

Town of Walsh, Colorado

Financial Statements

December 31, 2020

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rfarmer, llc
a certified public accounting and consulting firm

Independent Auditor's Report

Board of Trustees
Town of Walsh, Colorado

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 Town of Walsh, (the "Town"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The Town'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; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 purpose 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 accounting 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 opinions.

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 Town as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary information and the Volunteer Fire Department Volunteer Pension Fund Schedule of Contributions 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 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 the 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 omitted information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considered such information an essential part of the 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 omission.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying supplementary information as listed in the table of contents 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

rfarmer, llc

July 11, 2021

**Town of Walsh
Statement of Net Position
December 31, 2020**

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Equivalents	\$ 418,049	\$ 503,848	\$ 921,897
Certificates of Deposit	-	188,874	188,874
Receivables	177,553	30,099	207,652
Net Pension Asset	33,815	-	33,815
Discount on Bonds	-	16,616	16,616
Capital Assets:			
Land	34,790	-	34,790
Buildings	578,946	654,694	1,233,640
Property, Plant and Equipment	983,297	2,668,938	3,652,235
Less: Accumulated Depreciation	<u>(1,351,777)</u>	<u>(1,721,800)</u>	<u>(3,073,577)</u>
Total Capital Assets	<u>245,256</u>	<u>1,601,832</u>	<u>1,847,088</u>
Deferred Outflow of Resources	<u>10,375</u>	<u>-</u>	<u>10,375</u>
Total Assets	<u>885,048</u>	<u>2,341,269</u>	<u>3,226,317</u>
LIABILITIES			
Accounts payable and accrued expenses	50,975	25,642	76,617
Customer deposits	300	37,222	37,522
Long-term liabilities			
Due within one year			
Capital leases and note payable	-	25,000	25,000
Due in more than one year			
Capital leases and note payable	<u>-</u>	<u>740,000</u>	<u>740,000</u>
Total liabilities	<u>51,275</u>	<u>827,864</u>	<u>879,139</u>
Deferred Inflow of Resources--property taxes	94,603	-	94,603
Deferred Inflow of Resources--pension plan	<u>18,301</u>	<u>-</u>	<u>18,301</u>
Total deferred inflow of resources	<u>112,904</u>	<u>-</u>	<u>112,904</u>
NET POSITION			
Net Investment in capital assets	165,387	-	165,387
Restricted for:			
TABOR	19,913	-	19,913
Pension plan	23,152	-	23,152
Unrestricted	<u>512,417</u>	<u>1,513,405</u>	<u>2,025,822</u>
Total net position	<u>\$ 720,869</u>	<u>\$ 1,513,405</u>	<u>\$ 2,234,274</u>

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

Town of Walsh
Statement of Activities
For the Year Ended December 31, 2020

Functions/Programs Primary Government	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services		Primary Government		
			Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities						
General Government	\$ 155,837	\$ 32,672	\$ -	\$ (123,165)	\$ -	\$ (123,165)
Public Safety	117,341	560	19,600	(97,181)	-	(97,181)
Public Works	290,943	-	-	(290,943)	-	(290,943)
Culture and Recreation	19,979	-	2,639	(17,340)	-	(17,340)
Interest on Long-term debt	250	-	-	(250)	-	(250)
Total Governmental Activities	584,350	33,232	22,239	(528,879)	-	(528,879)
Business-type activities:						
Enterprise Fund	363,680	419,902	-	-	56,222	56,222
Total Business-type Activities	363,680	419,902	-	-	56,222	56,222
Total Primary Government	\$ 948,030	\$ 453,134	\$ 22,239	\$ (528,879)	\$ 56,222	\$ (472,657)
General Revenues:						
Taxes:						
Property taxes, levied for general purposes				91,735	-	91,735
Franchise and other taxes				27,883	-	27,883
Sales & SO tax				203,490	-	203,490
Unrestricted investment earnings				840	2,154	2,994
Miscellaneous				164,655	7,689	172,344
Special item - sale of assets				53,775	-	53,775
Total general revenues, special items, and transfers				542,378	9,843	552,221
Change in net position				13,499	66,065	79,564
Net Position - Beginning				707,370	1,447,340	2,154,710
Net Position - Ending				\$ 720,869	\$ 1,513,405	\$ 2,234,274

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

**Town of Walsh
Balance Sheet
Governmental Funds
December 31, 2020**

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 415,304	\$ 2,744	\$ 418,048
Taxes receivable, net	94,603	-	94,603
Other receivables	82,950	-	82,950
Total assets	<u>592,857</u>	<u>2,744</u>	<u>595,601</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	50,975	-	50,975
Other payables	300	-	300
Total liabilities	<u>51,275</u>	<u>-</u>	<u>51,275</u>
 Deferred Cash Inflow of Resources			
Deferred property taxes	<u>94,603</u>	<u>-</u>	<u>94,603</u>
 Fund Balance:			
Reserved for:			
TABOR	19,913	-	19,913
Unassigned	427,066	-	427,066
Assigned, reported in non-major special revenue funds	<u>-</u>	<u>2,744</u>	<u>2,744</u>
Total fund balances	<u>446,979</u>	<u>2,744</u>	<u>449,723</u>
Total liabilities and fund balances	<u>\$ 592,857</u>	<u>\$ 2,744</u>	<u>\$ 595,601</u>

