Town of Walsh, Colorado

Financial Statements

December 31, 2025

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Independent Auditor's Report

Board of Trustees
Town of Walsh, Colorado

Opinions

We have audited the 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, 2025, and the related notes to the financial statements, which collectively comprise the Town'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 the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Town, 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 Town'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 Town's ability to continue as a

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going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 Town'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 Town'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 budgetary comparison information and pages 27-30 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. 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 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 (GASB) 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 Town's basic financial statements. The accompanying supplemental information on pages 31-35 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying 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, llc

June 26, 2026

Town of Walsh
Statement of Net Position
December 31, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Equivalents	$ 744,995	$ 612,141	$ 1,357,136
Certificates of Deposit	-	204,996	204,996
Receivables	145,064	37,083	182,147
Net Pension Asset	54,824	-	54,824
Discount on Bonds	-	14,486	14,486
Capital Assets:			
Land	34,790	-	34,790
Buildings	815,397	654,694	1,470,091
Property, Plant and Equipment	1,328,267	2,704,688	4,032,955
Other Capital Assets	-	477,828	477,828
Less: Accumulated Depreciation	(1,462,975)	(1,965,656)	(3,428,631)
Total Capital Assets	715,479	1,871,554	2,587,033
Deferred Outflow of Resources	17,674	-	17,674
Total Assets	1,678,036	2,740,260	4,418,296
LIABILITIES			
Accounts payable and accrued expenses	11,608	235,232	246,840
Customer deposits	500	42,668	43,168
Long-term liabilities:			
Due within one year:			
Bonds and loans payable	-	757,022	757,022
Due in more than one year:			
Bonds and loans payable	200,000	(12,664)	187,336
Total liabilities	212,108	1,022,258	1,234,366
Deferred Inflow of Resources--property taxes	70,998	-	70,998
Deferred Inflow of Resources--pension plan	19,858	-	19,858
Total deferred inflow of resources	90,856	-	90,856
NET POSITION			
Net Investment in capital assets	515,479	1,127,196	1,642,675
Restricted for:			
TABOR	16,000	-	16,000
Unrestricted	843,593	590,806	1,434,399
Total net position	$ 1,375,072	$ 1,718,002	$ 3,093,074

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, 2025

		Program Revenue		Net (Expense) Revenue and Changes in Net Position		
				Primary Government		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Total**
Primary Government						
Governmental Activities						
General Government	$ 89,065	$ 40,642	$ -	$ (48,423)	$ -	$ (48,423)
Public Safety	93,023	537	12,500	(79,986)	-	(79,986)
Public Works	132,170	-	-	(132,170)	-	(132,170)
Culture and Recreation	32,972	-	3,127	(29,845)	-	(29,845)
Total Governmental Activities	347,230	41,179	15,627	(290,424)	-	(290,424)
Business-type activities:						
Enterprise Fund	497,861	503,748	-	-	5,887	5,887
Total Business-type Activities	497,861	503,748	-	-	5,887	5,887
Total Primary Government	$ 845,091	$ 544,927	$ 15,627	(290,424)	5,887	(284,537)
General Revenues:						
Taxes:						
Property taxes, levied for general purposes				75,072	-	75,072
Franchise and other taxes				29,563	-	29,563
Sales & SO tax				266,484	-	266,484
Unrestricted investment earnings				4,458	9,169	13,627
Miscellaneous				47,908	1,115	49,023
Special item - sale of assets				2,600	-	2,600
Total general revenues, special items, and transfers				426,085	10,284	436,369
Change in net position				135,661	16,171	151,832
Net Position - Beginning				1,239,411	1,701,831	2,941,242
Net Position - Ending				$ 1,375,072	$ 1,718,002	$ 3,093,074

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

Town of Walsh
Balance Sheet
Governmental Funds
December 31, 2025

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	$ 739,932	$ 5,063	$ 744,995
Taxes receivable, net	70,998	-	70,998
Other receivables	74,066	-	74,066
Total assets	884,996	5,063	890,059
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	11,608	-	11,608
Other payables	500	-	500
Total liabilities	12,108	-	12,108
Deferred Cash Inflow of Resources			
Deferred property taxes	70,998	-	70,998
Fund Balance:			
Reserved for:			
TABOR	16,000	-	16,000
Unassigned	785,890	-	785,890
Assigned, reported in non-major special revenue funds	-	5,063	5,063
Total fund balances	801,890	5,063	806,953
Total liabilities and fund balances	$ 884,996	$ 5,063	$ 890,059

