TABOR Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20; commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government. Any revenues earned in excess of the fiscal year spending limit must be refunded in the next fiscal year, unless voters approve retention of such excess revenue.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

TABOR also requires local governments to establish an emergency reserve to be used to declare emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The City has reserved \$681,000, which is the approximate required reserve at December 31, 2024.

The City's voters approved the following ballot issue on November 6, 2001.

Excluding ad valorem property taxes and rates, and without creating any new taxes, increasing any tax rate, or adding any new taxes of any kind, shall the City, be permitted to collect, retain, and spend, for the fiscal year of 2001 and for each and every year thereafter, the full proceeds of the City's taxes, grants and other revenues for expenditure on lawful municipal purposes, notwithstanding any State of Colorado restrictions on spending including the restrictions of Article X, Section 20 of the Constitution of the State of Colorado, and that these shall each constitute a voter approval revenue change.

The City's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

Required Supplementary Information

City of Trinidad, Colorado

Schedule of Proportionate Share of the Net Pension (Asset) Liability and Contributions Fire and Police Pension Association of Colorado Statewide Combined Plan December 31, 2024

	12/31/2023
Proportionate Share of the Net Pension Asset (Liability)	
City's Proportion of the Net Pension Liability (Asset)	0.11344336%
City's Proportionate Share of the Net Pension Liability (Asset)	\$ -
City's Covered-employee Payroll	\$ 1,035,126
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered-employee Payroll	0.0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.0%
	12/31/2024
City Contributions	
Statutorily Required Contribution	\$ 114,910
Contributions in Relation to the Statutorily Required Contribution	(114,910)
Contribution Deficiency (Excess)	\$ -
City's Covered-employee Payroll	\$ 1,111,175
Contributions as a Percentage of Covered-employee Payroll	10.34%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

City of Trinidad, Colorado
Schedule of Proportionate Share of the Net Pension (Asset) Liability and Contributions
Fire and Police Pension Association of Colorado Statewide Defined Benefit Plan
December 31, 2024

	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>
Proportionate Share of the Net Pension Asset (Liability)				
City's Proportion of the Net Pension Liability (Asset)	0.11259100%	0.10614000%	0.11514000%	0.12084000%
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 99,937	\$ (575,222)	\$ (249,965)	\$ (68,345)
City's Covered-employee Payroll	\$ 895,605	\$ 786,793	\$ 765,029	\$ 735,157
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered-employee Payroll	11.2%	-73.1%	-32.7%	-9.3%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	97.6%	116.2%	106.7%	101.9%
	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>
City Contributions				
Statutorily Required Contribution	\$ 80,745	\$ 86,447	\$ 73,810	\$ 67,990
Contributions in Relation to the Statutorily Required Contribution	<u>(80,745)</u>	<u>(86,447)</u>	<u>(73,810)</u>	<u>(67,990)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered-employee Payroll	\$ 858,492	\$ 895,605	\$ 786,793	\$ 765,029
Contributions as a Percentage of Covered-employee Payroll	9.41%	9.65%	9.38%	8.89%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

(Continued)

City of Trinidad, Colorado
Schedule of Proportionate Share of the Net Pension (Asset) Liability and Contributions
Fire and Police Pension Association of Colorado Statewide Defined Benefit Plan
December 31, 2024
(Continued)

	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>12/31/2014</u>
Proportionate Share of the Net Pension Asset (Liability)					
City's Proportion of the Net Pension Liability (Asset)	0.11160700%	0.11951000%	0.15260000%	0.14680000%	0.14380000%
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 141,093	\$ (171,940)	\$ 55,142	\$ (2,589)	\$ (162,242)
City's Covered-employee Payroll	\$ 609,801	\$ 568,978	\$ 621,778	\$ 568,414	\$ 514,585
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered-employee Payroll	23.1%	-30.2%	8.9%	-0.5%	-31.5%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	95.2%	106.3%	98.2%	100.1%	106.8%
	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>
City Contributions					
Statutorily Required Contribution	\$ 65,313	\$ 54,397	\$ 50,868	\$ 56,950	\$ 51,718
Contributions in Relation to the Statutorily Required Contribution	<u>(65,313)</u>	<u>(54,397)</u>	<u>(50,868)</u>	<u>(56,950)</u>	<u>(51,718)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered-employee Payroll	\$ 735,157	\$ 609,801	\$ 568,978	\$ 621,778	\$ 568,414
Contributions as a Percentage of Covered-employee Payroll	8.88%	8.92%	8.94%	9.16%	9.10%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

City of Trinidad, Colorado
Schedule of Proportionate Share of the Net Pension (Asset) Liability and Contributions
Fire and Police Pension Association of Colorado Statewide Hybrid Plan
December 31, 2024

