

CITY OF TRINIDAD
California

Annual Financial Report
June 30, 2014

City Council

Julie Fulkerson
Dwight Miller
Jim Baker
Tom Davies
Jack West

Mayor
Mayor Pro-Tem
Member
Member
Member

Appointed Officials

City Manager
Karen Suiker

City Clerk
Gabriel Adams

CITY OF TRINIDAD

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MARCELLO & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

2701 Cottage Way, Suite 30 / Sacramento, California 95825

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor
Members of the City Council
City of Trinidad, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Trinidad, California, as of and for the year ended June 30, 2014, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Trinidad, as of June 30, 2014, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Honorable Mayor
Members of the City Council
City of Trinidad, California

Other Matters

Report on the Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not 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 historic context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted *management's discussion and analysis* that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Trinidad's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Marcello & Company

Certified Public Accountants
Sacramento, California
November 20, 2014

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF TRINIDAD
Government-wide Financial Statements
Statement of Net Position
June 30, 2014

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 1,248,375	\$ 841,460	\$ 2,089,835
Receivables	713,492	316,927	1,030,419
Capital assets not being depreciated	594,383	815,000	1,409,383
Capital assets, net of depreciation	1,117,226	268,355	1,385,581
Total assets	<u>3,673,476</u>	<u>2,241,742</u>	<u>5,915,218</u>
LIABILITIES			
Payables	451,675	233,799	685,474
Cash overdrafts	178,329	-	178,329
Customer deposits	-	2,980	2,980
Total liabilities	<u>630,004</u>	<u>236,779</u>	<u>866,783</u>
NET POSITION			
Invested in capital assets, net	1,711,609	1,083,355	2,794,964
Restricted	40,291	-	40,291
Unrestricted	1,291,572	921,608	2,213,180
Total net position	<u>\$ 3,043,472</u>	<u>\$ 2,004,963</u>	<u>\$ 5,048,435</u>

The accompanying notes to financial statements are an integral part of this financial statement

FUND FINANCIAL STATEMENTS

CITY OF TRINIDAD
Balance Sheet
Governmental Funds
June 30, 2014

	General Fund	Azalea & Pacific St. Project	ASBS Stormwater Project	Luffenholtz Creek Sediment	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$ 1,207,484	\$ -	\$ -	\$ -	\$ 40,891	\$ 1,248,375
Receivables	104,458	-	333,849	219,796	55,389	713,492
Total assets	<u>\$ 1,311,942</u>	<u>\$ -</u>	<u>\$ 333,849</u>	<u>\$ 219,796</u>	<u>\$ 96,280</u>	<u>\$ 1,961,867</u>
LIABILITIES						
Payables	\$ 20,370	\$ -	\$ 256,122	\$ 161,674	\$ 13,509	\$ 451,675
Cash overdrafts	-	-	77,724	58,122	42,483	178,329
Total liabilities	<u>20,370</u>	<u>-</u>	<u>333,846</u>	<u>219,796</u>	<u>55,992</u>	<u>630,004</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	3	-	43,017	43,020
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	20	20
Unassigned	1,291,572	-	-	-	(2,749)	1,288,823
Total fund balances	<u>1,291,572</u>	<u>-</u>	<u>3</u>	<u>-</u>	<u>40,288</u>	<u>1,331,863</u>
Total liabilities and fund balances	<u>\$ 1,311,942</u>	<u>\$ -</u>	<u>\$ 333,849</u>	<u>\$ 219,796</u>	<u>\$ 96,280</u>	<u>\$ 1,961,867</u>

The accompanying notes to financial statements are an integral part of this financial statement

CITY OF TRINIDAD
Statement of Revenue, Expenditures, and Change in Fund Balances
Governmental Funds
Year Ended June 30, 2014

REVENUE	General Fund	Azalea & Pacific St. Project	ASBS Stormwater Project	Luffenholtz Creek Sediment	Other Governmental Funds	Total Governmental Funds
Intergovernmental	\$ 62,124	\$ 299,367	\$ 604,028	\$ 1,173,189	\$ 303,038	\$ 2,441,746
Property tax	93,709	-	-	-	-	93,709
Sales tax	201,827	-	-	-	-	201,827
Transient occupancy tax	130,700	-	-	-	-	130,700
Licenses, planning and permits	24,908	-	-	-	-	24,908
Use of property	44,747	-	-	-	1,011	45,758
Investment earnings	5,611	-	-	-	-	5,611
Other revenue	10,583	-	-	-	3,614	14,197
Totals	574,209	299,367	604,028	1,173,189	307,663	2,958,456
EXPENDITURES						
General government	263,019	-	-	-	23,017	286,036
Public safety-police	100,748	-	-	-	100,000	200,748
Public safety-fire	6,307	-	-	-	-	6,307
Public works	124,993	-	-	-	8,071	133,064
Capital improvement projects	-	299,367	604,025	1,173,189	178,691	2,255,272
Totals	495,067	299,367	604,025	1,173,189	309,779	2,881,427
Excess Revenue over Expenditures	79,142	-	3	-	(2,116)	77,029
Other Financing Sources (Uses)						
Transfers in	47,729	-	-	-	-	47,729
Transfers (out)	(10,000)	-	-	-	(37,729)	(47,729)
Totals	37,729	-	-	-	(37,729)	-
Change in Fund Balances	116,871	-	3	-	(39,845)	77,029
Fund Balances - beginning	1,145,018	-	7,803	(2,139)	86,395	1,237,077
Prior period adjustment (capital assets)	29,683	-	(7,803)	2,139	(6,262)	17,757
Fund Balances - as restated	1,174,701	-	-	-	80,133	1,254,834
Fund Balances - end of year	\$ 1,291,572	\$ -	\$ 3	\$ -	\$ 40,288	\$ 1,331,863

The accompanying notes to financial statements are an integral part of this financial statement

CITY OF TRINIDAD
Proprietary Funds
Statement of Net Position
June 30, 2014

	Business-type Activities		
	Water Fund	Cemetery Fund	Total Enterprise Funds
ASSETS			
Current Assets:			
Cash and investments	\$ 690,390	\$ 151,070	\$ 841,460
Receivables	316,927	-	316,927
Total current assets	1,007,317	151,070	1,158,387
Noncurrent Assets:			
Capital assets not being depreciated	815,000	-	815,000
Capital assets, net of depreciation	263,942	4,413	268,355
Total assets	2,086,259	155,483	2,241,742
LIABILITIES			
Current Liabilities:			
Payables	232,338	1,461	233,799
Customer deposits	2,980	-	2,980
Total current liabilities	235,318	1,461	236,779
Total liabilities	-	-	-
	235,318	1,461	236,779
NET POSITION			
Invested in capital assets, net of related debt	1,078,942	4,413	1,083,355
Unrestricted	771,999	149,609	921,608
Total net position	\$ 1,850,941	\$ 154,022	\$ 2,004,963

The accompanying notes to financial statements are an integral part of this financial statement

CITY OF TRINIDAD
Proprietary Funds
Statement of Revenue, Expenses, and Change in Net Position
Year Ended June 30, 2014

	Business-type Activities			Total
	Water Fund	Cemetery Fund	Enterprise Funds	
OPERATING REVENUE				
Water sales	\$ 285,209	-	\$ 285,209	
Water connection fees	-	-	-	
Burial plot sales	-	12,620	12,620	
Late charges	1,692	-	1,692	
Totals	<u>286,901</u>	<u>12,620</u>	<u>299,521</u>	
OPERATING EXPENSES				
Personnel services	141,272	8,701	149,973	
Maintenance and operations	65,336	3,916	69,252	
Depreciation	21,997	228	22,225	
Totals	<u>228,605</u>	<u>12,845</u>	<u>241,450</u>	
OPERATING INCOME (LOSS)	<u>58,296</u>	<u>(225)</u>	<u>58,071</u>	
NONOPERATING REVENUE (EXPENSES)				
Intergovernmental grants	819,617	-	819,617	
Investment earnings	1,653	345	1,998	
Other revenue (expense)	5,322	-	5,322	
Interest expense	(266)	-	(266)	
Totals	<u>826,326</u>	<u>345</u>	<u>826,671</u>	
Income Before Transfers	884,622	120	884,742	
Transfers in	15,000	-	15,000	
Transfers (out)	(15,000)	-	(15,000)	
CHANGE IN NET POSITION	<u>884,622</u>	<u>120</u>	<u>884,742</u>	
Net Position - beginning	966,319	153,902	1,120,221	
Net Position - end of year	<u>\$ 1,850,941</u>	<u>\$ 154,022</u>	<u>\$ 2,004,963</u>	

The accompanying notes to financial statements are an integral part of this financial statement

CITY OF TRINIDAD
Proprietary Funds
Statement of Cash Flows
Year Ended June 30, 2014

CASH FLOWS PROVIDED BY (USED FOR)

	Business-type Activities			Total
	Water	Cemetery	Enterprise Funds	
Operating Activities				
Cash received from customers	\$ 296,306	\$ 12,620	\$ 308,926	
Cash paid for employee compensation	(141,272)	(8,701)	(149,973)	
Cash paid for operations and maintenance	(52,238)	(2,708)	(54,946)	
Net cash provided (used)	<u>102,796</u>	<u>1,211</u>	<u>104,007</u>	
Noncapital Financing Activities				
Grants received	541,798	-	541,798	
Grant funded capital expenditures	(594,619)	-	(594,619)	
Net Cash Provided (Used)	<u>(52,821)</u>	<u>-</u>	<u>(52,821)</u>	
Capital & Financing Activities				
Principal paid on debt obligations	(10,760)	-	(10,760)	
Interest paid on debt obligations	(266)	-	(266)	
Net cash provided (used)	<u>(11,026)</u>	<u>-</u>	<u>(11,026)</u>	
Investing Activities				
Investment & other earnings	909	345	1,254	
Net Increase (Decrease) in Cash				
Cash - beginning	39,858	1,556	41,414	
Cash - end of year	650,532	149,514	800,046	
	<u>\$ 690,390</u>	<u>\$ 151,070</u>	<u>\$ 841,460</u>	
Operating Activities Analysis				
Operating Income (Loss) (page 11)	\$ 58,296	\$ (225)	\$ 58,071	
Reconciliation adjustments:				
Add depreciation, a noncash expense	21,997	228	22,225	
(Increase) decrease in receivables	(10,293)	-	(10,293)	
(Increase) decrease in prepaid expenses	10,508	194	10,702	
Increase (decrease) in payables	22,288	1,014	23,302	
Net cash provided (used)	<u>\$ 102,796</u>	<u>\$ 1,211</u>	<u>\$ 104,007</u>	

The accompanying notes to financial statements are an integral part of this financial statement

CITY OF TRINIDAD
Notes to the Financial Statements
June 30, 2014

The notes to the financial statements include a summary of significant accounting policies and other notes considered essential to fully disclose and fairly present the transactions and financial position of the City as follows:

- Note 1 - Summary of Significant Accounting Policies
- Note 2 - Stewardship, Compliance, and Accountability
- Note 3 - Cash and Investments
- Note 4 - Receivables
- Note 5 - Capital Assets
- Note 6 - Defined Contribution Retirement Plan
- Note 7 - Payables
- Note 8 - Interfund Transactions
- Note 9 - Long-term Obligations
- Note 10 - Risk Management
- Note 11 - Commitments and Contingencies
- Note 12 - New Pronouncements
- Note 13 - Subsequent Events

CITY OF TRINIDAD
Notes to the Financial Statements
June 30, 2014

Note 1 - Summary of Significant Accounting Policies

Defining the Reporting Entity

The City of Trinidad was incorporated on November 7, 1870 under the laws of the State of California. The City operates under a Council-Manager form of government that provides the following services: public safety (police, fire and animal control), recreation and culture, public improvements, planning and zoning, general and administrative services, cemetery and water utilities.

The City participates in a joint powers agency through a formally organized and separate entity agreement. The financial activities of the Public Agency Risk Sharing Authority of California (PARSAC), a public entity risk pool, are not included in the accompanying financial statements because they are administered by a governing board which is separate from and independent of the City.

The Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Certain significant changes in the Statement include the following:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the City’s overall financial position and results of operations.
- Governmental-wide Financial Statements prepared using full accrual accounting for all of the City’s activities, including infrastructure.
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including the notes to financial statements). The City has elected to implement the general provisions of GASB 34 to prospectively report infrastructure assets.

The City of Trinidad, for financial purposes, includes all of the funds relevant to the operations of the City. The financial statements presented herein do not include agencies which have been formed under applicable state laws or separate and distinct units of government apart from the City.

The City’s financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP and used by the City are described below:

Basic Financial Statements – Government-wide Statements

The City’s basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City’s major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City’s police and fire protection, public works, special revenue projects, and general administrative services are classified as governmental activities. The City’s water and cemetery services are classified as business-type activities.

In the Government-wide Statement of Net Position, both the governmental and business-type activities columns are presented on a consolidated basis by column; and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City utilizes restricted resources to finance qualifying activities.

The Government-wide Statement of Activities reports both the gross and net cost of each of the City’s functions and business-type activities. The functions are also supported by general government revenue

CITY OF TRINIDAD
Notes to the Financial Statements
June 30, 2014

(property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc). The Statement of Activities reduces gross expenses (including depreciation) by related program revenue, operating and capital grants. Program revenue must be directly associated with the function (public safety, public works, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

Basic Financial Statements – Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that encompass its assets, liabilities, fund equity, revenue and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

Fund Types and Major Funds:

Governmental Funds

- *General Fund* – this fund is the primary operating fund of the City which is used to account for all financial resources not reported in other funds.
- *Special Revenue Funds* – these funds are used to account for the proceeds of specific revenue resources (other than major capital projects) that are legally restricted to expenditures for specific purposes.
- *Capital Projects Funds* – these funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or projects.

Proprietary Funds

The City reports the following proprietary funds:

- *Water Utilities Fund* – accounts for the operating activities of the City's water utility service.
- *Cemetery Fund* – accounts for the operating activities of the City's cemetery.

Major Funds

GASB Statement No. 34 defines major funds and requires that the City's major governmental funds are identified and presented separately in the fund financial statements. All other governmental funds, called nonmajor or other funds, are combined and reported in a single column, regardless of their fund-type. Major funds are defined as funds that have assets, liabilities, revenue, or expenditures/expenses equal to or greater than ten percent of their fund-type total, and can change annually. The general fund is always a major fund. The City may also select other funds it believes should be presented as major funds.

The City reports the following major governmental funds:

- *General Fund* - this is the primarily operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.
- *Azalea & Pacific Street Project* - this fund is used to account for several grants from government agencies. Revenue is restricted for a pre-approved street construction project.

CITY OF TRINIDAD
Notes to the Financial Statements
June 30, 2014

- *ASBS Stormwater Project* - this fund is used to account for proceeds received from a State grant. Revenue is restricted for monitoring, management and reconstruction of rain water run-off systems into biological significant areas.
- *Luffenholtz Creek Sediment Reduction Program* - this fund is used to account for proceeds received from a State grant. Revenue is restricted for sediment identification and reduction solutions.

Basis of Accounting

Basis of accounting refers to the point at which revenue or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Under the accrual method of accounting, both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements are presented on the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when incurred.

Under the modified accrual method of accounting, the governmental funds financial statements are presented on the modified accrual basis of accounting. Revenue is recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end.

Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Cash, Investments and Cash Equivalents

Cash and Cash Equivalents - for purposes of the statement of cash flows, the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents, which are shown on the statement of cash flows as "cash and investments."

Cash and Investments - the City follows the requirements of GASB Stmt No. 40 in reporting cash and investments at fair value and disclosing risks related to credit risk, concentration of credit risk, and interest rate risk.

Interfund Activity

Interfund activity is reported as loans, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Reimbursements are when one fund incurs a cost and then charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental and proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Capital Assets

Capital assets used in governmental fund type operations are accounted for on the statement of net position. Public domain general capital assets (infrastructure) consisting of certain improvements other than buildings, such as roads, sidewalks and bridges are capitalized prospectively starting July 1, 2003 in accordance with GASB Stmt No. 34. City policy has set the capitalization threshold for reporting capital assets at \$5,000. Capital outlay is recorded as expenditures of the general and special revenue funds,

CITY OF TRINIDAD
Notes to the Financial Statements
June 30, 2014

and, as capital assets in the government-wide financial statements to the extent the City's capitalization threshold is met. Donated assets are recorded at estimated fair value at the date of donation.

Property, plant and equipment acquired for proprietary funds are capitalized in the respective fund to which it applies and are stated at their cost. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets.

Depreciation is recorded on a straight-line basis over the estimated useful lives of the capital assets which range from 3 to 20 years for equipment and vehicles, and 20 to 50 years for infrastructure, buildings and improvements. Land, art and treasures are not considered exhaustible, therefore are not being depreciated. In the government-wide statement of activities, no depreciation expense was recorded in governmental activities for capital assets acquired before 1995 because of the inadequacy of historic accounting records. The City has started the process to determine historic costs of such assets.

Compensated Absences:

In compliance with GASB Stmt No.16, the City has established a liability for accrued vacation, except that additional accruals for salary-related expenses associated with the costs of compensated absences, for example, the employer's share of social security and medicare taxes, have not been accrued as that amount is not considered significant or material to the financial statements taken as a whole. All vacation pay is accrued when incurred in the government-wide and proprietary funds financial statements. This liability is established for current employees at their current rates of pay. If accrued vacation is not used by the employee during their term of employment, compensation is payable to the employee at the time of separation, and at the employee's prevailing rate of pay. Each fiscal year, an adjustment to the liability is made based on pay rate changes and adjustments for the estimated current portion due within one year. Due to the immaterial amount of compensated absences, the City has elected to report compensated absences as accrued expenses in all funds, which is merged with accounts payable at year end to be reported as Payables in the financial statements.

Estimates

Financial statement presentation in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could vary from those estimates.

Property Tax Revenue

Property taxes in the State of California are administered for all local agencies at the County level and consist of secured, unsecured and utility tax rolls. The following is a summary of major policies and practices relating to property taxes:

- *Property Valuations* - are established by the Assessor of Humboldt County for the secured and unsecured property tax rolls; the utility property tax roll is valued by the California State Board of Equalization. Under the provisions of Article XIII A of the State Constitution (Proposition 13, adopted by the voters on June 6, 1978), properties are assessed at 100% of full value. From this base of assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increase to full value is allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations and is subject to annual reappraisal.
- *Tax Levies* - are limited to 1% of full assessed value which results in a tax rate of \$1.00 per \$100 assessed valuation under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation.

CITY OF TRINIDAD
Notes to the Financial Statements
June 30, 2014

- *Tax Levy Dates* - are attached annually on January 1, preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.
- *Tax Collections* - are the responsibility of the County's tax collector. Taxes and assessments on secured and utility rolls, which constitute a lien against the property, may be paid in two installments: The first is due on November 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due on March 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against property unless the taxes become delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the County for late payments. The City has elected to receive the City's portion of the property tax revenue from the County under the State enacted "Teeter Bill" program. Under this program, the City receives 100% of the City's share of the levied property taxes in periodic payments, with the County assuming responsibility for collecting the delinquencies as well as keeping the related late penalties and interest.
- *Tax Levy Apportionments* - due to the nature of the City-wide maximum levy, it is not possible to identify general-purpose tax rates for specific entities. Under State legislation adopted subsequent to the passage of Proposition 13, apportionments to local agencies are made by each County auditor-controller based primarily on the ratio that each agency represented of the total City-wide levy for the three fiscal years prior to fiscal year 1979.
- *Property Tax Administration Fees* - the State of California fiscal year 1990-91 Budget Act authorized Counties to collect an administrative fee for its collection and distribution of property tax revenue.

Revenue and Expenditures

Substantially all governmental fund revenue is accrued. Property taxes are billed and collected within the same period in which the taxes are levied. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non-operating revenue based on GASB Stmt. No. 33. In applying GASB Statement No. 33 to grant revenue, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Grant resources transmitted before eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

Operating income in proprietary fund financial statements includes revenue and expenses related to the primary continuing operations of the fund. Principal operating revenue for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenue and expenses are classified as non-operating in the financial statements. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as needed. Expenditures are recognized when the related fund liability is incurred.

Net Position and Fund Balances

The City's net position is classified as follows on the government-wide statement of net position:

- Invested in capital assets, net of related debt - represents the City's total investment in capital

CITY OF TRINIDAD
Notes to the Financial Statements
June 30, 2014

assets reduced by any outstanding debt used to acquire these assets.

- Restricted net position - includes resources that the City is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.
- Unrestricted net position - represents resources derived from sources without spending restrictions, are used for transactions relating the general operations of the City, and may be used at the discretion of those charged with governance to meet current expenses or obligations for any purpose.

Fund balance designations are classified on the governmental funds balance sheet as follows:

- Nonspendable - amounts that cannot be spent because they are either (a) legally or contractually required to be maintained intact or (b) not in spendable form such as long-term notes receivable.
- Restricted - amounts that can be spent only for the *specific purposes* stipulated by constitution, external resource providers, or through enabling legislation.
- Committed - amounts that can be used only for the *specific purposes* determined by a formal action of the City Council, to establish, modify or rescind a fund balance commitment.
- Assigned - amounts that are constrained by the government's *intent* to be used for specific purposes but do not meet the criteria to be classified as restricted or committed, as determined by a formal action or policy of the City Council or its appointed official.
- Unassigned - the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

Note 2 - Stewardship, Compliance, and Accountability

Revenue Limitations Imposed by California Proposition 218

Proposition 218, which was approved by the voters in November 1996, regulates the City's ability to impose, increase, and extend taxes, assessments, and fees. Any new, increased, or extended taxes, assessments, and fees subject to the provisions of Proposition 218, require voter approval before they can be implemented. Additionally, Proposition 218 provides that these taxes, assessments, and fees are subject to the voter initiative process and may be rescinded in the future years by the voters.

Excess of Appropriations over Expenditures

For the year ended June 30, 2014, several Nonmajor governmental funds on page 30 had expenditures that exceeded appropriations.

Deficit Fund Balances

Due to the City incurring costs in advance of receiving grant awards and other reimbursements, and revenue which it expects to recover in the future from grants and other sources, the following funds incurred deficits in their ending fund balances:

COPS grant fund	\$	542
Gas tax fund		740
Watershed Coordinator project		1,467
		2,749
		\$ 2,749

Cash Deficit Balances by Fund

The following governmental activity funds reported year end cash deficit balances:

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ASBS Stormwater project	\$	77,724
Luffenholtz Creek Sediment Reduction		58,122
COPS program grant		25,915
Gas tax fund		2,210
Watershed Coordinator project		14,358
		\$ 178,329

Note 3 - Cash and Investments

The City follows the practice of pooling cash and investments of all funds except for restricted funds required to be held by outside custodians, fiscal agents or trustees, under the provisions of bond covenants. Cash and investments at fiscal year end are classified in the accompanying financial statements as follows:

Statement of Net Assets		
Cash and investments	\$	2,089,835
Cash overdrafts		(178,329)
		\$ 1,911,506

Cash and Investments consist of the following:

Deposits with financial institutions	\$	877,335
Money market mutual funds		89,296
U.S. Government sponsored bonds		76,692
Local Agency Investment Fund		868,183
		\$ 1,911,506

Collateral and Categorization Requirements

At fiscal year end, the City's carrying amount of demand deposits was \$877,335 and the local bank account balances were \$1,178,325. The difference of \$301,090 represented outstanding checks and deposits in transit. Of the total bank deposit balance, \$250,000 was insured by Federal Depository Insurance Corporation (FDIC) and \$928,325 was collateralized in accordance with California Government Code Section 53600. California law requires that the fair value of the pledged securities must equal at least 110% of the City's deposits. California law also allows financial institutions to secure the City's deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total deposits.

Investments in money market funds and the Local Agency Investment Fund (LAIF) are not insured by the FDIC or any government agencies. Investments in government or government sponsored entity (GSE) bonds are not insured but are collateralized by loans on real estate.

Investment Policy

The table below identifies the investment types that are authorized under provisions of the City's investment policy adopted September 12, 2011, and in accordance with Section 53601 of the California Government Code. The table also identifies certain provisions of the investment policy that address interest rate risk, credit risk, and concentration of credit risk.

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<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>	<u>Minimum Rating</u>
Certificates of Deposit	3 years	20%	None	None
U.S. Treasury Securities	None	None	None	None
Local Agency Investment Fund	None	None	None	N/A
State and Local Agency Obligations	None	20%	None	AAA

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Concentration of Credit Risk

The investment policy of the City contains limitations on the amount that can be invested in any single issuer as described above, and beyond that stipulated by the California government code. Investments at fiscal year end were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity</u>	<u>Yield</u>	<u>Concentration</u>
Local Agency Investment Fund	\$ 868,183	8.1 months	0.23%	45%
Money Market Mutual Funds	89,296	on demand	0.01%	5%
Demand Deposits (checking)	877,325	on demand	0.02%	46%
Government sponsored entity bonds	76,692	3.5months	2.28%	4%

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy limits credit risk by requiring compliance with the California Government Code for investment of public funds.

The credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California government code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: "The California government code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits." At year end the City had \$928,325 in financial institution deposits that was not covered by the FDIC, but was covered by collateralized securities of the financial institutions where the deposits were maintained.

The credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California government code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial

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credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

Participation in an External Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF). LAIF, established in 1977, is regulated by California Government Code Section 16429 and under the day to day administration of the California State Treasurer. There is a five member Local Investment Advisory Board that is chaired by the State Treasurer. LAIF determines fair value of its investment portfolio based on market quotations for those securities where market quotations are readily available, and on amortized cost or best estimate for those securities where market value is not readily available. LAIF is part of the Pooled Money Investment Account (PMIA) and under the control of the State Treasurer's Office, which is audited by the Bureau of State Audits. As of June 30, 2014, PMIA had approximately \$63 billion in investments. Audited financial statements of PMIA may be obtained from the California State Treasurer's web site at www.treasurer.ca.gov.

The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Note 4 - Receivables

Accounts and other receivables as reported in the Statement of Net Position are comprised of the following:

<u>Governmental Activities</u>	
Sales taxes	\$ 33,460
COPS grant	42,076
Transient occupancy taxes	34,717
Intergovernmental	20,951
Grant reimbursements	575,180
Other receivables	7,108
	\$ 713,492
<u>Business-type Activities</u>	
Water utility customers	\$ 38,220
Grant reimbursements	278,707
	\$ 316,927

Management has elected to record bad debts using the direct write-off method. Accounting principles generally accepted in the United States of America require that the allowance method be used to reflect bad debts. However, the effect of the use of the direct write-off method is not materially different from the results that would have been obtained had the allowance method been followed.

Note 5 - Capital Assets

Governmental-type capital asset activity for the year was follows:

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June 30, 2014

	Beginning Balance	Additions/ Completions	Retirements/ Adjustments	Ending Balance
<u>Nondepreciable Assets</u>				
Land	\$ 18,500	\$ -	\$ (9,000)	\$ 9,500
Construction-in-progress	-	584,883	-	584,883
	<u>18,500</u>	<u>584,883</u>	<u>(9,000)</u>	<u>594,383</u>
<u>Depreciable Assets</u>				
Buildings, Improvements, and Streets	1,341,532	299,367	(371,023)	1,269,876
Equipment	103,924	-	-	103,924
Vehicles	57,775	-	-	57,775
	<u>1,503,231</u>	<u>299,367</u>	<u>(371,023)</u>	<u>1,431,575</u>
<u>Accumulated Depreciation</u>	<u>(315,011)</u>	<u>(29,951)</u>	<u>30,613</u>	<u>(314,349)</u>
Depreciable assets, net	<u>1,188,220</u>	<u>269,416</u>	<u>(340,410)</u>	<u>1,117,226</u>
Total capital assets, net	<u>\$ 1,206,720</u>	<u>\$ 854,299</u>	<u>\$ (349,410)</u>	<u>\$ 1,711,609</u>

Business-type capital asset activity for the year was follows:

	Beginning Balance	Additions/ Completions	Retirements/ Adjustments	Ending Balance
<u>Nondepreciable Assets</u>				
Land	\$ 5,089	\$ -	\$ -	\$ 5,089
Construction-in-progress	-	809,911	-	809,911
	<u>5,089</u>	<u>809,911</u>	<u>-</u>	<u>815,000</u>
<u>Depreciable Assets</u>				
Water utility	1,151,749	-	-	1,151,749
Cemetery	7,964	-	-	7,964
	<u>1,159,713</u>	<u>-</u>	<u>-</u>	<u>1,159,713</u>
<u>Accumulated Depreciation</u>				
Water utility	(865,811)	(21,997)	-	(887,808)
Cemetery	(3,324)	(227)	-	(3,551)
Depreciable assets, net	<u>290,578</u>	<u>(22,224)</u>	<u>-</u>	<u>268,354</u>
Total capital assets, net	<u>\$ 295,667</u>	<u>\$ 787,687</u>	<u>\$ -</u>	<u>\$ 1,083,354</u>

Note 6 - Defined Contribution Retirement Plan

The City contributes to an employee owned defined contribution plan administered through Smith Barney/Hartford ITT under established plan provisions, and which may be amended by City council resolution. The City contributes 6% of an employee's annual salary to the plan which provides retirement benefits. The City also provides matching contributions up to 6% of an employee's contributions for all

CITY OF TRINIDAD
Notes to the Financial Statements
June 30, 2014

eligible employees. Plan participants age 50 and older can make catch-up annual contributions up to \$5,000; and in the three years prior to retirement, can make catch-up contributions of up to twice the annual limit. All employee and employer contributions are tax deferred to the employee. The City contributed \$25,802 to the plan for the year.

Note 7 - Payables

Accounts payable and accruals, as reported in the Statement of Net Position are comprised of the following:

	Governmental Activities	Business-type Activities
Contractors, programs & projects - grant funded	\$ 417,796	\$ 215,292
Vendors and supplies	33,879	18,507
	\$ 451,675	\$ 233,799

Note 8 - Interfund Transactions

In general, the City uses interfund transfers for several purposes, as follows:

- To move revenue from the funds that collect them, such as grants funds, public safety funds, to the funds that statute or budget requires to expend them.
- To use revenue collected in the various funds to help finance various programs and capital improvement type projects accounted for in other funds in accordance with budgetary authorization.

Operating transfers for the fiscal year are summarized as follows:

<u>Fund type</u>	Operating transfers	
	In	Out
General administration	\$ 37,729	\$ -
Fire department	-	10,000
Fire dept. reserve fund	10,000	-
State gas tax	-	35,000
Transportation Development Agency	-	2,729
Water operating fund	-	15,000
Water capital reserve fund	15,000	-
	\$ 62,729	\$ 62,729

Note 9 - Long-term Obligations

Revenue Bond Payable

Safe Drinking Water Bond - due to the State of California in semi-annual payments including interest at 4.1% per annum, secured by water fund revenue. Paid in full at June 30, 2014.

CITY OF TRINIDAD
Notes to the Financial Statements
June 30, 2014

Long-term debt activity for the year was comprised of the following:

Business-type Activities	Beginning Balance	Additions	Reductions	Ending Balance
Safe Drinking Water state bond	\$ 10,760	\$ -	\$ (10,760)	\$ -

Note 10 - Risk Management

The City is exposed to various risks of loss related to torts, thefts, damage and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City is a member of the Public Agency Risk Sharing Authority of California (PARSAC or the Authority), a public entity risk pool currently operating as a common risk management and insurance program for member cities and townships. The relationship between the City and PARSAC is such that PARSAC is not a component unit of the City for financial reporting purposes. PARSAC is governed by a Board consisting of representatives from member municipalities. The Board controls the operations of the Authority, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on the Board. The City's deposits with the Authority are in accordance with formulas established by the Authority. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating. Financial statements may be obtained from PARSAC, 1525 Response Road, Suite One, Sacramento, CA 95815.

For workers compensation insurance, the City is insured for the first \$250,000 of claims by PARSAC, and above \$250,000 by the Local Agency Workers Compensation Excess Company. For general liability and automobile liability, the City is self-insured for the first \$1,000 of claims. There is a shared risk layer for losses between \$1,000 to \$1,000,000, and losses in excess of \$1,000,000, up to \$3,000,000, are covered by excess insurance. For property coverage, the City is protected by a commercial general liability insurance policy. The City is self-insured for the first \$5,000 of per occurrence claims with various degrees of risk protection depending upon the type of coverage.

Note 11 - Commitments and Contingencies

In the normal course of City operations there are occasional and various legal claims and actions against the City for which no provision has been made in the financial statements because the amount of liability, if any, is unknown.

The City has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursements will not be material.

The City entered into an agreement with the County of Humboldt to provide law enforcement services within the City limits, payable in the amount of \$37,659 per quarter. The agreement period commences July 1, 2014 through June 30, 2017, unless terminated pursuant to mutual agreement.

At June 30, 2014 the City was committed to several grant funded contracts related to drinking water quality, environmental issues and water plant upgrades, and street improvements. The ability of the City to meet its commitments is dependent upon continued intergovernmental appropriated funding.

CITY OF TRINIDAD
Notes to the Financial Statements
June 30, 2014

The City entered into a 99-year lease agreement with the Trinidad Coastal Land Trust, for a building which is occupied by a branch of the Humboldt County library. Annual rent is \$500 per year and adjusted every five years equal to a consumer price index.

Note 12 - New Pronouncements

Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans*: The Statement revises existing standards of financial reporting for most pension plans. The Statement establishes a definition of a pension plan that reflects the primary activities associated with the pension arrangement – determining pensions, accumulating and managing assets dedicated for pensions, and paying benefits to plan members as they become due. This Statement is effective for periods beginning on or after June 15, 2013.

Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*:

The Statement revises existing standards of financial reporting for most governments that provide their employees with pension benefits. The Statement establishes reporting requirements of the net pension plan liability in the government-wide financial statements, how to measure pension liabilities, and presentation of the financial information and disclosures related to the employer. This Statement is effective for periods beginning on or after June 15, 2014.

Note 13 - Subsequent Events

The management of the City has reviewed the results of operations for the period from its fiscal year end June 30, 2014 through December 22, 2014, the date the financial statements were available to be issued in “draft” form, and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

(unaudited)

CITY OF TRINIDAD
Note to Required Supplementary Information on
Budgetary Comparison Information
June 30, 2014

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- Prior to the close of each fiscal year, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed revenue and expenditures.
- Public hearings are conducted at City Council meetings to obtain taxpayer comments prior to adoption of the budget in June.
- Prior to July 1, the budget is legally adopted for all governmental fund types through Council approved resolution.
- The City Manager is authorized to transfer budget amounts within and between funds as deemed desirable and necessary in order to meet the City's needs; however, revisions that alter the total expenditures must be approved by the City Council. Formal budgetary integration is employed as a management control device during the year for the governmental type funds.
- Budgets for the governmental type funds are adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts presented are as originally adopted and as further amended by the City Council.

CITY OF TRINIDAD
Budgetary Comparison Information (unaudited)
General Fund
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final		(Negative)
Resources (Inflows)				
Property taxes	\$ 82,530	\$ 82,530	\$ 93,709	\$ 11,179
Sales taxes	190,000	190,000	201,827	11,827
Transient occupancy taxes	93,000	93,000	130,700	37,700
Intergovernmental	57,233	57,233	62,124	4,891
Investment earnings	15,500	15,500	5,611	(9,889)
Licenses, planning and permits	22,000	22,000	24,908	2,908
Rent and land leases	48,417	48,417	44,747	(3,670)
Other revenue	1,050	1,050	10,583	9,533
Transfers in	30,000	30,000	47,729	17,729
Amounts Available for Appropriation	<u>539,730</u>	<u>539,730</u>	<u>621,938</u>	<u>82,208</u>
Charges to Appropriation (Outflow)				
General Gov. - City Administration	293,017	293,017	263,019	29,998
Public Safety - Police	107,271	107,271	100,748	6,523
Public Safety - Fire	11,245	11,245	6,307	4,938
Public Works and Parks	127,450	127,450	124,993	2,457
Fire fund reserve	10,000	10,000	10,000	-
Public works reserve	-	-	-	-
Town hall reserve	-	-	-	-
Transfers out	-	-	-	-
Total Charges to Appropriations	<u>548,983</u>	<u>548,983</u>	<u>505,067</u>	<u>43,916</u>
Surplus (Deficit)	<u>\$ (9,253)</u>	<u>\$ (9,253)</u>	<u>\$ 116,871</u>	<u>\$ 126,124</u>

CITY OF TRINIDAD
Fund Balance Designations Section of the Balance Sheet
Governmental Funds
June 30, 2014

Fund Balances	General Fund	Major Fund Azalea & Pacific St. Project	Major Fund ASBS Stormwater Project	Major Fund Luffenholtz Creek Sediment	Total Nonmajor Governmental Funds	Total Fund Balance Designations
Nonspendable:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted for:						
Onsite Wastewater Treatment	-	-	-	-	1,720	1,720
TDA - streets / sidewalks	-	-	-	-	8,029	8,029
ASBS Stormwater project	-	-	3	-	-	3
Integrated Waste Mgmt	-	-	-	-	33,268	33,268
Total restricted fund balances	-	-	3	-	43,017	43,020
Committed to:						
Self insurance reserve	15,000	-	-	-	-	15,000
Fire dept. capital reserve	50,700	-	-	-	-	50,700
Public works capital reserve	10,000	-	-	-	-	10,000
Town hall capital reserve	2,401	-	-	-	-	2,401
Total committed fund balances	78,101	-	-	-	-	78,101
Assigned:						
Grant Coordinator	-	-	-	-	20	20
Total assigned fd balances	-	-	-	-	20	20
Unassigned:	1,213,471	-	-	-	(2,749)	1,210,722
Total Fund Balances	\$ 1,291,572	\$ -	\$ 3	\$ -	\$ 40,288	\$ 1,331,863

OTHER SUPPLEMENTARY INFORMATION

CITY OF TRINIDAD
Combining Financial Statements
Nonmajor Governmental Funds
Year Ended June 30, 2014

	Integrated Waste Mgmt	COPS Grant	State Gas Tax	Transportation Development Agency	Onsite Wastewater Treatment	ASBS Pier Reconstruction	Gaming Grant	Watershed Coordinator	ECBG Grant	ADA Compliance	Grant Coordinator Holding	TOTAL NONMAJOR FUNDS
ASSETS												
Cash and investments	\$ 28,058	\$ -	\$ -	\$ 8,029	\$ 1,720	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,084	\$ 40,891
Receivables	6,011	25,373	2,470	-	-	-	21,535	-	-	-	-	55,389
Total assets	<u>\$ 34,069</u>	<u>\$ 25,373</u>	<u>\$ 2,470</u>	<u>\$ 8,029</u>	<u>\$ 1,720</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,535</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,084</u>	<u>\$ 96,280</u>
LIABILITIES												
Payables	\$ 801	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ 8,644	\$ -	\$ -	\$ 3,064	\$ 13,509
Cash overdrafts	-	25,915	2,210	-	-	-	-	14,358	-	-	-	42,483
Total liabilities	801	25,915	3,210	-	-	-	-	23,002	-	-	3,064	55,992
FUND BALANCES												
Total liabilities and fund balances	<u>\$ 33,268</u>	<u>(542)</u>	<u>(740)</u>	<u>8,029</u>	<u>1,720</u>	<u>-</u>	<u>-</u>	<u>(1,467)</u>	<u>-</u>	<u>-</u>	<u>20</u>	<u>40,288</u>
	<u>\$ 34,069</u>	<u>\$ 25,373</u>	<u>\$ 2,470</u>	<u>\$ 8,029</u>	<u>\$ 1,720</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,535</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,084</u>	<u>\$ 96,280</u>
REVENUE												
Intergovernmental	\$ 17,248	\$ 97,622	\$ 17,460	\$ 2,729	\$ 7,000	\$ 36,396	\$ -	\$ 110,883	\$ -	\$ 13,700	\$ -	\$ 303,038
Use of property	1,011	-	-	-	-	-	-	-	-	-	-	1,011
Other revenue	2,100	-	-	18	-	-	-	1,291	-	185	20	3,614
Total revenue	<u>20,359</u>	<u>97,622</u>	<u>17,460</u>	<u>2,747</u>	<u>7,000</u>	<u>36,396</u>	<u>-</u>	<u>112,174</u>	<u>-</u>	<u>13,885</u>	<u>20</u>	<u>307,663</u>
EXPENDITURES												
General government	23,017	-	-	-	-	-	-	-	-	-	-	23,017
Public safety	-	100,000	-	-	-	-	-	-	-	-	-	100,000
Public works	-	-	3,691	4,380	-	-	-	-	-	-	-	8,071
Capital improvements	-	-	-	-	4,230	36,396	10,539	113,641	-	13,885	-	178,691
Total expenditures	<u>23,017</u>	<u>100,000</u>	<u>3,691</u>	<u>4,380</u>	<u>4,230</u>	<u>36,396</u>	<u>10,539</u>	<u>113,641</u>	<u>-</u>	<u>13,885</u>	<u>-</u>	<u>309,779</u>
Transfers in (out)	-	-	(35,000)	(2,729)	-	-	-	-	-	-	-	(37,729)
CHANGE IN FUND BALANCES	<u>(2,658)</u>	<u>(2,378)</u>	<u>(21,231)</u>	<u>(4,362)</u>	<u>2,770</u>	<u>-</u>	<u>(10,539)</u>	<u>(1,467)</u>	<u>-</u>	<u>-</u>	<u>20</u>	<u>(39,845)</u>
Fund balances - beginning	35,926	1,836	20,491	12,391	(1,050)	5,370	10,539	-	892	-	-	86,395
Prior period adjustment	-	-	-	-	-	(5,370)	-	-	(892)	-	-	(6,262)
Fund balances - as restated	35,926	1,836	20,491	12,391	(1,050)	-	10,539	-	-	-	-	80,133
Fund balances - end of year	<u>\$ 33,268</u>	<u>\$ (542)</u>	<u>\$ (740)</u>	<u>\$ 8,029</u>	<u>\$ 1,720</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,467)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ 40,288</u>

