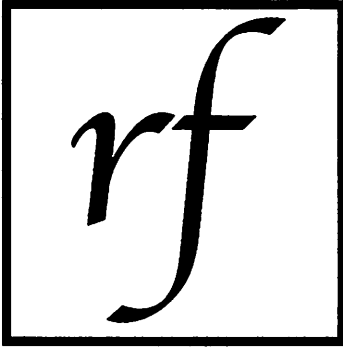




Walsh District Hospital  
dba Walsh Healthcare Center  
Financial Statements  
December 31, 2024 & 2023

**Walsh District Hospital  
DBA Walsh Healthcare Center  
Table of Contents  
December 31, 2024 & 2023**

	Page
<b>Financial Section</b>	
Independent Auditor's Report	1
<b>Basic Financial Statements</b>	
Statement of Net Position	4
Statement of Revenues, Expenses and Changes in Fund Net Position	5
Statement of Cash Flows	6
Notes to the Basic Financial Statements	8
<b>Supplementary Information</b>	
Budgetary Comparison Schedules	
Schedule of Revenues, Expenditures, and Changes in Fund Balance	
Budget and Actual (Budgetary Basis):	
Nursing Home	15
Ambulance	16
Assisted Care Facility	17
Medical Clinic	18



*Independent Auditor's Report*

Board of Directors  
Walsh District Hospital  
Dba Walsh Healthcare Center

We have audited the financial statements of each major fund of Walsh District Hospital dba Walsh Healthcare Center (the "Center"), as of and for the years ended December 31, 2024, and 2023, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of each major fund of the Center as of December 31, 2024, and 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

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

***Responsibilities of Management for the Financial Statements***

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

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

*rfarmer, llc*

*a certified<sup>1</sup> public accounting and consulting firm*

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

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

In performing an audit in accordance with GAAS, we:

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Management has elected to omit the management's discussion and analysis. Although not a part of the basic financial statements, it 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. The omission of this information does not affect our opinion on the basic financial statements.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Center's basic financial statements. The accompanying supplementary information on pages 15 through 18 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***rfarmer, Uc***

March 24, 2025

## **Basic Financial Statements**

**Walsh District Hospital dba Walsh Healthcare Center**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2024 and 2023**

<b>ASSETS</b>	<b>Nursing Home</b>	<b>Ambulance</b>	<b>Assisted Care Facility</b>	<b>Medical Clinic</b>	<b>Total 2024</b>	<b>Total 2023</b>
<b>Current assets:</b>						
Cash and cash equivalents	\$ 83,113	\$ 8,677	\$ 7,124	\$ 7,550	\$ 106,464	\$ 202,375
Investments	542,190	32,250	-	-	574,440	681,713
Accounts receivable, net	278,796	49,395	25,046	75,240	428,477	396,594
Due from other funds	1,834,246	-	-	-	1,834,246	1,582,606
Other receivables	511,917	27,758	55,515	104,091	699,281	700,491
Inventories	42,052	37,863	1,545	38,086	119,546	95,277
Prepaid Expenses	56,619	2,216	11,464	4,954	75,253	70,859
<b>Total current assets</b>	<b>3,348,933</b>	<b>158,159</b>	<b>100,694</b>	<b>229,921</b>	<b>3,837,707</b>	<b>3,729,915</b>
<b>Capital assets:</b>						
<b>Property, Plan and Equipment:</b>						
Capital assets	5,019,379	1,175,223	1,253,681	274,669	7,722,952	7,565,112
Less Accumulated depreciation	(3,568,445)	(992,398)	(939,020)	(97,400)	(5,597,263)	(5,332,437)
<b>Total non-current assets</b>	<b>1,450,934</b>	<b>182,825</b>	<b>314,661</b>	<b>177,269</b>	<b>2,125,689</b>	<b>2,232,675</b>
<b>Total assets</b>	<b>4,799,867</b>	<b>340,984</b>	<b>415,355</b>	<b>407,190</b>	<b>5,963,396</b>	<b>5,962,590</b>
<b>LIABILITIES</b>						
<b>Current Liabilities:</b>						
Accounts payable	101,568	1,312	1,446	1,083	105,409	71,057
Due to other funds	-	73,580	1,421,245	339,429	1,834,254	1,582,613
Other accrued expenses	85,535	357	12,483	34,872	133,247	368,656
Unearned revenue	121,823	-	-	16,278	138,101	-
Loans payable, current portion	30,000	-	-	-	30,000	30,000
<b>Total current liabilities</b>	<b>338,926</b>	<b>75,249</b>	<b>1,435,174</b>	<b>391,662</b>	<b>2,241,011</b>	<b>2,052,326</b>
<b>Non-current liabilities:</b>						
Loans payable	188,000	-	-	-	188,000	50,000
<b>Total non-current liabilities</b>	<b>188,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>188,000</b>	<b>50,000</b>
<b>Total liabilities</b>	<b>526,926</b>	<b>75,249</b>	<b>1,435,174</b>	<b>391,662</b>	<b>2,429,011</b>	<b>2,102,326</b>
<b>Deferred inflow of resources:</b>						
Property taxes	506,819	27,758	55,515	104,091	694,183	693,541
<b>NET POSITION</b>						
Net investment in capital assets	1,064,934	182,825	314,661	177,269	1,739,689	2,152,675
Unrestricted	2,701,188	55,152	(1,389,995)	(265,832)	1,100,513	1,014,048
<b>Total net position</b>	<b>\$ 3,766,122</b>	<b>\$ 237,977</b>	<b>\$(1,075,334)</b>	<b>\$ (88,563)</b>	<b>\$ 2,840,202</b>	<b>\$ 3,166,723</b>

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

**Walsh District Hospital dba Walsh Healthcare Center**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Fund**  
**For the years ended December 31, 2024 and 2023**

	Nursing Home	Ambulance	Assisted Care Facility	Medical Clinic	Total 2024	Total 2023
<b>REVENUES</b>						
Charges for services	\$ 2,540,496	\$ 28,366	\$ 336,083	\$ 335,111	\$ 3,240,056	\$ 3,320,361
Other income	56,265	14,871	-	-	71,136	79,419
Property taxes	613,197	26,964	54,717	175,605	870,483	854,765
Total operating revenues	<u>3,209,958</u>	<u>70,201</u>	<u>390,800</u>	<u>510,716</u>	<u>4,181,675</u>	<u>4,254,545</u>
<b>OPERATING EXPENSES</b>						
Professional care of patients	1,870,414	-	185,191	381,375	2,436,980	2,579,293
Dietary services	421,942	-	58,113	-	480,055	516,879
Administrative services	237,979	-	10,309	154,188	402,476	432,705
General services	650,146	-	235,423	57,690	943,259	1,071,628
Ambulance services	-	98,652	-	-	98,652	229,938
Provision for bad debts	350	-	-	-	350	-
Depreciation	165,677	61,498	33,492	4,158	264,825	262,128
Total Operating Expenses	<u>3,346,508</u>	<u>160,150</u>	<u>522,528</u>	<u>597,411</u>	<u>4,626,597</u>	<u>5,092,571</u>
Operating income (loss)	<u>(136,550)</u>	<u>(89,949)</u>	<u>(131,728)</u>	<u>(86,695)</u>	<u>(444,922)</u>	<u>(838,026)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>						
Interest	25,439	302	129	194	26,064	13,426
Grants and contributions	2,234	15,795	-	75,000	93,029	118,689
Interest expense	(695)	-	-	-	(695)	-
Total non-operating revenue (expenses)	<u>26,978</u>	<u>16,097</u>	<u>129</u>	<u>75,194</u>	<u>118,398</u>	<u>132,115</u>
Income (loss)	<u>(109,572)</u>	<u>(73,852)</u>	<u>(131,599)</u>	<u>(11,501)</u>	<u>(326,524)</u>	<u>(705,911)</u>
Change in net position	(109,572)	(73,852)	(131,599)	(11,501)	(326,524)	(705,911)
Total net position - beginning	3,875,694	311,829	(943,735)	(77,062)	3,166,726	3,872,634
Total net position - ending	<u>\$ 3,766,122</u>	<u>\$ 237,977</u>	<u>\$(1,075,334)</u>	<u>\$ (88,563)</u>	<u>\$ 2,840,202</u>	<u>\$ 3,166,723</u>

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

**Walsh District Hospital dba Walsh Healthcare Center**  
**Statement of Cash Flows**  
**Proprietary Fund**  
**For the years ended December 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Cash received from residents	\$ 3,208,173	\$ 3,297,162
Property taxes	870,483	854,765
Other income	71,136	79,419
Cash paid to suppliers	(2,188,864)	(2,237,625)
Cash paid for personnel costs	(2,436,980)	(2,579,293)
Net cash flows from Operating Activities	<u>(476,052)</u>	<u>(585,572)</u>
Cash flows from capital and related financing activities		
Grants and contributions	246,644	75,771
Proceeds from line of credit	188,000	-
Debt principal (payments)	(30,000)	(30,000)
Capital assets acquired or constructed	(157,840)	(148,052)
Net cash flows from capital and financing activities	<u>246,804</u>	<u>(102,281)</u>
Cash flows from investing activities		
Interest income	26,064	13,426
Net cash flows from investing activities	<u>26,064</u>	<u>13,426</u>
Net increase (decrease) in cash and cash equivalents	(203,184)	(674,427)
Beginning of year	884,088	1,558,515
End of year	<u>\$ 680,904</u>	<u>\$ 884,088</u>

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

**Walsh District Hospital dba Walsh Healthcare Center**  
**Statement of Cash Flows**  
**Proprietary Fund**  
**For the years ended December 31, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
Reconciliation of operating income (loss) to net cash flows from operating activities		
Operating income (loss)	\$ (444,922)	\$ (838,026)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:		
Depreciation	264,825	262,128
Changes in assets and liabilities (Increase) decrease in:		
Accounts receivable	(31,883)	(66,117)
Inventory	(24,269)	45,118
Prepaid expenses	(4,394)	6,577
Increase (decrease) in:		
Accounts payable	(235,409)	10,962
Accrued liabilities	-	(6,214)
Net cash flows from operating activities	\$ (476,052)	\$ (585,572)

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

**Walsh District Hospital  
DBA Walsh Healthcare Center  
Notes to Financial Statements  
December 31, 2024 & 2023**

**Note 1                      Summary of Significant Accounting Policies**

The accounting policies of Walsh District Hospital DBA Walsh Healthcare Center (the “Center”) conform with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Center’s accounting policies are described below.

The center operates under an elected Board with five members.

Reporting Entity

Governmental Accounting Standards Board (GASB) Statement No. 14 (as amended) describes the financial reporting entity as it relates to governmental accounting. According to this Statement, the financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations whose exclusion from the reporting entity’s financial statements would cause those statements to be misleading or incomplete. Any organizations that can be described by these last two items are included with the primary government in the financial statements as component units.

This Center is not included in any other governmental “reporting entity” as defined in GASB No. 14 amendments and does not include any other component unit as part of its “reporting entity”.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The proprietary fund types are accounted for on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. The measurement focus in these funds is on the flow of economic resources and emphasizes the determination of net income. All assets, liabilities and deferred flows associated with their activity are included on their statements of net position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund’s ongoing operations. The principal operating revenues of the Center’s proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Center’s policy to use restricted resources first, then unrestricted resources, as they are needed.

### Fund Accounting

The accounts of the Center are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred flows, fund equity, revenues and expenditures, or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. All funds are reported as major funds.

Enterprise Funds – used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Enterprise funds are considered major funds because of community interest in the activities and sources of funding supporting these operations.

### Charity Care

The Center provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Center does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

### Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered.

### Receivables

Patient accounts receivable are recorded at established rates as services are provided. Provision for uncollectible accounts is made in amounts required to maintain an adequate allowance for anticipated losses. In some cases, services to patients are paid for by Medicare, Medicaid, or other third parties. The amount reimbursed is generally based upon the cost of the services provided, as defined by government regulations. Account balances are reduced for the estimated amount of contractual allowances.

### Property Taxes

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

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

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

### Inventories

Inventories are stated at cost, calculated using the first-in, first-out method.

### Property, Plant and Equipment

Capital assets, which include property, vehicles and equipment, are utilized for general Center operations and are capitalized at actual or estimated cost. Donations of such assets are recorded at estimated fair value at the time of donation.

Maintenance, repairs, and minor renovations are recorded as expenditures when incurred. Major additions and improvements are capitalized.

The monetary threshold for capitalization of assets is \$3,000. The Center's capital assets are depreciated using the straight-line method over the estimated useful lives of the fixed assets (5- 20 years). Depreciation of all capital assets is charged as an expense against their operations. Depreciation is recorded in the year of acquisition.

### Sick Leave

All regular full time and regular part time employees accrue one sick day every 200 hours worked. The maximum accrual of sick leave is thirty days. Any employee retiring at the age of sixty-five or having twenty years of continuous employment at the Care Center will be paid their accrued sick leave up to thirty days at termination.

### Budgetary Accounting

Revenues and expenditures are controlled by a budgetary accounting system in accordance with various legal requirements. The budgeted revenues and expenditures represent the original adopted budget in accordance with Colorado Laws. Budgets are generally prepared on the same basis as that used for accounting purposes except for depreciation, which is not budgeted, and capital outlay which is budgeted.

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

1. Prior to October 1, the Business Manager submits to the Center Board a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public notices are released to obtain taxpayer comments.
3. Prior to December 31, the budget is legally enacted through passage of a resolution.
4. The Business Manager is authorized to transfer budgeted amounts between categories; however, any revisions that alter the total expenditures must be approved by the Center Board.
5. Formal budgetary integration should be employed as a management control device during the year.
6. The budget is adopted on a basis not consistent with generally accepted accounting principles (GAAP).

### Cost of Borrowing

Interest cost incurred on borrowed funds during the period of construction is capitalized as a component of the cost of acquiring those assets.

### Risk Management

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

The Center maintains commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Material estimates that are particularly susceptible to significant change relate to the determination of the allowance for losses on customer accounts receivable. In connection with the determination of the estimated losses on receivables, management evaluates accounts and relies on historical data.

While management uses available information to recognize losses on receivables, further reductions in the carrying amounts of receivables may be necessary based on changes in economic conditions. Because of these factors, it is reasonable possible that the estimated losses on receivables may change materially in the near term. However, the amount of the change that is reasonably possible cannot be estimated.

### Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid instruments with an original maturity of three months or less.

### Net Patient Service Revenue

The Center has agreements with third-party payors that provide for payments to the Center at amounts different from its established rates.

**Note 2 Capital Assets**

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 29,835	\$ -	\$ -	\$ 29,835
<b>Total</b>	<b>29,835</b>	<b>-</b>	<b>-</b>	<b>29,835</b>
<b>Capital Assets Being Depreciated</b>				
Building & Improvements	5,184,877	154,508	(2,917)	5,336,468
Equipment	992,388	6,249	-	998,637
Vehicles	199,530	-	(16,742)	182,788
Ambulance	1,175,223	-	-	1,175,223
<b>Total</b>	<b>7,552,018</b>	<b>160,757</b>	<b>(19,659)</b>	<b>7,693,116</b>
<b>Less: Accumulated Depreciation</b>				
Building & Improvements	(3,354,793)	(159,396)	-	(3,514,189)
Equipment	(873,368)	(34,518)	-	(907,886)
Vehicles	(185,419)	(4,017)	6,647	(182,789)
Ambulance	(925,504)	(66,894)	-	(992,398)
<b>Total Accumulated Depreciation</b>	<b>(5,339,084)</b>	<b>(264,825)</b>	<b>6,647</b>	<b>(5,597,262)</b>
Capital Assets being Depreciated, Net	2,212,934	(104,068)	(13,012)	2,095,854
<b>Total Capital Assets</b>	<b>\$ 2,242,769</b>	<b>\$ (104,068)</b>	<b>\$ (13,012)</b>	<b>\$ 2,125,689</b>

Assisted care	\$ 33,493
Ambulance	61,498
Healthcare	165,676
Medical clinic	4,158
<b>Total</b>	<b>\$ 264,825</b>

**Note 3 Deposits**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories, 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. 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 102% of the aggregate uninsured deposits.

At year-end, the Center's bank balance and corresponding carrying balance were as follows:

Insured (FDIC)	\$ 250,000
Uninsured, Collateralized under PDPA	430,633
Cash on Hand	270
<b>Total Cash and Deposits</b>	<b>\$ 680,903</b>

**Note 4 Self-Funded Insurance Program**

During 1997, the Center established a partial self-funded health program and a self-funded dental program. The plan administrators, CNIC Health Solutions Inc., are responsible for the approval, processing and payment of claims, after which they bill the Center for reimbursement. The Center is also responsible for a monthly administrative fee. The program contract year is January 1 through December 31 each year.

The program is available to employees who work a minimum of thirty-two hours per week and have met a ninety day waiting period.

Medical and Dental Claims

The Center has reported a liability of \$-0- and \$31,689 for the years ended December 31, 2024 and 2023, respectively which represent unreported claims which were incurred on or before December 31 but were not paid by the Center as of that date. The amount not reported to the Center were estimated using historical cost data by the plan administrator.

Beginning January 1, 2024, the Center was fully insured through Anthem.

**Note 5 Other Accrued Expenses – Accrued Vacation, Sick Leave, and Wages**

At December 31, 2024 and 2023, the Center had a liability for accrued expenses of \$133,247 and \$368,656, respectively.

	2024	2023
Accrued Salaries	\$ 3,823	\$ 226,006
Accrued Vacation	51,682	65,312
Accrued Sick Leave	77,742	77,338
Total	<u>\$ 133,247</u>	<u>\$ 368,656</u>

**Note 6 Contingencies**

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

The Center operates as an enterprise fund, but docs receive some property taxes for administrative costs. The Center calculates its TABOR reserve based on the amount of property taxes received.

The Center’s management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of the qualifications of an Enterprise will require judicial interpretation.

**Note 7      Note Payable**

The District entered into a loan agreement with the Southeast Colorado Power Association on June 9, 2016 for the purpose of additional funding for the implementation of an HVAC system. The amount of the loan was \$300,000 with an interest rate of 0%. The term of the loan is 10 years with monthly payments in the amount of \$2,500 beginning September 1, 2016.

Below is a summary of the loan payment schedule.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 30,000	\$ -	\$ 30,000
2026	20,000	-	20,000
	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ 50,000</u>

During 2024, Walsh District Hospital opened a line of credit with a local bank. The line is for \$200,000, is due January 8, 2025, one year from origination, bears interest at the rate of 6.25%, and is secured by two \$106,936 certificates of deposit, for a total of \$213,873. At the end of 2024, the line of credit had an outstanding balance of \$168,000.

The line of credit was renewed in January 2025 for an additional year. The interest rate increased to 6.5%. The collateral remained the same.

**Note 8      Retirement Plan 403(b)**

Walsh Healthcare Center has a 403(b) plan in which employees may participate. In 2023, Walsh Healthcare implemented an employer match up to 3% of employee contributions with a vesting period of one year. Contributions to the plan for 2024 and 2023 were \$61,734 and \$61,777, respectively.

## **Supplementary Information**

**Walsh District Hospital dba Walsh Healthcare Center**  
**Budget and Actual**  
**Nursing Home**  
**For the year ended December 31, 2024**  
**with comparative totals for the year ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Actual</u>	<u>Difference</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts,</u> <u>Budgetary</u> <u>Basis, 2024</u>	<u>Amounts,</u> <u>Budgetary</u> <u>Basis, 2023</u>	
<b>REVENUES</b>					
Charges for services	\$ 2,868,919	\$ 2,868,919	\$ 2,540,496	\$ 2,278,190	\$ 262,306
Investment earnings	6,000	6,000	25,439	11,890	13,549
Property Taxes	586,985	586,985	613,197	636,734	(23,537)
Other income	59,775	59,775	56,265	79,215	(22,950)
Grants and contributions	512,100	512,100	2,234	66,520	(64,286)
Contingency	1,000,000	1,000,000	-	-	-
Total revenues	<u>5,033,779</u>	<u>5,033,779</u>	<u>3,237,631</u>	<u>3,072,549</u>	<u>165,082</u>
<b>EXPENDITURES</b>					
Professional care of patients	1,973,413	1,973,413	1,870,414	1,881,347	(10,933)
Dietary services	407,825	407,825	421,942	439,083	(17,141)
Administrative services	257,493	257,493	237,979	263,544	(25,565)
General services	869,582	869,582	648,407	763,875	(115,468)
Depreciation	-	-	165,677	161,971	3,706
Debt Service:					
Interest and other charges	-	-	695	-	695
Contingency	1,000,000	1,000,000	-	-	-
Capital outlay	160,000	160,000	-	104,565	(104,565)
Total Expenditures	<u>4,668,313</u>	<u>4,668,313</u>	<u>3,345,114</u>	<u>3,614,385</u>	<u>(269,271)</u>
Excess (deficiency) of revenues over expenditures	<u>365,466</u>	<u>365,466</u>	<u>(107,483)</u>	<u>(541,836)</u>	<u>434,353</u>
<b>SPECIAL ITEM</b>					
Reconciliation with GAAP statements					
Capital outlay	-	-	-	104,565	(104,565)
Net change in fund balances	<u>365,466</u>	<u>365,466</u>	<u>(107,483)</u>	<u>(437,271)</u>	<u>329,788</u>
Total net position - beginning	-	-	3,875,694	4,312,965	(437,271)
Total net position - ending	<u>\$ 365,466</u>	<u>\$ 365,466</u>	<u>\$ 3,768,211</u>	<u>\$ 3,875,694</u>	<u>\$ (107,483)</u>

**Walsh District Hospital dba Walsh Healthcare Center**  
**Budget and Actual**  
**Ambulance**  
**For the year ended December 31, 2024**  
**with comparative totals for the year ended December 31, 2023**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Actual</b>	<b>Difference</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts, Budgetary Basis, 2024</b>	<b>Amounts, Budgetary Basis, 2023</b>	
<b>REVENUES</b>					
Charges for services	\$ 130,200	\$ 130,200	\$ 28,366	\$ 152,868	\$ (124,502)
Investment earnings	180	180	302	537	(235)
Property Taxes	27,588	27,588	26,964	30,537	(3,573)
Other income	200	200	14,871	204	14,667
Grants and contributions	15,500	15,500	15,795	38,169	(22,374)
Total revenues	<u>173,668</u>	<u>173,668</u>	<u>86,298</u>	<u>222,315</u>	<u>(136,017)</u>
<b>EXPENDITURES</b>					
Capital outlay	5,000	5,000	-	-	-
Ambulance services	155,899	155,899	98,652	229,938	(131,286)
Depreciation	-	-	61,498	61,498	-
Total Expenditures	<u>160,899</u>	<u>160,899</u>	<u>160,150</u>	<u>291,436</u>	<u>(131,286)</u>
Excess (deficiency) of revenues over expenditures	12,769	12,769	(73,852)	(69,121)	(4,731)
Net change in net position	12,769	12,769	(73,852)	(69,121)	(4,731)
Total net position - beginning	-	-	311,829	380,949	(69,120)
Total net position - ending	<u>\$ 12,769</u>	<u>\$ 12,769</u>	<u>\$ 237,977</u>	<u>\$ 311,828</u>	<u>\$ (73,851)</u>

**Walsh District Hospital dba Walsh Healthcare Center**  
**Budget and Actual**  
**Assisted Care Facility**  
**For the year ended December 31, 2024**  
**with comparative totals for the year ended December 31, 2023**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Actual</b>	<b>Difference</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts, Budgetary Basis, 2024</b>	<b>Amounts, Budgetary Basis, 2023</b>	
<b>REVENUES</b>					
Charges for services	\$ 561,706	\$ 561,706	\$ 336,083	\$ 381,220	\$ (45,137)
Investment earnings	300	300	129	268	(139)
Property Taxes	55,176	55,176	54,717	61,204	(6,487)
Other income	100	100	-	-	-
Total revenues	<u>617,282</u>	<u>617,282</u>	<u>390,929</u>	<u>442,692</u>	<u>(51,763)</u>
<b>EXPENDITURES</b>					
Current:					
Professional care of patients	177,099	177,099	185,191	183,265	1,926
Dietary services	91,826	91,826	58,113	77,796	(19,683)
Administrative services	10,619	10,619	10,309	11,088	(779)
General services	251,090	251,110	235,423	226,167	9,256
Depreciation	-	-	33,492	33,493	(1)
Capital outlay	15,000	15,000	-	-	-
Total Expenditures	<u>545,634</u>	<u>545,654</u>	<u>522,528</u>	<u>531,809</u>	<u>(9,281)</u>
Excess (deficiency) of revenues over expenditures	71,648	71,628	(131,599)	(89,117)	(42,482)
Net change in fund balances	71,648	71,628	(131,599)	(89,117)	(42,482)
Total net position - beginning	-	-	(943,735)	(854,618)	(89,117)
Total net position - ending	<u>\$ 71,648</u>	<u>\$ 71,628</u>	<u>\$(1,075,334)</u>	<u>\$ (943,735)</u>	<u>\$ (131,599)</u>

**Walsh District Hospital dba Walsh Healthcare Center**  
**Budget and Actual**  
**Medical Clinic**  
**For the year ended December 31, 2024**  
**with comparative totals for the year ended December 31, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts,</u> <u>Budgetary</u> <u>Basis, 2024</u>	<u>Actual</u> <u>Amounts,</u> <u>Budgetary</u> <u>Basis, 2023</u>	<u>Difference</u>
	<u>Original</u>	<u>Final</u>			
<b>REVENUES</b>					
Charges for services	\$ 568,400	\$ 568,400	\$ 335,111	\$ 508,083	\$ (172,972)
Investment earnings	1,000	1,000	194	731	(537)
Property Taxes	103,456	103,456	175,605	126,290	49,315
Other income	175,000	175,000	-	-	-
Grants and contributions	100,000	100,000	75,000	14,000	61,000
Total revenues	<u>947,856</u>	<u>947,856</u>	<u>585,910</u>	<u>649,104</u>	<u>(63,194)</u>
<b>EXPENDITURES</b>					
Current:					
Professional care of patients	535,438	535,438	381,375	514,681	(133,306)
Administrative services	161,219	161,219	154,188	158,073	(3,885)
General services	140,902	140,902	57,690	81,586	(23,896)
Depreciation	-	-	4,158	5,166	(1,008)
Capital outlay	110,000	110,000	157,840	-	157,840
Total Expenditures	<u>947,559</u>	<u>947,559</u>	<u>755,251</u>	<u>759,506</u>	<u>(4,255)</u>
Excess (deficiency) of revenues over expenditures	297	297	(169,341)	(110,402)	(58,939)
<b>RECONCILIATION TO GAAP</b>					
Capital outlay	-	-	157,840	-	-
Net change in fund balances	297	297	(11,501)	(110,402)	(58,939)
Total net position - beginning	-	-	(77,062)	33,338	(110,400)
Total net position - ending	<u>\$ 297</u>	<u>\$ 297</u>	<u>\$ (88,563)</u>	<u>\$ (77,064)</u>	<u>\$ (169,339)</u>