	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>
Proportionate Share of the Net Pension Asset (Liability)				
City's Proportion of the Net Pension Liability (Asset)	0.63117000%	0.13800000%	0.12560000%	0.13040000%
City's Proportionate Share of the Net Pension Liability (Asset)	\$ (9,205)	\$ (523,334)	\$ (345,550)	\$ (253,970)
City's Covered-employee Payroll	\$ 112,271	\$ 222,533	\$ 203,218	\$ 198,207
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered-employee Payroll	-8.2%	-235.2%	-170.0%	-128.1%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	101.4%	149.0%	138.0%	130.1%
	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>
City Contributions				
Statutorily Required Contribution	\$ 21,163	\$ 11,619	\$ 23,366	\$ 21,338
Contributions in Relation to the Statutorily Required Contribution	<u>(21,163)</u>	<u>(11,619)</u>	<u>(23,366)</u>	<u>(21,338)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered-employee Payroll	\$ 176,634	\$ 112,271	\$ 222,533	\$ 203,218
Contributions as a Percentage of Covered-employee Payroll	11.98%	10.35%	10.50%	10.50%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

(Continued)

City of Trinidad, Colorado
Schedule of Proportionate Share of the Net Pension (Asset) Liability and Contributions
Fire and Police Pension Association of Colorado Statewide Hybrid Plan
December 31, 2024
(Continued)

	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>12/31/2014</u>
Proportionate Share of the Net Pension Asset (Liability)					
City's Proportion of the Net Pension Liability (Asset)	0.11711000%	0.11290000%	0.13955000%	0.13724000%	0.13705000%
City's Proportionate Share of the Net Pension Liability (Asset)	\$ (161,646)	\$ (220,754)	\$ (151,899)	\$ (139,809)	\$ (162,540)
City's Covered-employee Payroll	\$ 177,757	\$ 164,407	\$ 166,476	\$ 161,572	\$ 136,034
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered-employee Payroll	-90.9%	-134.3%	-91.2%	-86.5%	-119.5%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	123.5%	138.9%	125.8%	129.4%	140.6%
	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>
City Contributions					
Statutorily Required Contribution	\$ 20,812	\$ 18,664	\$ 17,263	\$ 17,480	\$ 16,965
Contributions in Relation to the Statutorily Required Contribution	<u>(20,812)</u>	<u>(18,664)</u>	<u>(17,263)</u>	<u>(17,480)</u>	<u>(16,965)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered-employee Payroll	\$ 198,207	\$ 177,757	\$ 164,407	\$ 166,476	\$ 161,572
Contributions as a Percentage of Covered-employee Payroll	10.50%	10.50%	10.50%	10.50%	10.50%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

City of Trinidad, Colorado
Schedule of Changes in Net Pension Liability (Asset),
Related Ratios (Multiyear) and Contributions
Old Hire Fire Pension Plan
December 31, 2024

Measurement Period Ending December 31,	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>
Total Pension Liability					
Service Cost	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on the Total Pension Liability	52,977	55,439	49,535	51,762	66,020
Benefit Changes	-	-	-	-	-
Difference between Expected and Actual Experience	(336,972)	-	191,011	-	65,140
Assumption Changes	(4,325)	-	-	-	237,654
Benefit Payments	<u>(108,210)</u>	<u>(112,054)</u>	<u>(106,716)</u>	<u>(95,912)</u>	<u>(100,941)</u>
Net Change in Total Pension Liability	(396,530)	(56,615)	133,830	(44,150)	267,873
Total Pension Liability - Beginning of Year	<u>1,230,766</u>	<u>1,287,381</u>	<u>1,153,551</u>	<u>1,197,701</u>	<u>929,828</u>
Total Pension Liability - End of Year	<u>\$ 834,236</u>	<u>\$ 1,230,766</u>	<u>\$ 1,287,381</u>	<u>\$ 1,153,551</u>	<u>\$ 1,197,701</u>
Plan Fiduciary Net Pension					
Employer Contributions	\$ 65,065	\$ 48,033	\$ 48,033	\$ 35,720	\$ 35,720
Employee Contributions	-	-	-	-	-
Pension Plan Net Investment Income	25,962	(65,448)	2,737	45,624	71,657
Benefit Payments	(108,210)	(112,054)	(106,716)	(95,912)	(100,941)
Pension Plan Administrative Expense	<u>(2,122)</u>	<u>(3,594)</u>	<u>(1,679)</u>	<u>(3,186)</u>	<u>(2,002)</u>
Net Change in Plan Fiduciary Net Position	(19,305)	(133,063)	(57,625)	(17,754)	4,434
Plan Fiduciary Net Position - Beginning of Year	<u>413,794</u>	<u>546,857</u>	<u>604,482</u>	<u>622,236</u>	<u>617,802</u>
Plan Fiduciary Net Position - End of Year	<u>\$ 394,489</u>	<u>\$ 413,794</u>	<u>\$ 546,857</u>	<u>\$ 604,482</u>	<u>\$ 622,236</u>
Net Pension Liability (Asset)	\$ 439,747	\$ 816,972	\$ 740,524	\$ 549,069	\$ 575,465
Plan Fiduciary Net Pension as a Percentage of Total Pension Liability	47.3%	33.6%	42.5%	52.4%	52.0%
Covered Payroll	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
City Contributions					
Actuarially Determined Contribution	\$ 65,065	\$ 48,033	\$ 48,033	\$ 35,720	\$ 35,720
Actual Contributions	<u>(65,065)</u>	<u>(48,033)</u>	<u>(48,033)</u>	<u>(35,720)</u>	<u>(35,720)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	N/A	N/A	N/A	N/A	N/A
Contribution as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

(Continued)

City of Trinidad, Colorado
Schedule of Changes in Net Pension Liability (Asset),
Related Ratios (Multiyear) and Contributions
Old Hire Fire Pension Plan
December 31, 2024
(Continued)

	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>12/31/2014</u>
Measurement Period Ending December 31,					
Total Pension Liability					
Service Cost	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on the Total Pension Liability	68,458	88,397	89,671	89,327	91,715
Benefit Changes	-	-	-	-	-
Difference between Expected and Actual Experience	-	(251,600)	-	(57,783)	-
Assumption Changes	-	-	-	89,102	-
Benefit Payments	<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	(32,528)	(267,445)	(19,321)	(2,226)	(32,514)
Total Pension Liability - Beginning of Year	<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 - End of Year	<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 Pension					
Employer Contributions	\$ 72,529	\$ 72,529	\$ 72,428	\$ 78,695	\$ 75,199
Employee Contributions	-	-	-	-	-
Pension Plan Net Investment Income	512	85,284	31,425	11,624	42,816
Benefit Payments	(100,986)	(104,242)	(108,992)	(122,872)	(124,229)
Pension Plan Administrative Expense	<u>(4,081)</u>	<u>(1,628)</u>	<u>(3,062)</u>	<u>(1,255)</u>	<u>(4,362)</u>
Net Change in Plan Fiduciary Net Position	(32,026)	51,943	(8,201)	(33,808)	(10,576)
Plan Fiduciary Net Position - Beginning of Year	<u>649,828</u>	<u>597,885</u>	<u>606,086</u>	<u>639,894</u>	<u>650,470</u>
Plan Fiduciary Net Position - End of Year	<u>\$ 617,802</u>	<u>\$ 649,828</u>	<u>\$ 597,885</u>	<u>\$ 606,086</u>	<u>\$ 639,894</u>
Net Pension Liability (Asset)	<u>\$ 312,026</u>	<u>\$ 312,528</u>	<u>\$ 631,916</u>	<u>\$ 643,036</u>	<u>\$ 611,454</u>
Plan Fiduciary Net Pension as a Percentage of Total Pension Liability	66.4%	67.5%	48.6%	48.5%	51.1%
Covered Payroll	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
City Contributions					
Actuarially Determined Contribution	\$ 72,529	\$ 72,529	\$ 72,529	\$ 72,428	\$ 75,199
Actual Contributions	<u>(72,529)</u>	<u>(72,529)</u>	<u>(72,529)</u>	<u>(72,428)</u>	<u>(75,199)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	N/A	N/A	N/A	N/A	N/A
Contribution as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

City of Trinidad, Colorado
Schedule of Changes in Net Pension Liability (Asset),
Related Ratios (Multiyear) and Contributions
Old Hire Police Pension Plan
December 31, 2024

	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>
Measurement Period Ending December 31,					
Total Pension Liability					
Service Cost	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on the Total Pension Liability	3,820	3,928	4,083	4,541	6,095
Benefit Changes	-	-	-	-	-
Difference between Expected and Actual Experience	(23,026)	-	3,525	-	11,168
Assumption Changes	298	-	-	-	17,347
Benefit Payments	<u>(5,158)</u>	<u>(7,480)</u>	<u>(14,517)</u>	<u>(14,919)</u>	<u>(14,919)</u>
Net Change in Total Pension Liability	(24,066)	(3,552)	(6,909)	(10,378)	19,691
Total Pension Liability - Beginning of Year	<u>87,446</u>	<u>90,998</u>	<u>97,907</u>	<u>108,285</u>	<u>88,594</u>
Total Pension Liability - End of Year	<u>\$ 63,380</u>	<u>\$ 87,446</u>	<u>\$ 90,998</u>	<u>\$ 97,907</u>	<u>\$ 108,285</u>
Plan Fiduciary Net Pension					
Employer Contributions	\$ 12,966	\$ 12,966	\$ 12,966	\$ 10,986	\$ 10,986
Employee Contributions	-	-	-	-	-
Pension Plan Net Investment Income	1,649	(2,630)	99	1,933	3,475
Benefit Payments	(5,158)	(7,480)	(14,517)	(14,919)	(14,919)
Pension Plan Administrative Expense	<u>(1,141)</u>	<u>(3,074)</u>	<u>(1,679)</u>	<u>(2,935)</u>	<u>(1,794)</u>
Net Change in Plan Fiduciary Net Position	8,316	(218)	(3,131)	(4,935)	(2,252)
Plan Fiduciary Net Position - Beginning of Year	<u>20,404</u>	<u>20,622</u>	<u>23,753</u>	<u>28,688</u>	<u>30,940</u>
Plan Fiduciary Net Position - End of Year	<u>\$ 28,720</u>	<u>\$ 20,404</u>	<u>\$ 20,622</u>	<u>\$ 23,753</u>	<u>\$ 28,688</u>
Net Pension Liability (Asset)	<u>\$ 34,660</u>	<u>\$ 67,042</u>	<u>\$ 70,376</u>	<u>\$ 74,154</u>	<u>\$ 79,597</u>
Plan Fiduciary Net Pension as a Percentage of Total Pension Liability	45.3%	23.3%	22.7%	24.3%	26.5%
Covered Payroll	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
City Contributions					
Actuarially Determined Contribution	\$ 12,966	\$ 12,966	\$ 12,966	\$ 10,986	\$ 10,986
Actual Contributions	<u>(12,966)</u>	<u>(12,966)</u>	<u>(12,966)</u>	<u>(10,986)</u>	<u>(10,986)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	N/A	N/A	N/A	N/A	N/A
Contribution as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

(Continued)

City of Trinidad, Colorado
Schedule of Changes in Net Pension Liability (Asset),
Related Ratios (Multiyear) and Contributions
Old Hire Police Pension Plan
December 31, 2024
(Continued)

	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>12/31/2014</u>
Measurement Period Ending December 31,					
Total Pension Liability					
Service Cost	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on the Total Pension Liability	6,711	7,783	8,501	7,877	8,620
Benefit Changes	-	-	-	-	-
Difference between Expected and Actual Experience	-	(5,778)	-	13,012	-
Assumption Changes	-	-	-	5,956	-
Benefit Payments	<u>(14,919)</u>	<u>(17,624)</u>	<u>(18,525)</u>	<u>(18,525)</u>	<u>(18,525)</u>
Net Change in Total Pension Liability	(8,208)	(15,619)	(10,024)	8,320	(9,905)
Total Pension Liability - Beginning of Year	<u>96,802</u>	<u>112,421</u>	<u>122,445</u>	<u>114,125</u>	<u>124,030</u>
Total Pension Liability - End of Year	<u>\$ 88,594</u>	<u>\$ 96,802</u>	<u>\$ 112,421</u>	<u>\$ 122,445</u>	<u>\$ 114,125</u>
Plan Fiduciary Net Pension					
Employer Contributions	\$ 13,070	\$ 13,070	\$ 8,031	\$ 8,566	\$ 6,424
Employee Contributions	-	-	-	-	-
Pension Plan Net Investment Income	99	4,984	2,079	1,049	4,176
Benefit Payments	(14,919)	(17,624)	(18,525)	(18,525)	(18,525)
Pension Plan Administrative Expense	<u>(3,616)</u>	<u>(1,440)</u>	<u>(1,941)</u>	<u>(443)</u>	<u>(3,232)</u>
Net Change in Plan Fiduciary Net Position	(5,366)	(1,010)	(10,356)	(9,353)	(11,157)
Plan Fiduciary Net Position - Beginning of Year	<u>36,306</u>	<u>37,316</u>	<u>47,672</u>	<u>57,025</u>	<u>68,182</u>
Plan Fiduciary Net Position - End of Year	<u>\$ 30,940</u>	<u>\$ 36,306</u>	<u>\$ 37,316</u>	<u>\$ 47,672</u>	<u>\$ 57,025</u>
Net Pension Liability (Asset)	<u>\$ 57,654</u>	<u>\$ 60,496</u>	<u>\$ 75,105</u>	<u>\$ 74,773</u>	<u>\$ 57,100</u>
Plan Fiduciary Net Pension as a Percentage of Total Pension Liability	34.9%	37.5%	33.2%	38.9%	50.0%
Covered Payroll	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
City Contributions					
Actuarially Determined Contribution	\$ 13,070	\$ 13,070	\$ 13,070	\$ 8,031	\$ 6,424
Actual Contributions	<u>(13,070)</u>	<u>(13,070)</u>	<u>(13,070)</u>	<u>(8,566)</u>	<u>(6,424)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (535)</u>	<u>\$ -</u>
Covered Payroll	N/A	N/A	N/A	N/A	N/A
Contribution as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A

This schedule is presented to show information for 10 years.
Information will be presented for the years it is available.

City of Trinidad, Colorado
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes				
Property	\$ 1,238,400	\$ 1,238,400	\$ 1,665,618	\$ 427,218
Specific Ownership	280,000	280,000	240,935	(39,065)
General Sales and Use	7,800,000	7,800,000	7,198,387	(601,613)
Specific Sales and Use	1,664,050	1,664,050	1,544,190	(119,860)
Franchise	100,000	100,000	89,172	(10,828)
	<u>11,082,450</u>	<u>11,082,450</u>	<u>10,738,302</u>	<u>(344,148)</u>
Licenses and Permits				
Business	97,200	97,200	85,475	(11,725)
Building, Zoning and Paving Permits	115,000	115,000	135,905	20,905
Pet Licenses	-	-	995	995
	<u>212,200</u>	<u>212,200</u>	<u>222,375</u>	<u>10,175</u>
Intergovernmental				
State Shared Revenues	636,475	636,475	627,537	(8,938)
Grants	240,000	240,000	255,412	15,412
	<u>876,475</u>	<u>876,475</u>	<u>882,949</u>	<u>6,474</u>
Charges for Services				
Delinquent Assessments	50,000	50,000	70,830	20,830
Culture and Recreation	71,000	71,000	60,190	(10,810)
Security	200,000	200,000	238,912	38,912
Other	45,050	45,050	42,796	(2,254)
	<u>366,050</u>	<u>366,050</u>	<u>412,728</u>	<u>46,678</u>
Fines & Forfeits				
Court	22,500	22,500	36,076	13,576
Miscellaneous/Other				
Earnings and Investments	275,000	275,000	584,734	309,734
Other	900,802	900,802	1,043,175	142,373
	<u>1,175,802</u>	<u>1,175,802</u>	<u>1,627,909</u>	<u>452,107</u>
Total Revenues	<u>\$ 13,735,477</u>	<u>\$ 13,735,477</u>	<u>\$ 13,920,339</u>	<u>\$ 184,862</u>