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

Town of Walsh
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2020

Total fund balance, governmental funds	\$ 449,723
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	245,256
Net Pension Assets are not an asset for fund reporting	33,815
Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, Long-term Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.	(18,300)
Defined Pension Benefit deferred outflow of resources	<u>10,375</u>
Net Position of Governmental Activities in the Statement of Net Position	<u><u>\$ 720,869</u></u>

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

Town of Walsh
Statement of Revenues, Expenditures and Changes in Net Position
Governmental Funds
For the Year Ended December 31, 2020

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES			
Property Taxes	\$ 91,735	\$ -	\$ 91,735
SO Tax	10,426	-	10,426
Sales and miscellaneous taxes	220,947	-	220,947
Intergovernmental	50,672	2,639	53,311
Charges for services	1,945	-	1,945
Investment earnings	833	7	840
Miscellaneous	164,870	-	164,870
Total revenues	<u>541,428</u>	<u>2,646</u>	<u>544,074</u>
EXPENDITURES			
Current:			
General government	99,723	-	99,723
Public safety	120,956	-	120,956
Public works	290,943	-	290,943
Culture and recreation	17,438	2,650	20,088
Debt Service:			
Principal	7,810	-	7,810
Interest and other charges	250	-	250
Capital Outlay	124,000	-	124,000
Total Expenditures	<u>661,120</u>	<u>2,650</u>	<u>663,770</u>
Excess (deficiency) of revenues over expenditures	<u>(119,692)</u>	<u>(4)</u>	<u>(119,696)</u>
SPECIAL ITEM			
Proceeds from sale of capital assets	53,775	-	53,775
Net change in fund balances	(65,917)	(4)	(65,921)
Fund balances - beginning	512,896	2,748	515,644
Fund balances - ending	<u>\$ 446,979</u>	<u>\$ 2,744</u>	<u>\$ 449,723</u>

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

Town of Walsh
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Net Positions of Governmental
Funds to the Statement of Activities
For the Year Ended December 31, 2020

Net change in fund balances - total governmental funds:	\$	(65,921)
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Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which capital outlay of \$124,000 was more than depreciation of \$52,390 in the current period.

71,610

Governmental funds report bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount by which repayments exceeded proceeds.

7,810

Change in net positions of governmental activities

\$ 13,499

Town of Walsh
Statement of Net Position
Proprietary Funds
December 31, 2020

	Enterprise Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 503,848
Certificates of Deposit	188,874
Accounts Receivable, net	30,099
Cost of Issuance, net	16,616
Total current assets	<u>739,437</u>
Non-current assets:	
Capital Assets:	
Enterprise System Assets	2,474,575
Buildings and improvements	654,694
Equipment and Furniture	194,362
Less Accumulated depreciation	<u>(1,721,800)</u>
Total non-current assets	<u>1,601,831</u>
Total assets	<u>2,341,268</u>
LIABILITIES	
Current Liabilities:	
Accounts payable	25,642
Utility Deposits	37,223
Bonds, notes and loans payable	25,000
Total current liabilities	<u>87,865</u>
Non-current liabilities:	
Bonds, notes and loans payable	<u>740,000</u>
Total non-current liabilities	<u>740,000</u>
Total liabilities	<u>827,865</u>
NET POSITION	
Unrestricted	1,513,403
Total Net Position	<u>\$ 1,513,403</u>

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

Town of Walsh
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Year Ended December 31, 2020

	Enterprise Fund
REVENUES	
Charges for services-Wastewater	\$ 160,084
Charges for services-Water	259,818
Miscellaneous	7,688
Total operating revenues	<u>427,590</u>
OPERATING EXPENSES	
Water operations:	
Personal services	64,686
Contractual services	1,496
Power and water purchased	43,499
Repairs and maintenance	10,241
Other supplies and expenses	21,200
Insurance claims and expenses	4,564
Depreciation	46,757
Wastewater operations:	
Personal services	51,734
Contractual services	65,888
Power and water purchased	404
Utilities	1,010
Repairs and maintenance	9,847
Other supplies and expenses	12,029
Insurance claims and expenses	5,284
Total Operating Expenses	<u>338,639</u>
Operating income (loss)	<u>88,951</u>
NON-OPERATING REVENUES (EXPENSES)	
Interest and investment revenue	2,154
Interest expense	<u>(25,042)</u>
Total non-operating revenue (expenses)	<u>(22,888)</u>
Income (loss) before contributions and transfers	<u>66,063</u>
Change in net assets	66,063
Total net position - beginning	<u>1,447,340</u>
Total net position - ending	<u><u>\$ 1,513,403</u></u>

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

Town of Walsh
Statement of Cash Flows-Proprietary Fund
For the year ended December 31, 2020