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, 2025

Total fund balance, governmental funds	$	806,953
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.		715,479
Certain other long-term assets are not available to pay current period expenditures and therefore are not reported in this fund financial statement and certain long term liabilities are not due currently, but are reported in the governmental activities of the Statement of Net Assets.		(200,000)
Net Pension Assets are not an asset for fund reporting		54,824
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.		(19,858)
Defined Pension Benefit deferred outflow of resources		17,674
Net Position of Governmental Activities in the Statement of Net Position	$	1,375,072

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, 2025

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUES			
Property Taxes	$ 75,072	$ -	$ 75,072
SO Tax	7,155	-	7,155
Sales and miscellaneous taxes	288,892	-	288,892
Intergovernmental	50,127	3,127	53,254
Charges for services	3,437	-	3,437
Investment earnings	4,393	64	4,457
Miscellaneous	48,023	-	48,023
Total revenues	477,099	3,191	480,290
EXPENDITURES			
Current:			
General government	88,570	-	88,570
Public safety	69,922	-	69,922
Public works	132,170	-	132,170
Culture and recreation	29,768	3,300	33,068
Capital Outlay	436,451	-	436,451
Total Expenditures	756,881	3,300	760,181
Excess (deficiency) of revenues over expenditures	(279,782)	(109)	(279,891)
OTHER FINANCING SOURCES (USES)			
Proceeds from lease	200,000	-	200,000
Total other financing sources and uses	200,000	-	200,000
SPECIAL ITEM			
Proceeds from sale of capital assets	2,600	-	2,600
Net change in fund balances	(77,182)	(109)	(77,291)
Fund balances - beginning	879,072	5,172	884,244
Fund balances - ending	$ 801,890	$ 5,063	$ 806,953

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, 2025

Net change in fund balances - total governmental funds:	$	(77,291)
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 $436,451 was more than depreciation of $23,499 in the current period.		412,952
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.		(200,000)
Change in net positions of governmental activities	$	135,661

Town of Walsh
Statement of Net Position
Proprietary Funds
December 31, 2025

	Enterprise Fund
ASSETS	
Current assets:	
Cash and cash equivalents	$ 612,137
Certificates of Deposit	204,996
Accounts Receivable, net	37,083
Cost of Issuance, net	14,486
Total current assets	868,702
Non-current assets:	
Capital Assets:	
Enterprise System Assets	3,117,990
Construction in Progress	477,828
Buildings and improvements	654,694
Equipment and Furniture	194,362
Less Accumulated depreciation	(1,965,656)
Total non-current assets	2,479,218
Total assets	3,347,920
LIABILITIES	
Current Liabilities:	
Accounts payable	233,486
Accrued interest payable	1,746
Utility Deposits	42,668
Bonds and loans payable	757,022
Total current liabilities	1,034,922
Non-current liabilities:	
Bonds and loans payable	595,000
Total non-current liabilities	595,000
Total liabilities	1,629,922
NET POSITION	
Net Investment in capital assets	1,127,196
Unrestricted	590,802
Total Net Position	$ 1,717,998

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, 2025

	Enterprise Fund
REVENUES	
Charges for services-Wastewater	$ 195,211
Charges for services-Water	308,536
Miscellaneous	1,115
Total operating revenues	504,862
OPERATING EXPENSES	
Water operations:	
Personal services	76,848
Contractual services	1,496
Power and water purchased	21,986
Repairs and maintenance	68,580
Administrative expenses	44,769
Depreciation	52,472
Wastewater operations:	
Personal services	47,323
Contractual services	109,453
Miscellaneous	7,099
Utilities	819
Repairs and maintenance	701
Other supplies and expenses	6,815
Insurance claims and expenses	5,685
Total Operating Expenses	444,046
Operating income (loss)	60,816
NON-OPERATING REVENUES (EXPENSES)	
Interest and investment revenue	9,169
Interest expense	(53,817)
Total non-operating revenue (expenses)	(44,648)
Income (loss) before contributions and transfers	16,168
Change in net assets	16,168
Total net position - beginning	1,701,830
Total net position - ending	$ 1,717,998

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, 2025

	Business-Type Activities Enterprise Fund
Cash Flows from Operating Activities	
Receipts from customers	$ 505,959
Payments to suppliers	(266,514)
Payments to employees	(124,171)
Net cash provided (used) in operating activities	115,274
Cash Flows from Capital Related Financing Activities	
Principal repayments on debt	(550,000)
Interest paid on debt	(53,447)
Proceeds from loans	728,022
Purchase of assets	(180,905)
Net cash provided (used) in financing activities	(56,330)
Cash Flows from Non-Capital Financing Activities	
Net increase (decrease) in utility deposits	(1,056)
Net cash provided (used) in non-capital activities	(1,056)
Cash Flows from Investing Activities	
(Purchase) of Investments	(8,085)
Interest received on Investments	9,169
Net cash provided (used) in investing activities	1,084
Net Increase (Decrease) in cash and cash equivalents	58,972
Beginning of the year cash	553,165
Ending of the year cash	612,137
Reconciliation of Operating Income to Net Cash	
Provided by Operating Activities:	
Operating income (loss)	60,816
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation	52,472
Change in assets and liabilities:	
Decrease in Accounts Receivable	1,097
Increase in Accounts Payable	889
Net cash provided (used) from operating activities	$ 115,274

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

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 aggregated 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 custodial. Since the resources in the custodial 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 amount 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 2025 for collection in 2026 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 were adopted during 2025.

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 by 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 may 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:

Assets	Years
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.

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.

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, 2025, was as follows:

Governmental Activities:	Beginning Balance	Additions	Deletions	Ending Balance
Non-Depreciable Assets:				
Land	$ 34,790	$ -	$ -	$ 34,790
Depreciable Assets:				
Buildings & Improvements	578,946	236,451	-	815,397
Equipment	1,128,267	200,000	-	1,328,267
Total Depreciable Assets	1,707,213	436,451	-	2,143,664
Less Accumulated Depreciation	(1,439,476)	(23,499)	-	(1,462,975)
Net Depreciable Assets	267,737	412,952	-	680,689
Net Capital Assets	$ 305,527	$ 412,952	$ -	$ 715,479

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

General Government	$ 4
Public Safety	23,495
Total	$ 23,499

Business-Type Activities:	Beginning Balance	Additions	Deletions	Ending Balance
Non-Depreciable Assets:				
Land	$ 607,664	$ -	$ -	$ 607,664
Construction in Progress	77,011	400,817	-	477,828
	731,705	400,817	-	1,132,522
Depreciable Assets:				
Enterprise System Assets	3,117,990	-	-	3,117,990
Equipment and Furniture	194,362	-	-	194,362
Less Accumulated Depreciation	(1,913,184)	(52,472)	-	(1,965,656)
Net Depreciable Assets	1,520,181	(52,472)	-	1,346,696
Net Capital Assets	$ 2,127,845	$ 348,345	$ -	$ 2,479,218

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

Enterprise Fund	$ 52,472

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 during the year.

Note 8 **Long-Term 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
2026	$ 30,000	$ 20,950	$ 50,950
2027	30,000	20,050	50,050
2028	30,000	19,150	49,150
2029	30,000	18,250	48,250
2030	35,000	17,350	52,350
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	$ 625,000	$ 208,414	$ 833,414

A summary of long-term debt is as follows:

	Beginning Balance	Additions	Payments	Ending Balance	Due In One Year
Bonds Payable	$ 655,000	$ -	$ 30,000	$ 625,000	$ 30,000

During 2022, the Town entered into an agreement to purchase land and water. The water is from an existing well on the land. The total purchase price is $600,000. $80,000 was the down payment made in 2022, with the balance of $520,000 due at closing. The closing was initially set for not later than December 31, 2022. The closing and final purchase is subject to the Town obtaining financing. Financing was not obtained by December 31, 2022. The contract includes a clause stating the closing may be extended if the Town is actively pursuing funding. The Town is actively pursuing funding. The Town is under a state order to improve its water supply. The purchase of this land and water is crucial for the Town to provide an improved water supply. A loan was funded in 2025 from Rural Community Assistance Corporation, a nonprofit benefit corporation, to pay the Bishop note.

During 2024, the Town entered into a loan agreement with Rural Community Assistance Corporation, for the amount of $991,568. The loan amount was received in 2025 and used to pay the $520,000 owed on a previous land purchase. The loan amount of $991,568 plus any unpaid and due interest is to be paid in full no later than November 1, 2025, the loan maturity date. The interest rate is 5.5%.

The loan was renewed for an additional year and is due November 1, 2026. An additional $45,891 was added to the loan when the loan was renewed. The balance due November 1, 2026 is $1,037,459.

The Town also applied for financial assistance and has been approved for a loan to pay for predevelopment work to satisfy the conditions of the United State Department of Agriculture, Rural Development, Letter of Condition, dated June 26, 2024, relating to the water improvement project.

Note 9 **Reserve Fund Balance**

The Town has reserved $16,000 of fund balance for its emergency reserve per the provisions of Amendment One. The reserve is approximately three percent of the non-federal 2025 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 2025, the Town and the employees each contributed $4,089 to the pension plan on qualifying salaries of $136,312. Gross salaries of $206,994 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. The plan provisions are established and may be amended by the Board of Trustee.

Note 12 **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.

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, 2024. The State of Colorado contributed $1,000 for the year ended December 31, 2024.

Sensitivity of Net Pension Liability/(Asset) to the Single Discount Rate Assumption for the Measurement Period ending December 31, 2023

1% Decrease 6.00 %	Current Single Discount Rate Assumption 7.00%	1% Increase 8.00%
$ (69,671)	$ (78,049)	$ (84,939)

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

At December 31, 2024, the Department reported a Net Pension (Asset) of $(78,049) for its proportionate share of the net pension (liability)/asset. The net pension (liability)/asset was measured as of December 31, 2024, 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, 2024, the Department recognized pension (income) of $(4,112). At December 31, 2024, 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	$ -	$ 17,993
Changes in assumptions	531	-
Net difference between projected and actual earnings on pension plan investments	8,136	6,657
Total	$ 8,667	$ 24,650

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

Year Ending December 31,	Net Deferred Outflows/(Inflows) of Resources
2026	$ (3,865)
2027	(684)
2028	(4,278)
2029	(3,351)
2030	(2,429)
Thereafter	(1,376)
Total	$ (15,983)

Valuation Date

Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2023 determines the contribution amounts for 2024 and 2025.

Methods and Assumptions Used to Determine Contribution Rates for the Year Ending December 31, 2024

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	7.00%
Retirement Age	50% per year of eligibility until 100% at age 65
Mortality	**Pre-retirement**: Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale, 60% multiplier for off-duty mortality. **Post-retirement**: Pub-2010 Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale. **Disabled**: Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, set forward five years projected with the MP-2020 Ultimate projection scale, with minimum probability of 3.5% for males and 2.5% for females.

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

The actuarial assumptions shown above are associated with the Actuarially Determined Contribution for the Fiscal Year Ending December 31, 2023. The actuarial assumptions were changed for the Actuarial Valuation as of January 1, 2023, and as such, the Total Pension Liability was measured using those assumptions. Please see the comprehensive summary in the funding valuation as of January 1, 2023, for assumptions used to measure the Total Pension Liability as of December 31, 2023.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic nominal rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return
Liquidity	4.0%	4.2%
Fixed Income - Rates	7.0%	5.0%
Fixed Income – Credit	7.0%	6.5%
Diversifiers	9.0%	5.7%
Long Short	6.0%	6.2%
Global Public Equity	33.0%	7.0%
Private Markets	34.0%	8.8%
Total	100.0%	

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 https://FPPAco.org.

Required Supplementary Information

Town of Walsh
Budget and Actual
General Fund
For the year ended December 31, 2025

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Property taxes	$ 67,241	$ 67,241	$ 75,072
SO taxes	9,000	9,000	7,155
Sales and miscellaneous taxes	245,000	245,000	288,892
Intergovernmental	45,900	45,900	50,127
Charges for services	3,460	3,460	3,437
Investment earnings	775	775	4,393
Miscellaneous	2,010	39,049	48,023
Total revenues	373,386	410,425	477,099
EXPENDITURES			
Current:			
General government	51,755	279,939	88,570
Public safety	133,994	133,994	69,922
Public works	199,873	199,873	132,170
Culture and recreation	33,973	33,973	29,768
Capital Outlay	-	200,000	436,451
Total Expenditures	419,595	847,779	756,881
Excess (deficiency) of revenues over expenditures	(46,209)	(437,354)	(279,782)
OTHER FINANCING SOURCES (USES)			
Proceeds from lease	-	200,000	200,000
Total other financing sources and uses	-	200,000	200,000
SPECIAL ITEM			
Proceeds from sale of capital assets	-	-	2,600
Net change in fund balances	(46,209)	(237,354)	(77,182)
Fund balances - beginning	46,209	237,354	879,072
Fund balances - ending	$ -	$ -	$ 801,890

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
2015	$ 335	$ 3,500	$ (3,165)	N/A	N/A
2016	$ 958	$ 3,000	$ (2,042)	N/A	N/A
2017	$ -	$ 3,000	$ (3,000)	N/A	N/A
2018	$ -	$ 3,000	$ (3,000)	N/A	N/A
2019	$ -	$ 3,000	$ (3,000)	N/A	N/A
2020	$ 2,333	$ 2,000	$ 333	N/A	N/A
2021	$ 2,333	$ 4,000	$ (1,667)	N/A	N/A
2022	$ 713	$ 3,000	$ (2,287)	N/A	N/A
2023	$ 713	$ 3,000	$ (2,287)	N/A	N/A
2024	$ -	$ 3,000	$ (3,000)	N/A	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, 2024
for the Employer Fiscal Year Ended December, 31, 2025

Pension Expense / (Income)		
Service Cost	$	1,804
Interest on the Total Pension Liability		5,209
Projected Earnings on Plan Investments		
(made negative here to offset expense)		(9,142)
Pension Plan Administrative Expense		4,263
State of Colorado Supplemental Discretionary Payment		(1,000)
Recognition of Outflow (Inflow) of Resources due to Liabilities		(4,777)
Recognition of Outflow (Inflow) of Resources due to Assets		(469)
Total Pension Expense / (Income)	$	(4,112)

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, 2024

Total Pension Liability		
Service Cost	$	1,804
Interest on the Total Pension Liability		5,209
Difference between expected and actual experience of the Total Pension Liability		(15,950)
Benefit Payments		(1,200)
Net change in Total Pension Liability		(10,137)
Total Pension Liability - Beginning		74,123
Total Pension Liability - Ending		63,986
Plan Fiduciary Net Position		
Contributions - Employer		2,000
Net Investment Income		12,689
Benefit Payments		(1,200)
Pension Plan Administrative Expense		(4,263)
State of Colorado Supplemental Discretionary Payment		1,000
Net Change in Plan Fiduciary Net Position		10,226
Plan Fiduciary Net Position - Beginning (Market value of assets at the beginning of the year)		131,809
Plan Fiduciary Net Position - Ending (Market value of assets at the end of the year)		142,035
Net Pension Liability / (Asset)	$	(78,049)
Plan Fiduciary Net Position as a percentage of the Total Pension Liability		221.98%
Covered-Employee Payroll		N/A
Net Pension Liability / (Asset) as a percentage of covered employee payroll		N/A

Supplementary Information

Town of Walsh
Budget and Actual
Conservation Trust Fund
For the year ended December 31, 2025

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Intergovernmental	$ 3,330	$ 3,330	$ 3,127
Investment earnings	-	-	64
Total revenues	3,330	3,330	3,191
EXPENDITURES			
Current:			
Culture and recreation	7,783	7,783	3,300
Total Expenditures	7,783	7,783	3,300
Excess (deficiency) of revenues over expenditures	(4,453)	(4,453)	(109)
Net change in fund balances	(4,453)	(4,453)	(109)
Fund balances - beginning	4,453	4,453	5,172
Fund balances - ending	$ -	$ -	$ 5,063

Town of Walsh
Budget and Actual
Enterprise Fund
For the year ended December 31, 2025

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Charges for Services	$ 493,910	$ 493,910	$ 503,748
Investment earnings	2,225	2,225	9,169
Borrowed funds	3,000,000	3,000,000	237,002
Miscellaneous	50	50	1,115
Total revenues	3,496,185	3,496,185	751,034
OPERATING EXPENSES			
Personal services	47,026	47,026	47,323
Contractual services	110,302	110,302	109,453
Purchased power	6,407	6,407	7,099
Utilities	1,108	1,108	819
Repairs and maintenance	7,850	7,850	701
Other supplies and expenses	9,228	9,228	6,815
Insurance claims and expenses	6,491	6,491	5,685
Capital Outlay	3,000,000	3,000,000	400,817
Interest	21,625	21,625	53,817
Principal payment on debt	31,000	31,000	30,000
Water operations	264,481	264,481	266,152
Total Operating Expenses	3,505,518	3,505,518	928,681
Operating income (loss)	(9,333)	(9,333)	(177,647)
RECONCILING ITEMS			
Purchase of capital outlay	-	-	400,817
Adjustment for debt	-	-	(207,002)
Net change in fund balances	(9,333)	(9,333)	16,168
Fund balances - beginning	9,333	9,333	1,701,830
Fund balances - ending	$ -	$ -	$ 1,717,998

Town of Walsh
Balance Sheet
Other Governmental Funds
December 31, 2025

	Conservation Trust Fund	Total Special Revenue Funds
ASSETS		
Cash and cash equivalents	$ 5,063	$ 5,063
Total assets	5,063	5,063
LIABILITIES AND NET POSITIONS		
Liabilities:		
Total liabilities	-	-
Net Positions:		
Reserved for:		
Assigned	5,063	5,063
Total net positions	5,063	5,063
Total liabilities and fund balances	$ 5,063	$ 5,063

Town of Walsh
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2025

	Conservation Trust Fund	Total Special Revenue Funds
REVENUES		
Intergovernmental	$ 3,127	$ 3,127
Investment earnings	64	64
Total revenues	3,191	3,191
EXPENDITURES		
Culture and recreation	3,300	3,300
Total Expenditures	3,300	3,300
Excess (deficiency) of revenues over expenditures	(109)	(109)
Net change in fund balances	(109)	(109)
Fund balances - beginning	5,172	5,172
Fund balances - ending	$ 5,063	$ 5,063

LOCAL HIGHWAY FINANCE REPORT

THIS INFORMATION FROM THE RECORDS OF:	PREPARED BY:	STATE: COLORADO
(MUNICIPALITY OR COUNTY NAME)	STAFF PERSON'S NAME EMAIL ADDRESS	REPORT YEAR ENDING DATE(mm/yyyy): 12/2025

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	[redacted]			
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Total (1 - (2 through 4))				

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 Assesments	0.00	a. Interest on investments	2,522.23
b. Non-property Taxes and Assessments Imposts	207,155.06	b. Other Misc. Local Receipts	2,630.00
c. Total (a + b)	$ 207,155.06	**c. Total (a + b)**	$ 5,152.23
ITEM	**AMOUNT**	**ITEM**	**AMOUNT**
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user Taxes (from Item I.C.5.)	34,818.68	1. FHWA (from Item I.D.5.)	0.00
2. State General Funds	[redacted]	2. Other Federal Agencies:	47.15
3. Other State funds:			
a. State Bond Proceeds	[redacted]		
b. Non-State Bond Proceeds	2,809.75		
c. Total (a + b)	$ 2,809.75		
4. Total (1 + 2 + 3c)	$ 37,628.43	**3. Total (1 + 2)**	$ 47.15

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT
A.1. Capital outlay:	
a. Right-Of-Way Costs	0.00
b. Engineering Costs	0.00
c. Construction Costs	240,139.58
d. Total Capital Outlay (a+ b + c)	$ 240,139.58

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LOCAL HIGHWAY FINANCE REPORT

STATE: COLORADO

REPORT YEAR ENDING DATE(mm/yyyy): 12/2025

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. Amount 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.1)	
b. Motor Vehicle (from Item I.B.1)	
c. Total (a + b)	
2. General Fund Appropriations	122,326.85
3. Other Local Imposts (from page 1, Item II.A3.c)	$ 207,155.06
4. Miscellaneous Local Receipts (from page 1, Item II.A4.c)	$ 5,152.23
5. Transfers from Toll Facilities	0.00
6. Proceeds of Sale of Bonds and Notes:	
a. Bonds - Original Issues	0.00
b. Bonds - Refunding Issues	0.00
c. Notes	0.00
d. Total (a + b + c)	$ -
7. Total (1 through 6)	$ 334,634.14
B. Private Contributions	0.00
C. Receipts from State government (from page 1, Item II.C.4)	$ 37,628.43
D. Receipts from Federal government (from page 1, Item II.D.3)	$ 47.15
E. Total receipts (A.7 + B + C + D)	$ 372,309.72

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital Outlay (from page 1, Item III.A1.d)	$ 240,139.58
2. Maintenance:	89,645.45
3. Road and Street Services:	
a. Snow and Ice Removal	0.00
b. Other & Traffic Control Operations	33,364.95
c. Total (a + b)	$ 33,364.95
4. General Administration & Miscellaneous	9,159.74
5. Highway Law Enforcement and Safety	0.00
6. Total (1 through 5)	$ 372,309.72
B. Debt Service on Local Obligations:	
1. Bonds:	
a. Interest	0.00
b. Redemption	0.00
c. Total (a + b)	$ -
2. Notes:	
a. Interest	0.00
b. Redemption	0.00
c. Total (a + b)	$ -
3. Total (1c + 2c)	$ -
C. Payments to State for Highways	0.00
D. Payments to Toll Facilities	0.00
E. Total Expenditures (A6 + B3 + C + D)	$ 372,309.72

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

ITEM	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	0	$ -	$ -	$ -
1. Bonds (Refunding Portion)		$ -		
B. Notes (Total)	0	$ -	$ -	$ -