(Continued)

City of Trinidad, Colorado
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2024
(Continued)

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Expenditures				
Current				
General Government				
City Council	\$ 97,507	\$ 97,507	\$ 93,830	\$ 3,677
City Attorney	83,943	83,943	86,013	(2,070)
Municipal Court	95,168	95,168	88,753	6,415
City Manager	519,514	519,514	527,042	(7,528)
Information Technology	590,243	590,243	647,815	(57,572)
Elections	-	-	6,881	(6,881)
Finance	321,344	321,344	285,843	35,501
5% Tax Revenue Projects	927,802	817,423	645,165	172,258
Development Services	665,948	665,948	566,483	99,465
Other General and Administrative	1,150,268	1,150,268	1,031,960	118,308
Local Agencies Support	292,900	292,900	138,838	154,062
Facilities Services	440,000	440,000	519,054	(79,054)
Economic Development	-	-	-	-
	<u>5,184,637</u>	<u>5,074,258</u>	<u>4,637,677</u>	<u>436,581</u>
Public Safety				
Police	3,489,544	3,489,544	3,362,536	127,008
Dispatch	587,893	587,893	447,281	140,612
Fire	1,990,280	1,990,280	2,043,513	(53,233)
Animal Shelter	-	500,000	457,279	42,721
	<u>6,067,717</u>	<u>6,567,717</u>	<u>6,310,609</u>	<u>257,108</u>
Public Works				
Engineering	460,490	460,490	464,411	(3,921)
Fleet Maintenance	464,643	464,643	375,033	89,610
Public Works	1,466,045	1,466,045	1,474,860	(8,815)
Public Works	531,360	531,360	586,728	(55,368)
	<u>2,922,538</u>	<u>2,922,538</u>	<u>2,901,032</u>	<u>21,506</u>
Culture and Recreation				
Parks, Sports and Recreation	635,734	635,734	612,251	23,483
Public Library	384,291	384,291	350,580	33,711
	<u>1,020,025</u>	<u>1,020,025</u>	<u>962,831</u>	<u>57,194</u>
Economic Development	200,433	200,433	169,662	30,771
Capital Outlays	<u>1,431,400</u>	<u>1,431,400</u>	<u>1,062,990</u>	<u>368,410</u>
Total Expenditures	<u>16,826,750</u>	<u>17,216,371</u>	<u>16,044,801</u>	<u>1,171,570</u>
Excess Revenues Over (Under) Expenditures	<u>(3,091,273)</u>	<u>(3,480,894)</u>	<u>(2,124,462)</u>	<u>1,356,432</u>
Other Financing Sources (Uses)				
Transfers In	1,441,571	1,441,571	2,852,452	1,410,881
Transfers Out	<u>(1,992,000)</u>	<u>(2,770,824)</u>	<u>(2,716,200)</u>	<u>54,624</u>
Net Change in Fund Balance	(3,641,702)	(4,810,147)	(1,988,210)	2,821,937
Fund Balance, Beginning of Year	<u>15,130,321</u>	<u>15,130,321</u>	<u>15,489,235</u>	<u>358,914</u>
Fund Balance, End of Year	<u>\$ 11,488,619</u>	<u>\$ 10,320,174</u>	<u>\$ 13,501,025</u>	<u>\$ 3,180,851</u>

City of Trinidad, Colorado
Budgetary Comparison Schedule
Capital Projects Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues				
Taxes	\$ 2,600,000	\$ 2,600,000	\$ 2,399,462	\$ (200,538)
Intergovernmental	27,190,650	27,190,650	1,153,802	(26,036,848)
Interest	300,000	300,000	346,429	46,429
Other	10,000	10,000	32,545	22,545
Total Revenues	<u>30,100,650</u>	<u>30,100,650</u>	<u>3,932,238</u>	<u>(26,168,412)</u>
Expenditures				
Capital Outlay	36,260,150	36,260,150	6,850,551	29,409,599
Total Expenditures	<u>36,260,150</u>	<u>36,260,150</u>	<u>6,850,551</u>	<u>29,409,599</u>
Excess Revenues Over (Under) Expenditures	(6,159,500)	(6,159,500)	(2,918,313)	3,241,187
Other Financing Sources (Uses)				
Transfers In	1,850,000	2,180,161	2,180,161	-
Transfers Out	(1,000,000)	(1,000,000)	-	1,000,000
Net Change in Fund Balance	(5,309,500)	(4,979,339)	(738,152)	4,241,187
Fund Balance, Beginning of Year	<u>6,081,215</u>	<u>6,081,215</u>	<u>7,574,213</u>	<u>1,492,998</u>
Fund Balance, End of Year	<u>\$ 771,715</u>	<u>\$ 1,101,876</u>	<u>\$ 6,836,061</u>	<u>\$ 5,734,185</u>

City of Trinidad, Colorado
Notes to Required Supplementary Information
December 31, 2024

Note 1: Stewardship, Compliance, and Accountability

Budgets

Budgets are legally adopted for all funds of the City. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the proprietary fund are presented on a non-GAAP budgetary basis, whereby capital outlay and debt principal are budgeted as expenditures.