	Business-Type Activities Enterprise Fund
Cash Flows from Operating Activities	
Receipts from customers	\$ 429,176
Payments to suppliers	(163,944)
Payments to employees	(116,420)
Net cash provided (used) in operating activities	<u>148,812</u>
Cash Flows from Capital Related Financing Activities	
Principal repayments on long-term debt	(25,000)
Interest paid on long-term debt	(23,392)
Purchase of assets	(7,663)
Net cash provided (used) in financing activities	<u>(56,055)</u>
Cash Flows from Non-Capital Financing Activities	
Net increase (decrease) in utility deposits	977
Due from other funds	10,361
Net cash provided (used) in non-capital activities	<u>11,338</u>
Cash Flows from Investing Activities	
(Purchase) of Investments	(1,887)
Interest received on Investments	2,154
Net cash provided (used) in investing activities	<u>267</u>
Net Increase (Decrease) in cash and cash equivalents	104,362
Beginning of the year cash	399,486
Ending of the year cash	<u><u>\$ 503,848</u></u>
Reconciliation of Operating Income to Net Cash	
Provided by Operating Activities:	
Operating income (loss)	\$ 88,951
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation	46,757
Change in assets and liabilities:	
(Increase) Decrease in Accounts Receivable	1,586
(Increase) Decrease in Prepaid Expense	10,145
Increase (Decrease) in Accounts Payable	1,373
Net cash provided (used) from operating activities	<u><u>\$ 148,812</u></u>

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

Town of Walsh, Colorado
Notes to the Financial Statements
December 31, 2020

Note 1 Summary of Significant Accounting Policies

The financial statements of the Town of Walsh (the Town) have been prepared in conformity with accounting principles generally accepted in the United States of America, 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 following is a summary of the significant policies:

Reporting Entity

The Town applies the criteria set forth in GASB statements to determine which governmental organizations should be included in the reporting entity. The inclusion or exclusion of component units is based on the elected officials' accountability to their constituents. The financial reporting entity follows the same accountability. In addition, the financial statements of the reporting entity should allow the user to distinguish between the primary government (including its blended component units, which are, in substance, part of the primary government) and discretely presented component units. Criteria for inclusion of an entity into the primary governmental unit (in blended or discrete presentation) includes, but is not limited to, legal standing, fiscal discrepancy, imposition of will and the primary recipient of services. The Town presently has no component units included within the reporting entity.

Government-wide and Fund Financial Statements

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the Town of Walsh's activities with interfund activities removed.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with specific function. 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 and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Taxes and other items are not properly included among program revenues are reported instead as general revenues.

These statements distinguish between governmental and business-type activities of the Town. Governmental activities are supported by taxes and intergovernmental revenues. Business-type activities are financed to a significant extent by fees and charges.

The Statement of Activities demonstrates the degree to which direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with specific function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. 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 and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Revenues that are not classified as program revenues, including all taxes, are reported 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. All remaining governmental funds are aggregate and reported as non-major funds.

Measurement, Focus and Basis of Accounting

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 a liability is incurred, regardless of the timing of the related cash flow. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue in the fiscal year in which all eligible requirements imposed by the provider have been met.

Interfund activities between governmental funds and proprietary funds appear as due to/ due from on the governmental funds balance sheet and proprietary fund statement of net position and as other resources and other uses on the governmental fund statement of revenues, expenditures and changes in fund balance and on the proprietary fund statement of revenues, expenses and changes in fund net position. All interfund transactions between governmental funds are eliminated on the government-wide financial statements.

The fund financial statements provide reports on the financial condition and results of operations for three fund categories: governmental, proprietary and fiduciary. Since the resources in the fiduciary funds cannot be used for government operations, they are not included in the government-wide statements. The Town considers some governmental funds major and reports their financial condition and results of operations in a separate column.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All other revenues and expenses are non-operating.

Governmental funds are used to account for the Town's general governmental activities. Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the period or soon enough

thereafter to pay liabilities of the current fiscal period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from long-term debt are reported as other financing sources, and acquisitions of capital leased assets are reported as other financing uses.

The Town considers property taxes as available if they are collected within 60 days after year-end. Property taxes are recognized as revenue in the fiscal period for which they are levied, providing the available criteria are met.

Those revenues susceptible to accrual are property taxes, interest revenue and charges for services. Specific ownership taxes collected and held by the County at year-end on behalf of the Town are also recognized as revenue.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the accrual criteria are met. Expenditure-driven grants recognize revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The proprietary fund types are accounted for on a *flow of economic resources measurement focus* and utilize the *accrual basis of accounting*. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. The Town applies all GASB pronouncements. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund statement of net position. The fund equity is segregated into invested in capital assets net of related debt, restricted net position and unrestricted net position.

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained by the Town is consistent with legal and managerial requirements.

Fund Accounting

The Town reports the following major governmental fund:

General Fund: accounts for all financial resources except those required to be accounted for in another fund.

The Town reports the following non-major governmental fund:

Conservation Trust Fund: accounts for revenue resources that are legally restricted to expenditure for specific purposes (not including major capital projects).

Proprietary Fund

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations.

The principal operating revenues of the Town's enterprise funds are charges for services. Operating expenses for enterprise funds include cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expense not meeting this definition are reported as non-operating revenues and expenses.

Enterprise funds are used to account for those operations financed and operated in a manner similar to private business or where the Town Council has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Other Accounting Policies

Cash and Cash Equivalents

For purposes of the statement of cash flows for the proprietary fund, the Town considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.

Property Taxes

Under Colorado Law, all property taxes become due and payable in the year following in which they are levied. Property taxes are recognized as revenue when collected by the County Treasurer. Property taxes levied in 2020 for collection in 2021 are identified as property taxes receivable and deferred revenues at December 31, and are presented net of an estimated allowance for uncollectible taxes. Property taxes become a lien on the property as of January 1 of each year. One-half of the property taxes are due by February 28 and one-half due by June 15 or all may be paid by April 30 to avoid penalties and interest.

Interfund Transactions

Interfund transactions are accounted for as expenditures/expenses when they constitute reimbursements from one fund to another. These transactions are recorded as reductions of expenditures/expenses in the fund receiving the reimbursement. All other interfund transactions are reported as transfers.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates and the difference could be material.

Budgets & Budgetary Accounting

Annual budgets are adopted and appropriation resolutions are made as required by Colorado Statutes for each fund. Formal budgetary integration is employed as a management control device during the year.

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Each year the Town Council shall cause to be prepared a proposed budget for the ensuing fiscal year. A statement shall be submitted with the proposed budget describing the major objectives of the Town to be undertaken by the Town Council during the ensuing fiscal year and the manner in which the budget proposes to fulfill such objectives. The proposed budget shall be submitted to the board by October 15. A public hearing is conducted by the Council to obtain taxpayer comments. The final adoption of the Town budget and appropriation resolution must be made by December 31.

Colorado law requires that all funds have legally adopted budgets and total expenditures for each fund cannot exceed the amount appropriated. All appropriations lapse at the end of each fiscal year. Supplemental budgets for the General and Enterprise Funds were adopted.

Appropriations are adopted by resolution for each fund in total. Over expenditures are not deemed to exist unless the fund as a total has expenditures in excess of appropriations.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not utilized in the Town of Walsh.

Investments

Under Colorado statutes the Town may lawfully invest eligible funds in the following securities:

- a. Obligations of the United States and certain U.S. government agencies' securities;
- b. Certain international agencies' securities;
- c. General obligation and revenue bonds of U.S. local government entities;
- d. Bankers' acceptances of certain banks;
- e. Commercial paper which holds the highest credit rating category and with a maturity within 180 days;
- f. Local government investment pools;
- g. Written repurchase agreements collateralized by certain authorized securities;
- h. Certain money market funds;
- i. Guaranteed investment contracts.

The Town may also deposit funds in Colorado financial institutions, which are members of the Federal Deposit Insurance Corporation. State law requires the Town Council to approve any investment with maturity in excess of five years.

Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. In the fund financial statements, these receivables and payables are classified as “due from other funds” or “due to other funds” on the balance sheet; however, in the government-wide financial statements all internal balances have been eliminated.

Capital Assets

Capital assets, which include land, buildings, furniture and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Land improvements, buildings, furniture and equipment of the Town are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Building Improvements	20
Vehicles	5
Equipment	5

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the Fire & Police Statewide Defined Benefit Plan and additions to/deductions from Fire & Police Statewide Defined Benefit Plan’s fiduciary net position have been determined on the same basis as they are reported by the Fire & Police Pension Association of Colorado. 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.

Note 2 Deposits and Investments*Custodial Credit Risk - Deposits*

Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits might not be recovered. However, the Colorado Public Deposit Protection Act (PDPA) requires that deposits of all units of local government be held at eligible public depositories, whose eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. The PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

Cash and certificates of deposit are covered by federal insurance coverage and the provisions of the Colorado Public Deposit Protection Act.

Note 3 Capital Assets

Capital asset activity for the year ended December 31, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities:				
Non-Depreciable Assets:				
Land	<u>\$ 32,790</u>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ 34,790</u>
Depreciable Assets:				
Buildings & Improvements	578,946	-	-	578,946
Equipment	<u>861,297</u>	<u>122,000</u>	<u>-</u>	<u>983,297</u>
Total Depreciable Assets	<u>1,440,243</u>	<u>122,000</u>	<u>-</u>	<u>1,562,243</u>
Less Accumulated Depreciation	<u>(1,299,837)</u>	<u>(52,390)</u>	<u>-</u>	<u>(1,352,227)</u>
Net Depreciable Assets	<u>140,406</u>	<u>69,610</u>	<u>-</u>	<u>210,016</u>
Net Capital Assets	<u>\$ 173,196</u>	<u>\$ 71,610</u>	<u>\$ -</u>	<u>\$ 244,806</u>

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

Governmental Activities:	
General Government	\$ 5,099
Public Safety	<u>47,291</u>
Total	<u>\$ 52,390</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-Type Activities:				
Non-Depreciable Assets:				
Land	<u>\$ -</u>	<u>\$ 7,664</u>	<u>\$ -</u>	<u>\$ 7,664</u>
Depreciable Assets:				
Equipment and Distribution Assets	<u>3,315,968</u>	<u>-</u>	<u>-</u>	<u>3,315,968</u>
Less Accumulated Depreciation	<u>(1,673,771)</u>	<u>(48,029)</u>	<u>-</u>	<u>(1,721,800)</u>
Net Depreciable Assets	<u>1,642,197</u>	<u>(48,029)</u>	<u>-</u>	<u>1,594,168</u>
Net Capital Assets	<u>\$ 1,642,197</u>	<u>\$ (40,365)</u>	<u>\$ -</u>	<u>\$ 1,601,832</u>

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

Business-Type Activities:	
Enterprise Fund	<u>\$ 48,029</u>

Note 4 Landfill Closure Costs

During 2019, the Colorado Department of Public Health and Environment closed the landfill. The town will be responsible for upkeep on the site. The costs are estimated to be very low. No accruals will be made and expenses will be recognized as costs are incurred.

Note 5 Public Entity Pool

The Town of Walsh participates with Colorado Intergovernmental Risk Sharing Agency (CIRSA) which is an insurance risk pool. CIRSA is a separate legal entity established by the member municipalities pursuant to the provisions of Colorado Revised Statute and the Colorado Constitution.

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 or 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 coverage 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 Town does not approve budgets nor does it have the ability to significantly affect the operations of the unit. Complete financial statements for CIRSA can be obtained at their offices.

Note 6 Risk Management

Colorado Intergovernmental Risk Sharing Agency (CIRSA) Property & Casualty Pool:

The Town is exposed to various risks of loss related to property and casualty losses. The Town has joined together with other municipalities in the State of Colorado to form the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a public entity risk pool currently operating as a common risk management and insurance program for member municipalities. The Town pays an annual contribution to CIRSA for its property and casualty insurance coverage. The intergovernmental agreement of formation of CIRSA provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and that the Pool will purchase insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

Other Non-Pool Coverage:

The Town is exposed to various risks of loss related to torts; theft of; damage to and destruction of assets; errors and omissions; injuries to employees; claims relating to professional liability; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims for these risks have not exceeded commercial insurance coverage the past two years.

Note 7 Contraband Forfeitures

Per Colorado Contraband Forfeiture Act (C.R.S 16-13-501 to 511), proceeds received from the seizure of contraband must be used for the specific purpose of law enforcement activities. These proceeds are exempt from the appropriations process. The Town received no material proceeds from contraband in 2019.

Note 8 Water Revenue Bond Series 2019

The Town issued water revenue bonds December 23, 2003. The maturity date of the bonds is December 31, 2043. The bonds have a 4.75% interest rate. Semi-annual payments of principal and interest of \$26,638 are payable June 1 and December 1 each year. These bonds were paid in full during 2019 by the issuance of new bonded debt.

In 2019, the Town issued \$805,000 of new bonds. The bond proceeds were used to retire the USDA water revenue bonds. The interest rate ranges from 2.5% to 4.0%.

	Principal	Interest	Total
2021	\$ 25,000	\$ 24,100	\$ 49,100
2022	25,000	23,537	48,537
2023	30,000	22,975	52,975
2024	30,000	22,300	52,300
2025	30,000	21,625	51,625
2026-2030	155,000	95,750	250,750
2031-2035	185,000	70,574	255,574
2036-2040	215,000	38,486	253,486
2041-2042	70,000	3,604	73,604
Total	<u>\$ 765,000</u>	<u>\$ 322,951</u>	<u>\$ 1,087,951</u>

Note 9 Reserve Fund Balance

The Town has reserved \$19,913 of fund balance for its emergency reserve per the provisions of Amendment One. The reserve is approximately three percent of the non-federal 2020 spending limitation, not including the enterprise fund.

Note 10 Tax, Spending and Debt Limitation

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations including revenue raising, spending abilities and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The Town believes it is in compliance with the requirements of the amendment. However, the Town has made certain interpretations of the amendment's language in order to determine its compliance.

In 1999, the residents of the Town voted to authorize the Town to collect, retain and expend all revenue and other funds collected from any source during 1999 and each subsequent year notwithstanding the limitations of Article X, Section 20 of the Colorado Constitution, provided no sales and use tax rates, property tax mill levy or other tax rate be increased nor any tax be imposed without prior approval of the voters of the Town of Walsh.

Note 11 Employee Pension Plans

The Town provides pension benefits for all of its full-time employees that work at least 32 hours per week for 12 months out of the year through a defined contribution plan administered by Colorado Retirement Association (CRA). In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are required to participate after one full year of service. The Town rate of contribution is 3%. The employee must contribute 3% and may contribute more at their election. The Town's contributions for each employee (and interest allocated to the

employee's account) are fully vested after five (5) years of service with 20% vesting each year. Plan provisions and contribution requirements are established and may be amended by the Board of Trustees.

During 2020, the Town and the employees each contributed \$2,949 to the pension plan on qualifying salaries of \$98,302. Gross salaries of \$147,994 were paid during the current year.

A deferred compensation plan under Section 457 of the Internal Revenue Code is also available to all eligible employees for voluntary contributions of up to a maximum specified by the Internal Revenue Service. Employees are eligible to participate immediately upon employment. The plan is administered by CRA and plan provisions are established and may be amended by the Board of Trustee.

Note 12 Sales Tax

The voters approved a sales tax of 3% to be charged starting January 1, 2005. The proceeds from the Town sales tax shall be distributed to the Town's General Fund where 75% of the proceeds shall be spent on street, sewer, and water repairs and improvements for the first 5 years in which the tax is collected. The other 25% and all the tax after the first 5 years shall be spent for any lawful purpose as determined by the Town Council.

Note 13 Employee Retirement Plan

General Information about the Fire & Police Pension Association Old Hire and Volunteer Pension Plan Employers

Plan Description

The Plan is a cost-sharing multiple-employer defined benefit pension plan covering substantially all old hires and volunteer firemen.

Employers once had the option to elect to withdraw from the Plan, but a change in state statutes permitted no further withdrawals after January 1, 1988.

Colorado Revised Statutes Title 31, Article 31 grants the authority to establish and amend the benefit terms to the Fire & Police Pension Association of Colorado Board of Directors. The Fire & Police Pension Association of Colorado issues a publicly available financial report that can be obtained at www.fppaco.org.

Benefits Provided

The annual normal retirement benefit is \$100 per month per qualifying retiree.

Contributions

The plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for this Plan are set by state statute.

Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or by election of the membership.

Contributions to the Plan from the Town were \$2,000 for the year ended December 31, 2020. The State of Colorado contributed \$ -0- for the year ended December 31, 2020.

**Sensitivity of Net Pension (Liability)/Asset
to the Single Discount Rate Assumption
for the Measurement Period ending December 31, 2019**

1% Decrease 6.00 %	Current Single Discount Rate Assumption 7.00%	1% Increase 8.00%
\$ (31,087)	\$ (39,251)	\$ (46,031)

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

At December 31, 2020, the Department reported a Net Pension Asset of \$(33,815) for its proportionate share of the net pension (liability)/asset. The net pension (liability)/asset was measured as of December 31, 2018, and the total pension liability used to calculate the net pension (liability)/asset was determined by an actuarial valuation as of that date. The Department's proportion of the net pension (liability)/asset was based on a projection of the Department's long-term share of contributions to the pension plan relative to the projected contributions of all participating Departments, actuarially determined.

General Information about the Fire & Police Statewide Defined Benefit Plan

For the year ended December 31, 2019, the Department recognized pension income of \$363. At December 31, 2018, the Plan reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 10,717
Changes in assumptions	2,458	-
Net difference between projected and actual earnings on pension plan investments	4,643	7,972
Total	<u>\$ 7,101</u>	<u>\$ 18,689</u>

Future Pension Expense/(Income) – Deferred Outflows and Deferred Inflows of Resources by Year to be Recognized in Future Pension Expense/(Income)

<u>Year Ending December 31,</u>	<u>Net Deferred Outflows/(Inflows) of Resources</u>
2021	\$ (4,096)
2022	(3,611)
2023	(2,144)
2024	(1,666)
2025	(71)
Thereafter	-
Total	\$ (11,588)

Valuation Date

Actuarial Valuation Date	January 1, 2019
Measurement Date of the Net Pension Liability (Asset)	December 31, 2019
Employer's Fiscal Year Ending Date (Reporting Date)	December 31, 2020

Methods and Assumptions Used to Determine Contribution Rates for the Year Ending December 31, 2019

Actuarial Cost Method	Entry age normal
Amortization Method	Level dollar, open*
Remaining Amortization Period	20 Years*
Asset Valuation Method	5-year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	7.50%
Retirement Age	50% per year of eligibility until 100% at age 65
Mortality	Pre-retirement: RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55% multiplier for off-duty mortality. Post-retirement: For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages less than 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of previous tables. All tables projected with Scale BB.

*Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants.

FPPA System Description

The Fire & Police Pension Association (FPPA) administers an agent multiple-employer Public Employee Retirement System (PERS). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension

plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available comprehensive annual financial report that can be obtained at FPPAco.org.

Note 14 Long-Term Debt

During 2015, the Town entered into a lease purchase agreement for equipment. The interest rate is 3.19999% with five (5) annual payments of principal and interest of \$8,059. This lease was paid in full in 2020.

A summary of long-term debt is as follows:

	Beginning Balance	Additions	Payments	Ending Balance	Due In One Year
Bonds Payable	\$ 790,000	\$ -	\$ 25,000	\$ 765,000	\$ 25,000
Lease Payable	\$ 7,809	\$ -	\$ 7,809	\$ -	\$ -

Note 15 Fund Balances

The Town implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions." In the fund financial statements, the following classifications describe the relative strength of spending constraints.

Non-Spendable Fund Balance

The portion of fund balance that cannot be spent because it is either not in spendable form (such as inventory and prepaid amounts) or is legally or contractually required to be maintained intact.

Restricted Fund Balance

The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation.

Committed Fund Balance

The portion of fund balance constrained for specific purposes according to the limitations imposed by the Town's highest level of decision making authority, the Town Council, or other individuals authorized to assign funds to be used for a specific purpose. This classification is necessary to indicate that those funds are, at a minimum, intended to be used for the purpose of that particular fund.

Assigned Fund Balance

The portion of fund balance set aside for planned or intended purposes but is neither restricted nor committed. The intended use may be expressed by the Town Council or

other individuals authorized to assign funds to be used for a specific purpose. Assigned fund balances in special revenue funds will also include any remaining fund balance that is not restricted or committed. This classification is necessary to indicate that those funds are, at a minimum, intended to be used for the purpose of that particular fund.

Unassigned Fund Balance

The residual portion of fund balance that does not meet any of the above criteria. The Town will only report a positive unassigned fund balance in the General Fund.

When both restricted and unrestricted fund balance are available for use, it is the Town's policy to use restricted amounts first. Unrestricted fund balance will be used in the following order: committed, assigned and unassigned.

**Town of Walsh
Budget and Actual
General Fund
For the year ended December 31, 2020**

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Property taxes	\$ 92,498	\$ 92,498	\$ 91,735
SO taxes	10,500	10,500	10,426
Sales and miscellaneous taxes	167,100	167,100	220,947
Intergovernmental	101,047	101,047	50,672
Charges for services	5,570	5,570	1,945
Contributions and grants	1,500	1,500	-
Investment earnings	700	700	833
Miscellaneous	2,020	2,020	164,870
Total revenues	<u>380,935</u>	<u>380,935</u>	<u>541,428</u>
EXPENDITURES			
Current:			
General government	44,095	44,095	99,723
Public safety	203,880	203,880	120,956
Public works	399,487	399,487	290,943
Culture and recreation	23,300	23,300	17,438
Debt Service:			
Principal	7,809	7,809	7,810
Interest and other charges	250	250	250
Capital Outlay	-	-	124,000
Total Expenditures	<u>678,821</u>	<u>678,821</u>	<u>661,120</u>
Excess (deficiency) of revenues over expenditures	<u>(297,886)</u>	<u>(297,886)</u>	<u>(119,692)</u>
SPECIAL ITEM			
Proceeds from sale of capital assets	-	-	53,775
Net change in fund balances	<u>(297,886)</u>	<u>(297,886)</u>	<u>(65,917)</u>
Fund balances - beginning	297,886	297,886	512,896
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 446,979</u>

Walsh Volunteer Fire Department Volunteer Pension Fund
Schedule of Contributions Multiyear
Last 10 Fiscal Years (to be Built Prospectively)

FYE Ending December 31,	Actuarially Determined Contribution	Actual Contribution*	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2014	\$	335	\$	(2,165)	N/A
2015		335	\$	(3,165)	N/A
2016		958		(2,042)	N/A
2017		-		(3,000)	N/A
2018		-		(3,000)	N/A
2019		-		(3,000)	N/A

* Includes both employer and State of Colorado Supplemental Discretionary Payment.

Walsh Volunteer Fire Department Volunteer Pension Fund
Pension Expense / (Income) Under GASB Statement No. 68
Measurement Period Ended December 31, 2019
for the Employer Fiscal Year Ended December, 31, 2020

Pension Expense / (Income)	
Service Cost	\$ 1,551
Interest on the Total Pension Liability	4,313
Current-Period Benefit Changes	-
Projected Earnings on Plan Investments (made negative here to offset expense)	3
Pension Plan Administrative Expense	5,140
State of Colorado Supplemental Discretionary Payment	(1,000)
Recognition of Outflow (Inflow) of Resources due to Liabilities	(3,257)
Recognition of Outflow (Inflow) of Resources due to Assets	32
Total Pension Expense / (Income)	<u>\$ 6,782</u>

Walsh Volunteer Fire Department Volunteer Pension Fund
Schedule of Changes in Net Pension Liability / (Asset)
and Related Ratios Current Period
Measurement Period Ended December 31, 2019

Total Pension Liability	
Service Cost	\$ 1,551
Interest on the Total Pension Liability	4,313
Benefit Changes	-
Difference between expected and actual experience of the Total Pension Liability	-
Changes of Assumptions	-
Benefit Payments	-
Net change in Total Pension Liability	5,864
Total Pension Liability - Beginning	60,856
Total Pension Liability - Ending	<u>66,720</u>
Plan Fiduciary Net Position	
Contributions - Employer	2,000
Net Investment Income	13,440
Benefit Payments	-
Pension Plan Administrative Expense	(5,140)
State of Colorado Supplemental Discretionary Payment	1,000
Net Change in Plan Fiduciary Net Position	11,300
Plan Fiduciary Net Position - Beginning (Market value of assets at the beginning of the year)	94,671
Plan Fiduciary Net Position - Ending (Market value of assets at the end of the year)	<u>105,971</u>
Net Pension Liability / (Asset)	<u><u>\$ (39,251)</u></u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	158.83%
Covered-Employee Payroll	N/A
Net Pension Liability / (Asset) as a percentage of covered employee payroll	N/A

**Town of Walsh
Budget and Actual
Conservation Trust Fund
For the year ended December 31, 2020**

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Intergovernmental	\$ 2,650	\$ 2,650	\$ 2,639
Investment earnings	2	2	7
Total revenues	<u>2,652</u>	<u>2,652</u>	<u>2,646</u>
EXPENDITURES			
Current:			
Culture and recreation	<u>5,244</u>	<u>5,244</u>	<u>2,650</u>
Total Expenditures	<u>5,244</u>	<u>5,244</u>	<u>2,650</u>
Excess (deficiency) of revenues over expenditures	<u>(2,592)</u>	<u>(2,592)</u>	<u>(4)</u>
Net change in fund balances	(2,592)	(2,592)	(4)
Fund balances - beginning	<u>2,592</u>	<u>2,592</u>	<u>2,748</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,744</u>

**Town of Walsh
Budget and Actual
Enterprise Fund
For the year ended December 31, 2020**

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Charges for Services	\$ 392,045	\$ 392,045	\$ 419,902
Investment earnings	985	985	2,154
Miscellaneous	222	222	7,688
Total revenues	<u>393,252</u>	<u>393,252</u>	<u>429,744</u>
OPERATING EXPENSES			
Personal services	51,714	51,714	51,734
Contractual services	41,600	41,600	65,888
Purchased power	14,400	14,400	404
Utilities	1,841	1,841	1,010
Repairs and maintenance	17,850	17,850	9,847
Other supplies and expenses	14,395	14,395	12,029
Insurance claims and expenses	11,550	11,550	5,284
Contingency	27,000	27,000	-
Interest	37,362	37,362	25,042
Water operations including debt service	243,232	243,232	217,443
Total Operating Expenses	<u>460,944</u>	<u>460,944</u>	<u>388,681</u>
Operating income (loss)	<u>(67,692)</u>	<u>(67,692)</u>	<u>41,063</u>
RECONCILING ITEMS			
Adjustment for debt service	-	-	25,000
Net change in fund balances	<u>(67,692)</u>	<u>(67,692)</u>	<u>66,063</u>
Fund balances - beginning	<u>67,692</u>	<u>67,692</u>	<u>1,447,340</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,513,403</u>

**Town of Walsh
Balance Sheet
Other Governmental Funds
December 31, 2020**

	<u>Conservation Trust Fund</u>	<u>Total Special Revenue Funds</u>
ASSETS		
Cash and cash equivalents	\$ 2,744	\$ 2,744
Total assets	<u>2,744</u>	<u>2,744</u>
 LIABILITIES AND NET POSITIONS		
Net Positions:		
Reserved for:		
Assigned	<u>2,744</u>	<u>2,744</u>
Total net positions	<u>2,744</u>	<u>2,744</u>
Total liabilities and fund balances	<u>\$ 2,744</u>	<u>\$ 2,744</u>

Town of Walsh
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2020

	<u>Conservation Trust Fund</u>	<u>Total Special Revenue Funds</u>
REVENUES		
Intergovernmental	\$ 2,639	\$ 2,639
Investment earnings	<u>7</u>	<u>7</u>
Total revenues	<u>2,646</u>	<u>2,646</u>
EXPENDITURES		
Culture and recreation	<u>2,650</u>	<u>2,650</u>
Total Expenditures	<u>2,650</u>	<u>2,650</u>
Excess (deficiency) of revenues over expenditures	<u>(4)</u>	<u>(4)</u>
Net change in fund balances	(4)	(4)
Fund balances - beginning	<u>2,748</u>	<u>2,748</u>
Fund balances - ending	<u><u>\$ 2,744</u></u>	<u><u>\$ 2,744</u></u>

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Walsh
		YEAR ENDING : December 2020
This Information From The Records Of: Town of Walsh		Prepared By: Donna Packard Dawson Phone: 719 324-5411

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

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	51,057
3. Other local imposts (from page 2)	208,599
4. Miscellaneous local receipts (from page 2)	163
5. Transfers from toll facilities	0
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	0
b. Bonds - Refunding Issues	0
c. Notes	0
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	259,819
B. Private Contributions	0
C. Receipts from State government (from page 2)	31,306
D. Receipts from Federal Government (from page 2)	68
E. Total receipts (A.7 + B + C + D)	291,193

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	199,581
2. Maintenance:	53,738
3. Road and street services:	
a. Traffic control operations	0
b. Snow and ice removal	0
c. Other	30,691
d. Total (a. through c.)	30,691
4. General administration & miscellaneous	7,184
5. Highway law enforcement and safety	0
6. Total (1 through 5)	291,193
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	0
b. Redemption	0
c. Total (a. + b.)	0
2. Notes:	
a. Interest	0
b. Redemption	0
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	0
D. Payments to toll facilities	0
E. Total disbursements (A.6 + B.3 + C + D)	291,193

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		291,193	291,193		(0)

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2020

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	0	a. Interest on investments	163
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	198,173	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	10,426	g. Other Misc. Receipts	0
6. Total (1. through 5.)	208,599	h. Other	0
c. Total (a. + b.)	208,599	i. Total (a. through h.)	163
(Carry forward to page 1)		(Carry forward to page 1)	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	27,688	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	3,383	d. Federal Transit Admin	0
d. Other (Specify) - Severance Tax	234	e. U.S. Corps of Engineers	0
e. Other (Specify)	0	f. Other Federal	68
f. Total (a. through e.)	3,618	g. Total (a. through f.)	68
4. Total (1. + 2. + 3.f)	31,306	3. Total (1. + 2.g)	
		(Carry forward to page 1)	

III. DISBURSEMENTS 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		0	0
b. Engineering Costs		0	0
c. Construction:			
(1). New Facilities		0	0
(2). Capacity Improvements		0	0
(3). System Preservation		199,581	199,581
(4). System Enhancement & Operation		0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	199,581	199,581
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	199,581	199,581
		(Carry forward to page 1)	

Notes and Comments: