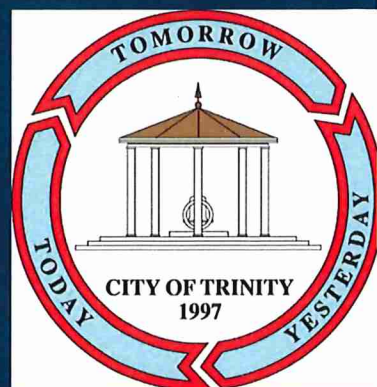


Citizen's Annual Financial Review Report

Fiscal Year Ending June 30, 2022



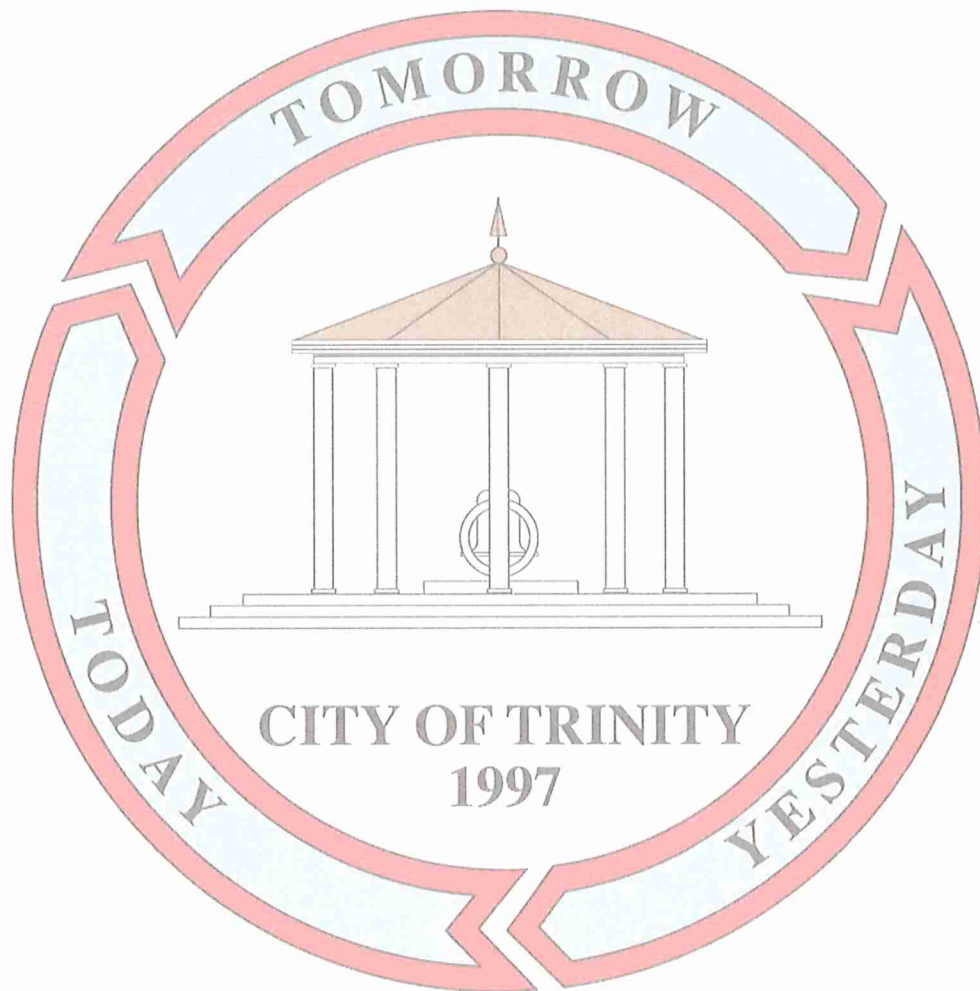
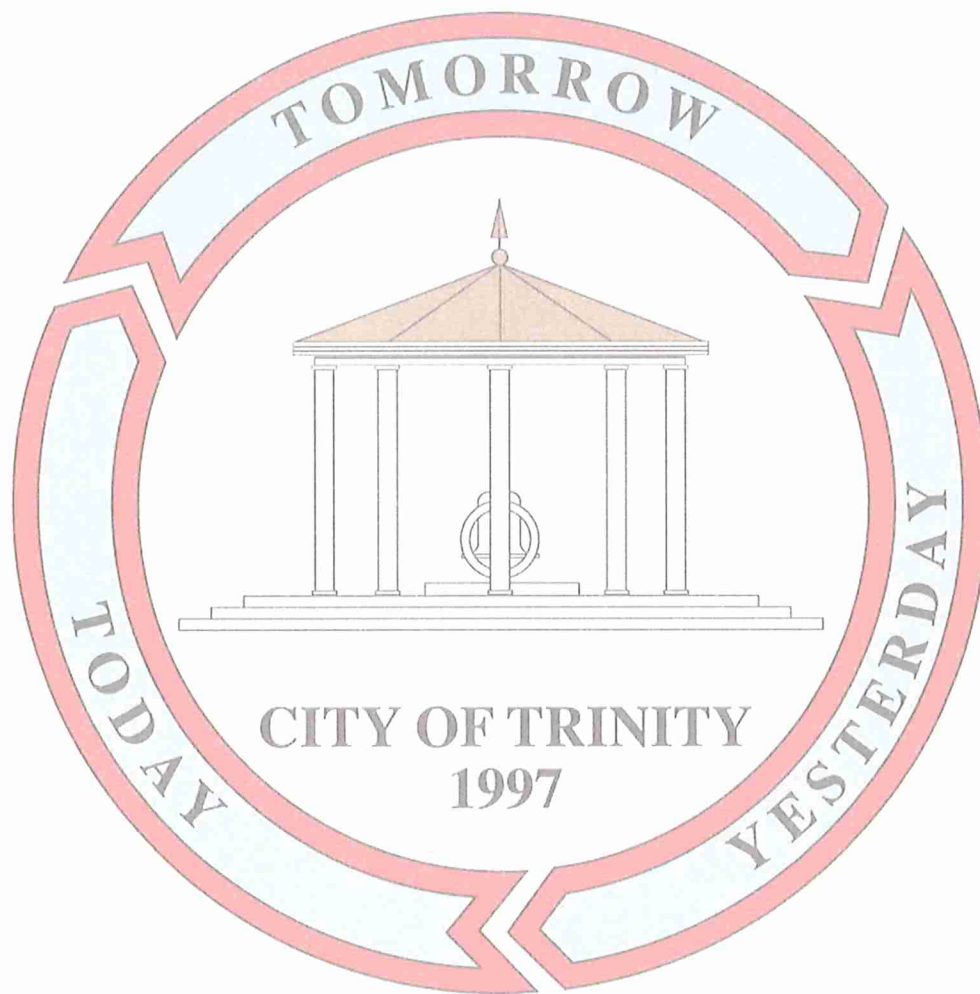


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The Leader's Corner

A Message from the City Manager

Dear Trinity Citizens

The City of Trinity is a uniquely wonderful community. City staff and I are proud and thankful to serve you. The City of Trinity is pleased to present the 2022 Popular Annual Financial Report (PAFR) for the fiscal year ending June 30, 2022. The City was awarded its first Distinguished Budget Award by the Government Finance Officers Association (GFOA).

Provided in this report are the financial highlights from the fiscal year ending June 30, 2022. The PAFR is designed to provide a summary of the City's Financial Position in a user-friendly format. This report represents an ongoing commitment to keep citizens informed about the City's Finances.

This report comes from the financial statements in the City's Annual Financial Report, which is prepared in accordance with Generally Accepted Accounting Principles (GAAP) and is audited by an independent certified public accounting firm. The PAFR is intended to be a supplement to the annual financial report, not a replacement. The CAFR contains more detailed and extensive information. The Annual Financial Report is available online at: www.trinity-nc.gov.

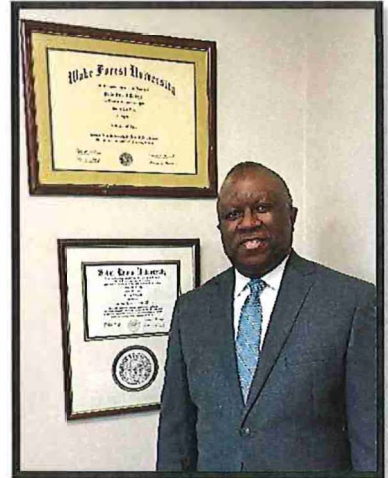
I want to take this opportunity to update you on a few activities happening in your City government. Since last year, we have completed several major projects, including the following:

- Increased the General Fund and Sewer Fund Balance to \$25,533,353
- Enhanced the City's Financial Plan Model
- Issued over 180 Zoning Permits
- 99.37% Tax Collection Rate

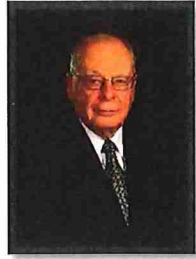
On behalf of our elected officials and staff, I want to thank you for your support of our continued efforts in the City of Trinity. We strive to make sure to retain the sense of character that continues to make "our Trinity" the ultimate location to live, work and play.

Respectfully submitted,

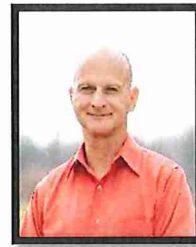

Stevie Cox



Trinity City Council Members



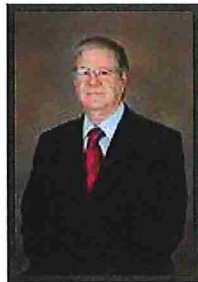
Mayor Richard McNabb



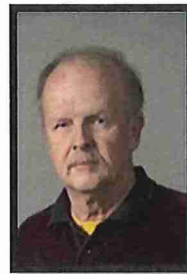
Mayor Pro-Temp Bob Hicks



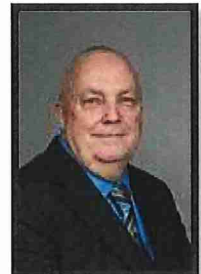
Robbie Walker



Tommy Johnson



Ed Lohr



Jack Carico

Purpose of this Report

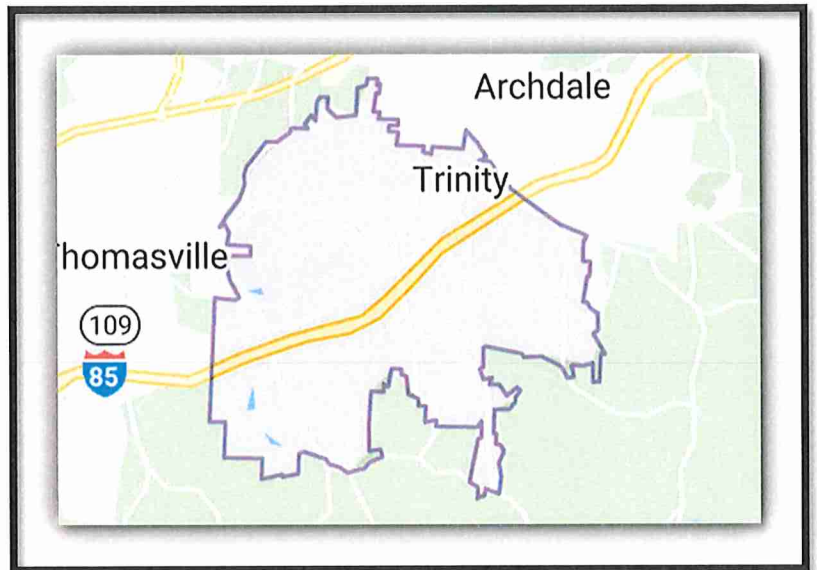
The purpose of this report is to the citizens of Trinity, NC, and other interested parties with an overview of the City of Trinity's fiscal year 2021 – 2022 financial results. This review is prepared to increase awareness and transparency about the City of Trinity's financial operations.

The information provided within the Citizen's Annual Financial Review Report has been obtained from the City of Trinity's audited financial statements which are audited by Gibson and Company, P.A of Winston Salem, North Carolina and has received a "clean" audit opinion.

The Citizen's Annual Financial Review Report is not designed to present the same level of detail as our audited financial statements and therefore may not fully conform to the generally accepted accounting principles (GAAP). However, the Citizen's Annual Financial Review Report is designed to present in a user-friendly document the City of Trinity's financial condition.

History of Trinity

The first settlers in the northwest corner of Randolph County arrived between 1763-1776, settling in what was called the Granville District. The land offices in the Granville District had been closed following the death of the English landowner, John Carteret, Baron Carteret of Hawnes, the second Earl Granville. When independence was declared in 1776, the Granville District was



confiscated by the new government, along with all other land owned by persons loyal to the Crown. All the land became public lands and soon thereafter the State of North Carolina was issuing grants for tracts in the former Granville District. Hundreds of former squatters became landowners at last, purchasing the land where they may have lived for several years. The 1779 tax records of Randolph County list 25 families for the Trinity Township.

The Town of Trinity, named after Trinity College, was incorporated by Act of the North Carolina General Assembly at its 1868-69 Session. The act, published in Private Laws of the State of North Carolina, Passed by the General Assembly at its Session 1868-'69 states that "The Town shall be two miles long from north to south, and one mile wide from east to west, the center of the Town to be the center of the principal College Building." Further sections of the act

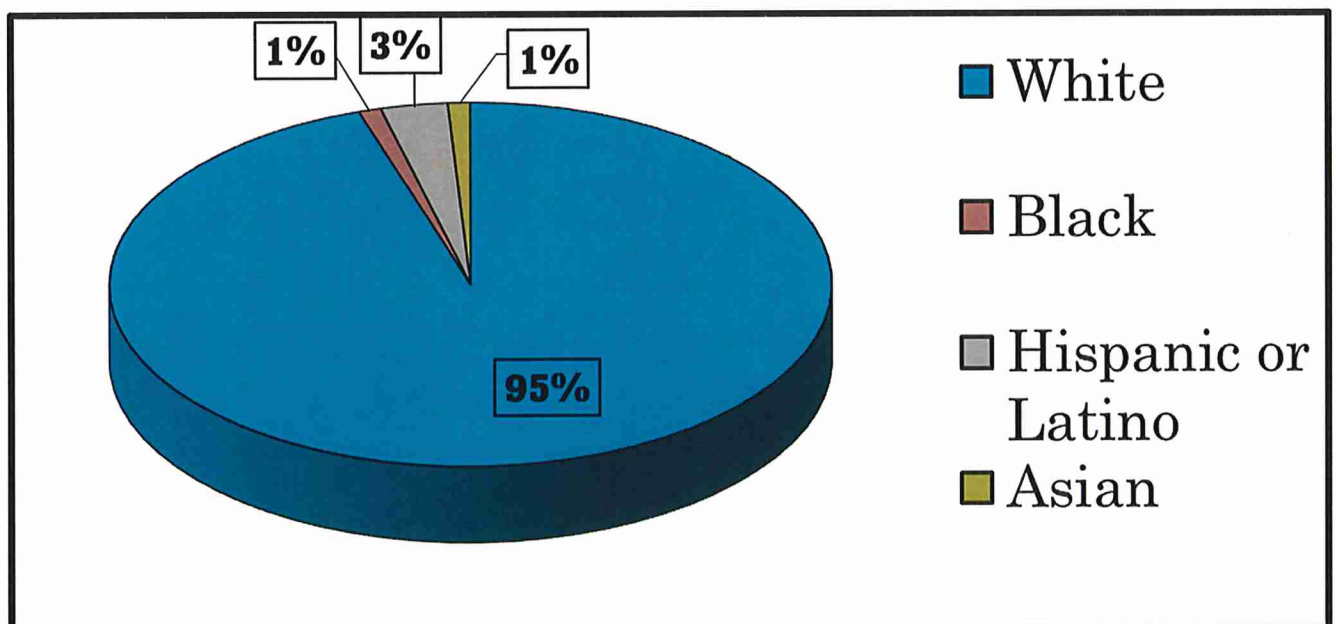
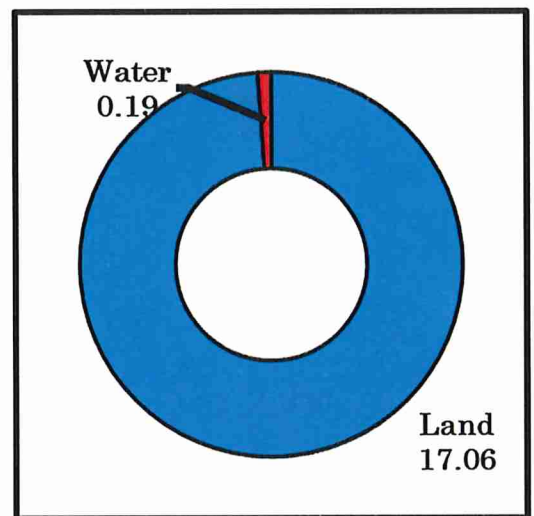


provided for election of a town magistrate and five commissioners. The town charter was ratified April 12, 1869, but the charter was rescinded in 1924. In this time frame everything in the community came to be measured from the college. Thus, the college was the official as well as the unofficial centerpiece of the town. In 1997 the city was re-incorporated.

Awards and Quick Facts

Trinity is a city located in Randolph County, North Carolina. Trinity has a population of about 7,000, it is the 120th largest city in North Carolina and the 4,072 and largest city in the United States. Trinity has a city area 17.06 square miles, with 16.87 square miles of land area and .19 square miles of water. The population density of Trinity, NC is about 411.76 people per square mile.

The City of Trinity, NC has a median home value of about \$135,800 and a median household income of about \$58,709.



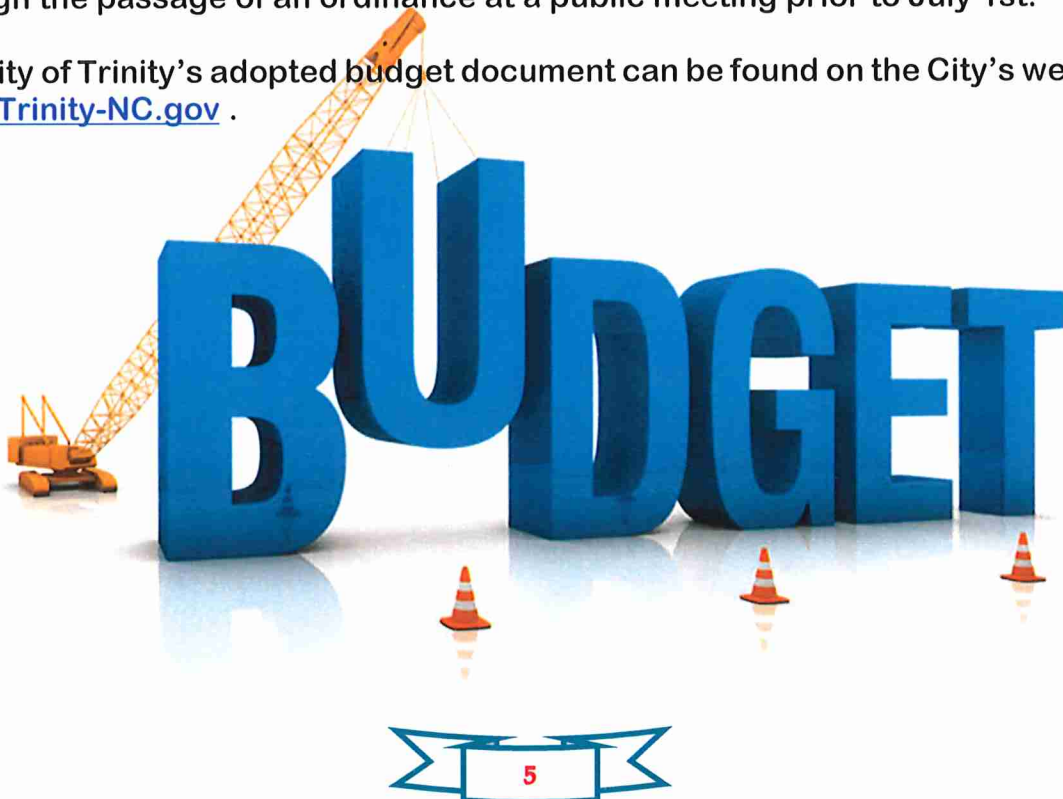
Budget Structure and Process

The City Council and management team will meet in the early part of the calendar year during the City's budget workshop sessions to discuss the City of Trinity's goals and priorities for the upcoming fiscal year. The goals and priorities will be used as a guide for the development the City of Trinity's upcoming budget year. The City Council's priorities and goals are outlined in the City Manager's budget message.

The Finance Department staff prepares and distributes the budgetary requests in accordance with the budget calendar. During the budgetary request process, the Department Heads requests are reviewed and discussed with the City Manager and Finance Director. The City Manager and Finance Director evaluate each department's personnel request, operational items, and capital outlay. Any requests for additional personnel must be justified by the department and then reviewed by the City Manager and Finance Director.

The City Manager's recommended budget is prepared and presented to City Council at budget workshop sessions. During the budget workshop sessions, the City Council can make changes to the City Manager's recommended budget prior to the final budget being prepared, which ultimately becomes City Council's budget and policy statement for the upcoming fiscal year. Once the budget is in its final form, a public notice is published for a public hearing on the budget and citizens are given the opportunity to speak to the City Council about the proposed budget. The City Council has the option of making recommended changes to the final budget pending any discussion at the public hearing. The Trinity City Council then adopts the budget through the passage of an ordinance at a public meeting prior to July 1st.

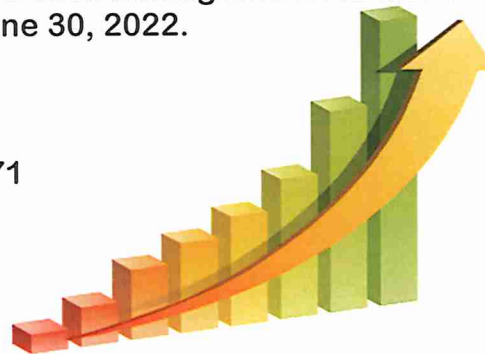
The City of Trinity's adopted budget document can be found on the City's website: www.Trinity-NC.gov.



FY 2021 – 2022 Events

The City of Trinity offers to its citizens the City's financial overview and analysis of the financial activities of the City of Trinity. We encourage the citizens to reach out to executive administrative management for more information, if needed. Below are some key financial highlights for the fiscal year ending on June 30, 2022.

The City of Trinity's total net position increased by \$1,060,371

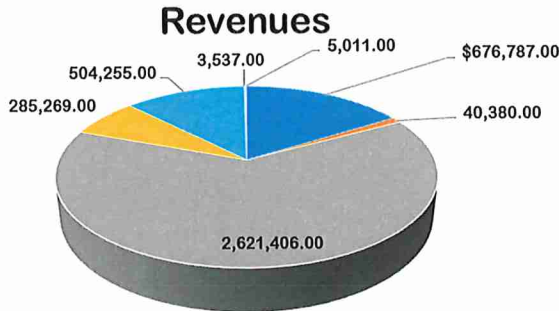


The City of Trinity's total debt decreased by \$404,002 (3.24%)

The City of Trinity has an unassigned fund balance of \$7,500,624 or 229.43% of total General Fund expenditures.



General Fund Results

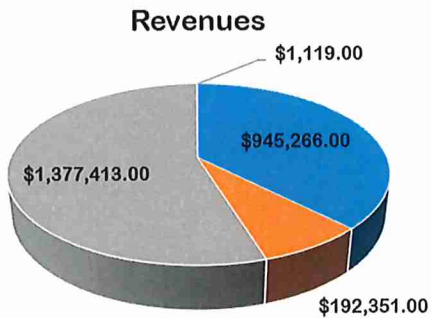


- Ad Valorem
- Unrestricted Intergovernmental
- Sales and Services
- Miscellaneous
- Other Taxes and Licenses
- Restricted Intergovernmental
- Investment Earnings

The General Fund is the primary fund used by a government entity. The General Fund is used to record all resource inflows and outflows that are not associated with special-purpose funds. The activities being paid for through the general fund constitute the core administrative and operational tasks of the government entity. The General Fund departments are Administration, Finance, Planning and Zoning, and Public Works.

Revenues	2021	2022
Ad Valorem	\$ 660,504.00	\$ 676,787.00
Other Taxes and Licenses	23,935.00	40,380.00
Unrestricted Intergovernmental	2,241,195.00	2,621,406.00
Restricted Intergovernmental	299,095.00	285,269.00
Sales and Services	496,930.00	504,255.00
Investment Earnings	3,592.00	3,537.00
Miscellaneous	816.00	5,011.00
Total Revenues	\$ 3,726,067.00	\$ 4,136,645.00
Expenditures		
General Government	\$ 589,583.00	\$ 715,738.00
Public Safety	166,271.00	171,316.00
Public Works	697,773.00	873,596.00
Economic Development	6,000.00	111,000.00
Special Appropriations	23,165.00	20,126.00
Total Expenditures	\$ 1,482,792.00	\$ 1,891,776.00
Transfer to Other Funds	\$ (1,097,775.00)	\$ (1,377,413.00)
Net Change in Fund Balance	\$ 1,145,500.00	\$ 867,456.00

Sewer Fund Results



- Charges for Services
- Tap Fees
- Transfers from Other Funds
- Investment Earnings

The Sewer Fund is an enterprise fund used by a government entity. The Sewer Fund is used to record all resource inflows and outflows that are associated with wastewater treatment. The activities being paid for through the sewer fund constitute the core administrative and operational tasks of the government entity for installation and maintenance of water and wastewater mains, wastewater service connections, wastewater manholes, wastewater outfalls, wastewater pumping stations, and capital improvements.

	2021	2022
Operating Revenues		
Charges for Services	\$ 883,162.00	\$ 945,266.00
Tap Fees	\$ 66,924.00	\$ 192,351.00
Miscellaneous	\$ -	\$ -
Total Operating Revenues	\$ 950,086.00	\$ 1,137,617.00
Operating Expenditures		
Other operating	\$ 1,415,324.00	\$ 1,332,376.00
Depreciation	\$ 786,985.00	\$ 779,962.00
Total Operating Expenditures	\$ 2,202,309.00	\$ 2,112,338.00
Operating Income (loss)	\$ (1,252,223.00)	\$ (974,721.00)
Non-Operating Revenues		
Investment Earnings	\$ 546.00	\$ 1,119.00
Interest and Other Charges	\$ (435,378.00)	\$ (426,379.00)
Total Non-Operating Revenues (expenses)	\$ (434,832.00)	\$ (425,260.00)
Income (loss) before contributions and transfers	\$ (1,687,055.00)	\$ (1,399,981.00)
Capital Contributions	\$ 62,061.00	\$ 301,608.00
Transfers from Other Funds	\$ 1,097,775.00	\$ 1,377,413.00
Change in Net Position	\$ (527,219.00)	\$ 279,040.00

Fund Balances

General Fund

The General Fund is the primary fund used by a government entity. The General Fund is used to record all resource inflows and outflows that are not associated with special-purpose funds. The activities being paid for through the general fund constitute the core administrative and operational tasks of the government entity. Fund Balance is an accumulation of revenues minus expenditures. Each fund maintained by the city has a fund balance. General Fund Balance can be used in future years for purposes determined by the Trinity City Council. The following charts will show the City's Consolidated revenues, expenditures, and changes in Fund Balance for three consecutive fiscal years.

Revenues:	2020	2021	2022
Ad Valorem Taxes	597,225	583,225	676,787
Other Taxes and Licenses	15,000	15,000	40,380
Unrestricted Intergovernmental	1,979,001	1,714,900	2,621,406
Restricted Intergovernmental	282,179	313,137	285,269
Sales and Services	470,426	480,000	504,255
Investment Earnings	9,600	9,600	3,537
Miscellaneous	500	0	5,011
Total Revenues	3,353,931	3,115,862	4,136,645
Expenditures:	2020	2021	2021
General Government	747,262	840,996	715,738
Public Safety	142,271	167,377	171,316
Public Works	993,450	896,285	873,596
Economic Development	11,000	11,000	111,000
Special Appropriations	87,193	116,429	20,126
Total Expenditures	1,981,176	2,032,087	1,891,776
Revenues over Expenditures	1,372,755	1,083,775	2,244,869
Other Financing Sources (uses)	(1,438,405)	(1,097,775)	(1,377,413)
Fund Balance Appropriated	65,650	14,000	0
Net Change in Fund Balance			867,456
Fund Balances, beginning	8,248,529	8,865,677	10,011,177
Fund Balances, ending	8,865,677	10,011,177	10,878,633

Sewer Fund

The Sewer Fund is the enterprise and proprietary fund used by a government entity. The Sewer Fund is used to record all resource inflows and outflows that are associated with business type activities and sewer charges. Sewer Fund balance is an accumulation of revenues minus expenditures. Each fund maintained by the city has a fund balance. Fund balance can be used in future years for purposes determined by Trinity City Council. The following charts will show the City of Trinity's Consolidated revenues, expenditures, and changes in Sewer Fund Balance for three consecutive fiscal years.

OPERATING REVENUES	2020	2021	2022
Charges for Services	795,488	883,162	945,266
Tap Fees	72,401	66,924	192,351
Miscellaneous	0	0	0
Total Operating Revenues	867,889	950,086	1,137,617
OPERATING EXPENSES	2020	2021	2021
Other Operating Expenses	1,508,784	1,415,324	1,332,376
Depreciation	793,788	786,985	779,962
Total Operating Expenses	2,302,572	2,202,309	2,112,338
Operating Income (loss)	(1,434,683)	(1,252,223)	(974,721)
NONOPERATING REVENUES (EXPENSES)	2020	2021	2022
Investment Earnings	7,397	546	1,119
Interest and Other Charges	(444,685)	(435,378)	(426,379)
Total Nonoperating Revenues (expenses)	(437,288)	(434,832)	(425,260)
Income (loss) before Contributions and Transfers	(1,871,971)	(1,687,055)	(1,399,981)
Capital Contributions	86,428	62,061	301,608
Transfer from other Funds	1,255,355	1,097,775	1,377,413
Change in Net Position	(530,188)	(527,219)	279,040
Total Net Position, beginning	12,574,366	12,044,178	11,516,959
Total Net Position, ending	12,044,178	11,516,959	11,795,999

Trinity by the Numbers

Population



7,006

Miles of City
Owned Streets

12.97 (17.06 total)



Number of
Zoning Permits

180



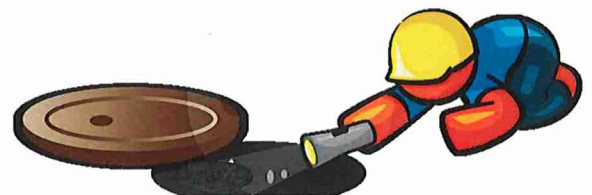
Per Capita
Income

\$30,217



Number of Sewer Customers

2,728



Trinity Unemployment
Rate 4.5%



Median Household
Income

\$58,709



This report is designed to provide an overview of the City's fiscal year 2021 – 2022 finances. Questions concerning any of the information found in this report or requests for additional information should be directed to:

Crystal Postell, Finance Director
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cpostell@trinity-nc.gov
www.trinity-nc.gov.

thank
you