The City follows these procedures to establish the budgetary information reflected in the financial statements:

- Management submits to the City's Board of Trustees a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- Management 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's Board of Trustees.
- All appropriations lapse at year end.

Supplementary Information

City of Trinidad, Colorado
Balance Sheet
Nonmajor Governmental Funds
December 31, 2024

	Economic Development	Tourism	Lottery	Total
Assets				
Cash and Cash Equivalents	\$ 1,737,528	\$ 107,125	\$ 190,976	\$ 2,035,629
Other Taxes Receivables	-	64,802	-	64,802
Accounts Receivables	-	1,067	-	1,067
Total Assets	\$ 1,737,528	\$ 172,994	\$ 190,976	\$ 2,101,498
Liabilities				
Accounts Payable	\$ -	\$ 15,104	\$ 720	\$ 15,824
Accrued Expenses	-	260	-	260
Accrued Payroll	-	1,366	-	1,366
Total Liabilities	-	16,730	720	17,450
Fund Balance				
Restricted				
Parks and Recreation	-	-	190,256	190,256
Assigned				
Tourism Promotion	-	156,264	-	156,264
Economic Development	1,737,528	-	-	1,737,528
Total Fund Balance	1,737,528	156,264	190,256	2,084,048
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 1,737,528	\$ 172,994	\$ 190,976	\$ 2,101,498

City of Trinidad, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2024

	Economic Development	Tourism	Lottery	Total
Revenues				
Taxes	\$ -	\$ 365,355	\$ -	\$ 365,355
Intergovernmental	-	-	101,838	101,838
Investment Income	34,101	9,956	150	44,207
Other Revenue	-	39,395	-	39,395
Total Revenues	<u>34,101</u>	<u>414,706</u>	<u>101,988</u>	<u>550,795</u>
Expenditures				
General Government	-	93,402	-	93,402
Culture and Recreation	-	-	86,417	86,417
Economic Development	159,765	-	-	159,765
Tourism	-	638,512	-	638,512
Total Expenditures	<u>159,765</u>	<u>731,914</u>	<u>86,417</u>	<u>978,096</u>
Excess Revenues Over (Under) Expenditures	<u>(125,664)</u>	<u>(317,208)</u>	<u>15,571</u>	<u>(427,301)</u>
Other Financing Sources (Uses)				
Transfers In	20,376	88,733	-	109,109
Transfers Out	-	(7,281)	-	(7,281)
Other Financing Sources (Uses)	<u>20,376</u>	<u>81,452</u>	<u>-</u>	<u>101,828</u>
Net Change in Fund Balance	(105,288)	(235,756)	15,571	(325,473)
Fund Balance, Beginning of Year	<u>1,842,816</u>	<u>392,020</u>	<u>174,685</u>	<u>2,409,521</u>
Fund Balance, End of Year	<u>\$ 1,737,528</u>	<u>\$ 156,264</u>	<u>\$ 190,256</u>	<u>\$ 2,084,048</u>

City of Trinidad, Colorado
 Budgetary Comparison Schedule
 Economic Development Fund
 For the Year Ended December 31, 2024

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Interest	\$ 25,000	\$ 34,101	\$ 9,101
Total Revenues	<u>25,000</u>	<u>34,101</u>	<u>9,101</u>
Expenditures			
Economic Development	<u>1,000,000</u>	<u>159,765</u>	<u>840,235</u>
Total Expenditures	<u>1,000,000</u>	<u>159,765</u>	<u>840,235</u>
Excess Revenues Over (Under) Expenditures	<u>(975,000)</u>	<u>(125,664)</u>	<u>849,336</u>
Other Financing Sources (Uses)			
Transfers In	<u>75,000</u>	<u>20,376</u>	<u>(54,624)</u>
Net Change in Fund Balance	(900,000)	(105,288)	794,712
Fund Balance, Beginning of Year	<u>1,842,816</u>	<u>1,842,816</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 942,816</u>	<u>\$ 1,737,528</u>	<u>\$ 794,712</u>

City of Trinidad, Colorado
Budgetary Comparison Schedule
Tourism Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ 500,000	\$ 500,000	\$ 365,355	\$ (134,645)
Interest	10,000	10,000	9,956	(44)
Miscellaneous	17,540	17,540	39,395	21,855
Total Revenues	<u>527,540</u>	<u>527,540</u>	<u>414,706</u>	<u>(112,834)</u>
Expenditures				
General Government				
Visitor Welcome Center	118,186	118,186	93,402	24,784
Tourism				
General	747,950	747,950	615,839	132,111
Trolley	33,132	33,132	22,673	10,459
Total Expenditures	<u>899,268</u>	<u>899,268</u>	<u>731,914</u>	<u>167,354</u>
Excess Revenues Over (Under) Expenditures	(371,728)	(371,728)	(317,208)	54,520
Other Financing Sources (Uses)				
Transfers In	67,000	88,733	88,733	-
Transfers Out	(10,000)	(10,000)	(7,281)	2,719
Net Change in Fund Balance	(314,728)	(292,995)	(235,756)	57,239
Fund Balance, Beginning of Year	<u>407,399</u>	<u>407,399</u>	<u>392,020</u>	<u>(15,379)</u>
Fund Balance, End of Year	<u>\$ 92,671</u>	<u>\$ 114,404</u>	<u>\$ 156,264</u>	<u>\$ 41,860</u>

City of Trinidad, Colorado
 Budgetary Comparison Schedule
 Lottery Fund
 For the Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 105,000	\$ 101,838	\$ (3,162)
Interest	110	150	40
Total Revenues	<u>105,110</u>	<u>101,988</u>	<u>(3,122)</u>
Expenditures			
Culture and Recreation	<u>220,100</u>	<u>86,417</u>	<u>133,683</u>
Total Expenditures	<u>220,100</u>	<u>86,417</u>	<u>133,683</u>
Net Change in Fund Balance	(114,990)	15,571	130,561
Fund Balance, Beginning of Year	<u>152,231</u>	<u>174,685</u>	<u>22,454</u>
Fund Balance, End of Year	<u>\$ 37,241</u>	<u>\$ 190,256</u>	<u>\$ 153,015</u>

City of Trinidad, Colorado
Budgetary Comparison Schedule
Power and Light Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Charges for Services				
Commercial Sales	\$ 3,970,634	\$ 3,970,634	\$ 3,811,185	\$ (159,449)
Residential Sales	4,258,078	4,258,078	3,999,326	(258,752)
Dusk to Dawn Security Lites	132,000	132,000	126,499	(5,501)
Street Lighting	135,000	135,000	129,725	(5,275)
Water Heaters	25,000	25,000	21,131	(3,869)
Meter Connect Fees	11,000	11,000	11,050	50
Interest Income	20,000	20,000	32,652	12,652
Other	123,000	123,000	158,827	35,827
Capital Contributions	-	-	255,800	255,800
Transfers In	-	20,000	20,000	-
	<u>8,674,712</u>	<u>8,694,712</u>	<u>8,566,195</u>	<u>(128,517)</u>
Expenditures				
Operating Expenses	1,890,863	1,890,863	1,765,210	125,653
Power Purchases	5,706,500	5,706,500	5,463,826	242,674
Plant Operations	33,650	33,650	47,077	(13,427)
Distribution Operations	253,400	253,400	207,207	46,193
Capital Outlay	45,000	45,000	313,655	(268,655)
Debt Service				
Principal	153,740	153,740	153,737	3
Interest	65,650	65,650	62,547	3,103
Transfers Out	554,757	554,757	554,757	-
	<u>8,703,560</u>	<u>8,703,560</u>	<u>8,568,016</u>	<u>135,544</u>
Change in Net Position, Budgetary Basis	<u>\$ (28,848)</u>	<u>\$ (8,848)</u>	<u>(1,821)</u>	<u>\$ 7,027</u>
Reconciliation to GAAP Basis				
Principal Payments			153,737	
Capital Outlay			313,655	
Depreciation			(259,300)	
Change in Net Position, GAAP Basis			<u>\$ 206,271</u>	

City of Trinidad, Colorado
Budgetary Comparison Schedule
Water Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues				
Charges for Services				
Commercial Sales	\$ 1,620,000	\$ 1,620,000	\$ 1,784,114	\$ 164,114
Residential Sales	1,485,000	1,485,000	1,549,786	64,786
Meter Connect Fees	7,000	7,000	5,465	(1,535)
Intergovernmental	3,217,649	3,217,649	-	(3,217,649)
Interest Income	85,000	85,000	164,143	79,143
Other	1,070,500	1,070,500	787,584	(282,916)
Transfers In	1,000,000	1,015,750	15,750	(1,000,000)
	<u>8,485,149</u>	<u>8,500,899</u>	<u>4,306,842</u>	<u>(4,194,057)</u>
Expenditures				
Operating Expenses	1,751,306	1,751,306	1,805,601	(54,295)
Water Transmission	56,250	56,250	56,893	(643)
Water Distribution	502,950	502,950	522,817	(19,867)
Madrid Chlorination	650	650	590	60
Water Filtration	153,200	153,200	167,814	(14,614)
North Lake	61,000	61,000	10,146	50,854
Monument Lake	16,550	16,550	10,233	6,317
Capital Outlay	4,409,100	4,409,100	325,419	4,083,681
Debt Service				
Principal	128,363	128,363	128,363	-
Interest	61,775	61,775	60,542	1,233
Transfers Out	344,168	344,168	344,168	-
	<u>7,485,312</u>	<u>7,485,312</u>	<u>3,432,586</u>	<u>4,052,726</u>
Change in Net Position,				
<i>Budgetary Basis</i>	\$ <u>999,837</u>	\$ <u>1,015,587</u>	874,256	\$ <u>(141,331)</u>
Reconciliation to GAAP Basis				
Principal Payments			128,363	
Capital Outlay			325,419	
Depreciation			(792,157)	
Change in Net Position, GAAP Basis			\$ 535,881	

City of Trinidad, Colorado
Budgetary Comparison Schedule
Gas Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Charges for Services				
Commercial Sales	\$ 1,626,000	\$ 1,626,000	\$ 1,528,199	\$ (97,801)
Residential Sales	2,598,000	2,598,000	2,308,609	(289,391)
Meter Connect Fees	10,500	10,500	8,640	(1,860)
Grants	92,000	92,000	92,203	203
Interest Income	125,000	125,000	167,120	42,120
Other	41,000	41,000	49,264	8,264
Transfers In	-	35,000	35,000	-
	<u>4,492,500</u>	<u>4,527,500</u>	<u>4,189,035</u>	<u>(338,465)</u>
Expenditures				
Operating Expenses	974,633	974,633	977,053	(2,420)
Regulating Station	6,000	6,000	4,587	1,413
Gas Distribution	172,525	172,525	186,338	(13,813)
Gas Purchase	2,300,000	3,900,000	3,357,593	542,407
Capital Outlay	862,000	862,000	177,660	684,340
Debt Service				
Principal	62,930	62,930	62,929	1
Interest	30,285	30,285	29,680	605
Transfers Out	393,630	393,630	393,630	-
	<u>4,802,003</u>	<u>6,402,003</u>	<u>5,189,470</u>	<u>1,212,533</u>
Change in Net Position, Budgetary Basis	<u>\$ (309,503)</u>	<u>\$ (1,874,503)</u>	(1,000,435)	<u>\$ 874,068</u>
Reconciliation to GAAP Basis				
Principal Payments			62,929	
Capital Outlay			177,660	
Depreciation			(202,464)	
Change in Net Position, GAAP Basis			<u>\$ (962,310)</u>	

City of Trinidad, Colorado
Budgetary Comparison Schedule
Sewer Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Charges for Services				
Commercial Sales	\$ 641,000	\$ 641,000	\$ 682,189	\$ 41,189
Residential Sales	1,760,000	1,760,000	1,816,235	56,235
Interest Income	5,150	5,150	39,294	34,144
Other	42,600	42,600	47,586	4,986
Transfers In	-	356,180	356,180	-
	<u>2,448,750</u>	<u>2,804,930</u>	<u>2,941,484</u>	<u>136,554</u>
Expenditures				
Operating Expenses	323,931	323,931	263,088	60,843
Sewage Treatment Plant	1,387,925	1,387,925	1,583,445	(195,520)
Sewage Collection	1,300	1,300	19,731	(18,431)
Capital Outlay	500,000	857,000	302,617	554,383
Transfers Out	139,016	139,016	138,978	38
	<u>2,352,172</u>	<u>2,709,172</u>	<u>2,307,859</u>	<u>401,313</u>
Change in Net Position, Budgetary Basis	<u>\$ 96,578</u>	<u>\$ 95,758</u>	633,625	<u>\$ 537,867</u>
Reconciliation to GAAP Basis				
Capital Outlay			302,617	
Depreciation			<u>(320,093)</u>	
Change in Net Position, GAAP Basis			<u>\$ 616,149</u>	

State Compliance

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO
	YEAR ENDING (mm/yy): 12/24

This Information From The Records Of: CITY OF TRINIDAD	Prepared By: CHERYL NAVARETTE cheryl.navarette@trinidad.co.gov
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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
A. Receipts from local sources:		A. Local highway expenditures:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ 1,420,989.00
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 882,324.00
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	\$ 176,465.00
2. General fund appropriations	\$ 1,500,416.91	b. Snow and ice removal	\$ 352,930.00
3. Other local imposts (from page 2)	\$ 1,751,586.16	c. Other	
4. Miscellaneous local receipts (from page 2)	\$ 36,141.22	d. Total (a. through c.)	\$ 529,395.00
5. Transfers from toll facilities		4. General administration & miscellaneous	\$ 25,944.00
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	\$ 840,633.00
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 3,699,285.00
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	\$ -	a. Interest	
7. Total (1 through 6)	\$ 3,288,144.29	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	\$ -
C. Receipts from State government (from page 2)	\$ 411,140.71	2. Notes:	
D. Receipts from Federal Government (from page 2)	\$ -	a. Interest	
E. Total receipts (A.7 + B + C + D)	\$ 3,699,285.00	b. Redemption	
		c. Total (a. + b.)	\$ -
		3. Total (1.c + 2.c)	\$ -
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total expenditures (A.6 + B.3 + C + D)	\$ 3,699,285.00

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

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
		\$ 3,699,285.00	\$ 3,699,285.00		\$ -

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
COLORADO
 YEAR ENDING (mm/yy):
12/24

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	\$ 34,232.73
1. Sales Taxes	\$ 1,367,513.00	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	\$ 1,908.49
5. Specific Ownership &/or Other	\$ 384,073.16	g. Other Misc. Receipts	
6. Total (1. through 5.)	\$ 1,751,586.16	h. Other	
c. Total (a. + b.)	\$ 1,751,586.16	i. Total (a. through h.)	\$ 36,141.22
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes (from Item I.C.5.)	\$ 378,792.71	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	\$ 32,348.00	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal	
f. Total (a. through e.)	\$ 32,348.00	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 411,140.71	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)
A.1. Capital outlay:			
a. Right-Of-Way Costs			\$ -
b. Engineering Costs		\$ 16,276.00	\$ 16,276.00
c. Construction:			
(1). New Facilities			\$ -
(2). Capacity Improvements			\$ -
(3). System Preservation		\$ 1,404,713.00	\$ 1,404,713.00
(4). System Enhancement And Operation			\$ -
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ 1,404,713.00	\$ 1,404,713.00
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ -	\$ 1,420,989.00	\$ 1,420,989.00
<i>(Carry forward to page 1)</i>			

Notes and Comments: