

TOWN OF NEW CASTLE, COLORADO

BASIC FINANCIAL STATEMENTS

December 31, 2024

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FINANCIAL SECTION



JOHN CUTLER & ASSOCIATES

Honorable Mayor and Members of the Town Council
Town of New Castle
New Castle, Colorado

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

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 New Castle (the "Town") as of and for the year ended December 31, 2024, 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 referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of New Castle as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

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 of New Castle, and to meet our 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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the 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 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement 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 of 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 of 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 judgement, 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 management's discussion and analysis and required budgetary information on page 26 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 (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. 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.

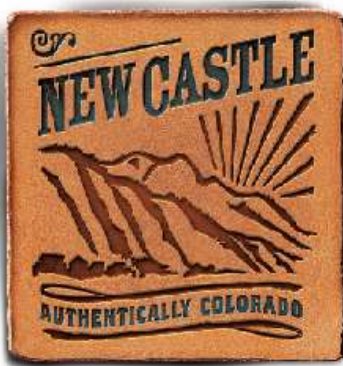
Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund schedules and State Compliance information as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such 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.

The combining and individual fund financial schedules and State Compliance have 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 combining and individual fund schedules and State Compliance are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

John Cutler & Associates, LLC

July 31, 2025



Town of New Castle, Colorado
Management's Discussion and Analysis
Fiscal Year Ending December 31, 2024

This Management's Discussion and Analysis (MD&A) of the Town of New Castle's 2024 financial statements is offered to provide an objective and easy-to-read analysis of the government's financial activities based on currently known facts, decisions and conditions. The MD&A should be read in conjunction with the Town's basic financial statements.

The Town of New Castle is a Home Rule Municipality incorporated in 1888. The Town has seven elected officials who are responsible for all policy decisions that affect the government's financial condition. The appointed Town Administrator is responsible for preparing the annual budget which is adopted by the Council every December. The Town Administrator and appointed Town Finance Director/Treasurer are responsible for financial reporting to the Town Council and to the public at large. The Town maintains four separate funds, which are as follows:

- A) General Fund
- B) Utility Fund
- C) Conservation Trust Fund
- D) Cemetery Fund

Overview of the Financial Statements

The financial section of the audit report is comprised of three components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements.

Government-wide Financial Statements:

The government-wide financial statements, which consist of the Statement of Net Position and the Statement of Activities, give readers a broad overview of the entire Town's financial position and changes in financial position in a manner similar to a private-sector business. These statements report information about the Town as a whole and include all assets and liabilities using the accrual basis of accounting, which reports all of the current year's revenues and expenses regardless of when the cash is received or paid.

The *statement of net position* (page iv) presents the Town of New Castle's assets and liabilities, with the difference between the two reported as net position. The net position is summarized as follows: 1) invested in capital assets, 2) unreserved or available for any current use. Over a period of time increases or decreases in the Town's net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. Other non-financial factors, however, such as changes in the Town's property tax base, are needed to assess the overall financial condition of the Town.

The *statement of activities* (page vi) presents data showing how the Town's net position changed as a result of the operations of the Town government during the most recent fiscal year. All changes in net position are reported when an event occurs that requires a revenue or expense to be recognized, regardless of when the related cash is received or disbursed (accrual basis of accounting). Thus, some revenues and expenses reported in this statement will result in cash flows in future periods.

The government-wide financial statements distinguish the different functions of the Town that are principally supported by taxes and intergovernmental revenues (*Governmental Activities*) from the other functions that are intended to recover all or a significant portion of their costs through user fees or charges for services (*Business Type Activities*). The Governmental Activities of the Town of New Castle include general government, public safety, public works, health and welfare, and parks and recreation. The Business Type Activities include water, wastewater, and trash utilities.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town's funds can be divided into three categories: Governmental Fund, Proprietary Fund and Fiduciary Fund.

Governmental Funds (pages 3 - 4) - The activity of the Town's General and Special Revenue funds are reported as governmental funds, which are essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the short-term flow of money into and out of these funds. These statements use the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed view of the Town's general governmental and special revenue operations and the services that are provided. Governmental fund statements help to determine the financial resources that are available to finance the Town's operations and programs in the near future.

Proprietary (Business Like) Fund (pages 6 -8) - The Town of New Castle maintains one proprietary (enterprise) fund, which reports the same functions as the business-type activities in the government-wide financial statements. The Town uses the proprietary fund to account for the water, wastewater and trash operations (**utilities**) that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs, including depreciation, of providing goods or services to the public be financed or recovered primarily through user fees or charges.

Fiduciary (Trust) Fund - A fiduciary fund is a fund that is held in trust for a specific purpose. The Town of New Castle maintains one fiduciary fund which reports the operating activities of the Highland Cemetery. The fiduciary fund is not included in the statement of net position or statement of activities, but is included in the Required Supplemental Information, Budgeted and Actual Revenues and Expenditures.

Notes to the Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 9 – 25 of this report.

Financial Highlights

Governmental Activities

- As of December 31, 2024 the governmental funds held \$6,364,442 in assets that were readily convertible to cash and \$753,029 in current liabilities.
- As of December 31, 2024 the Town's governmental activities fund held \$25,240,775 in depreciated capital assets, a 2.79% decrease; and \$189,683 in capital asset liabilities, a 21.51% decrease.
- Total 2024 sales tax revenue decreased 0.05% or \$1,348 compared to fiscal year 2023. The 3.5% Town sales tax revenue increased 0.25% or \$6,499 compared to 2023.
- 2024 property tax revenue increased by \$163,407 or 23.76% compared to fiscal year 2023.
- 2024 tobacco tax revenue decreased by 9.48% or \$34,118 compared to fiscal year 2023.
- 2024 building permit revenue increased by 101.72% or \$56,818 compared to fiscal year 2023. 2024 use tax revenue increased by 139.53% or \$36,875 compared to fiscal year 2023.
- 2024 lodging tax revenue increased by 13.71% or \$4,943 compared to fiscal year 2023.
- 2024 mineral lease tax revenue decreased by 61.52% or \$218,149 compared to fiscal year 2023 and severance tax revenue decreased by 53.68% or \$59,054.
- 2024 governmental activities salary expense increased by 15.66% or \$322,395 compared to fiscal year 2023, partially due to a reallocation of salaries among funds, and salary survey adjustments that took place mid-year. Total salaries for all funds increased by 13.34% or \$384,374 for 2024.
- Total governmental activities net position decreased by 0.65% or \$197,083 during the 2024 fiscal year.

Business-type Activities

- As of December 31, 2024 total assets were \$21,307,319, an increase of 0.31% or \$67,427. Cash, investments and receivables increased by \$152,615 and capital assets decreased by \$85,188.
- 2024 revenue from the water, wastewater and trash charges for services increased by \$7,909 or 0.23% compared to fiscal year 2023.
- 2024 business-type activities salary expense increased by 7.53% or \$61,979 compared to fiscal year 2023, partially due to a reallocation of salaries among funds, and salary survey adjustments that took place mid-year. Total salaries for all funds increased by 13.34% or \$384,374 for 2024.

Business-type Activities (Continued)

- 2024 business-type activities electric and natural gas utility expense of \$201,171 was an increase of 3.92% or \$7,591 compared to fiscal year 2023.
- Total enterprise liabilities decreased by \$991,253 during 2024 due to decreases in long term debt and a decrease in deferred revenue which represents American Rescue Plan Act funds received in 2021 and 2022. American Rescue Plan funds must be committed by December 31, 2024 and expended by December 31, 2026. Total of \$851,611 funds were spent as of December 31, 2024.

Statement of Net Position

The following table reflects the condensed Statement of Net Position compared to the prior fiscal year.

	Governmental Activities		Business-type Activities		Total Government	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 6,364,442	\$ 5,447,562	\$ 4,362,243	\$ 4,209,628	\$ 10,726,685	\$ 9,657,190
Capital assets	25,240,775	25,964,822	16,945,076	17,030,264	42,185,851	42,995,086
Total assets	31,605,217	31,412,384	21,307,319	21,239,892	52,912,536	52,652,276
Long-term debt outstanding	135,362	189,683	2,598,533	3,033,014	2,733,895	3,222,697
Other liabilities	1,411,021	966,784	1,219,704	1,776,476	2,630,725	2,743,260
Total liabilities	1,546,383	1,156,467	3,818,237	4,809,490	5,364,620	5,965,957
Net Position:						
Net Investment in						
Capital assets	25,051,092	25,723,139	13,912,060	13,574,791	38,963,152	39,297,930
Restricted	416,721	359,670	-	-	416,721	359,670
Unrestricted	4,591,021	4,173,108	3,577,022	2,855,611	8,168,043	7,028,719
Total net position	\$ 30,058,834	\$ 30,255,917	\$ 17,489,082	\$ 16,430,402	\$ 47,547,916	\$ 46,686,319

The Town's total net position for fiscal year 2024 increased by 1.85% or \$861,597. The Town's assets exceed liabilities by \$47,547,916 (net position) as of December 31, 2024. By far the largest portion of net position (88.72%) is invested in capital assets (e.g. land, buildings, equipment, etc.). The Town uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the Town of New Castle's investments in capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to retire these liabilities.

The restricted portion of net position (0.87%) represents resources that are subject to various debt provisions, contracts and agreements on how they may be used. The remaining balance of \$8,168,043 is unrestricted and can be used to meet the Town's ongoing obligations to its citizens and creditors.

Normal Impacts

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation:

Net Results of Activities – will impact (increase/decrease) current assets and unrestricted net position.

Borrowing for Capital – will increase current assets and long-term debt.

Spending Borrowed Proceeds on New Capital – will reduce current assets and increase capital assets. A second impact results in an increase in capital assets and an increase in related net debt which will not change the net investment in capital assets.

Spending of Non-borrowed Current Assets on New Capital – will (1) reduce current assets and increase capital assets and (2) will reduce restricted and or unrestricted net position and increase net investment in capital assets.

Principal Payment on Debt – will (1) reduce current assets and reduce long-term debt and (2) reduce unrestricted net position and increase net investment in capital assets.

Reduction of Capital Assets Through Depreciation – will reduce capital assets and net investment in capital assets.

Summary of GASB Statement 54

The Governmental Accounting Standards Board (GASB) approved statement 54 in 2009, the intent of the statement is to enhance governmental fund balance reporting in order for financial statements to be more consistent and comparable between similar government entities, improve the usefulness of fund balance reporting (what funds are actually available), and clarify the meaning of governmental fund type definitions. The Town of New Castle implemented statement 54 for fiscal year 2011 as required and will no longer use the fund balance definitions of: reserves, designated or undesignated.

We present the following summary of new fund balance terminology:

- (a) **Nonspendable** – not in spendable form, examples are inventory, long-term receivables (unless the proceeds are restricted, committed or assigned), prepaid expenses, and legally or contractually required amounts required to be maintained intact – like the corpus of a permanent fund.
- (b) **Restricted** – Amounts constrained to being used for a specific purpose by (1) external parties (state, federal, private donor, creditors), (2) constitutional provisions, (3) enabling legislation (grant from the state), (4) what is legally reserved now.
- (c) **Committed** – constraint on use imposed by the Town itself, using its highest level of decision-making authority (resolution or ordinance), constraint can be removed or changed only by taking the same action, the action to constrain resources should occur prior to the end of the fiscal year – though the exact amount may be determined subsequently.
- (d) **Assigned** – amounts intended to be used for specific purposes where the intent is expressed by the governing body or a body or official authorized by the governing body. Includes using fund balance to balance the budget – appropriation for deficit.
- (e) **Unassigned** – available for any purpose.

Statement of Activities

The Statement of Activities takes into consideration the Town as a whole and reflects the change in net position for fiscal year 2024.

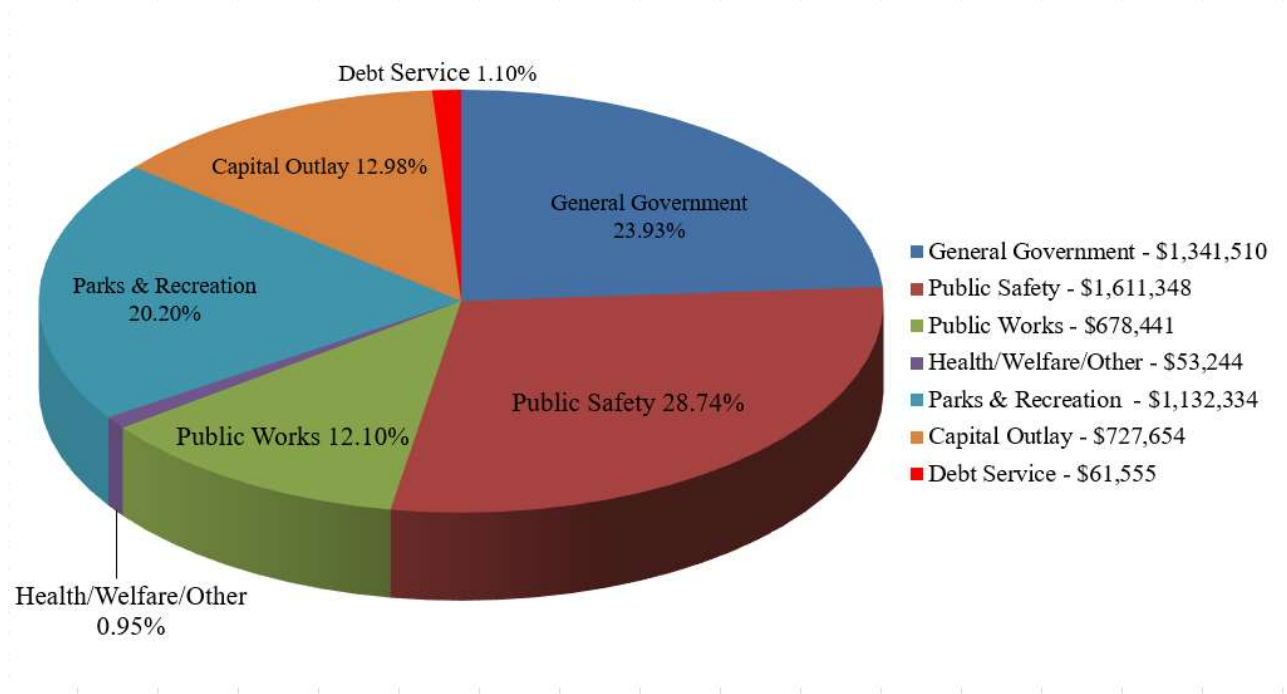
	Governmental		Business Type		Totals	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program Revenues:						
Charges for Services	\$ 213,322	\$ 229,489	\$3,474,054	\$3,572,945	\$3,687,376	\$3,802,434
Capital Grants	400,500	519,550	897,414	338,597	1,297,914	858,147
Total Program Revenues	613,822	749,039	4,371,468	3,911,542	4,985,290	4,660,581
General Revenues						
Sales and Use Taxes	2,856,398	2,857,746	-	-	2,856,398	2,857,746
Property Taxes	687,865	524,458	-	-	687,865	524,458
Franchise Taxes	157,339	184,870	-	-	157,339	184,870
Other Taxes	693,466	771,629	-	-	693,466	771,629
Investment Income	292,557	266,390	164,596	515	457,153	266,905
Developer Reimbursement	45,445	29,601	-	-	45,445	29,601
Other Revenues	563,172	630,579	14,641	-	577,813	630,579
Gain (Loss) on Disposal of Assets	60,426	-	-	-	60,426	-
Total General Revenues	5,356,668	5,265,273	179,237	515	5,535,905	5,265,788
Total Revenue	5,970,490	6,014,312	4,550,705	3,912,057	10,521,195	9,926,369
Expenses:						
General Government	1,432,557	1,394,402	-	-	1,432,557	1,394,402
Public Safety	1,661,765	1,414,453	-	-	1,661,765	1,414,453
Public Works	1,744,030	1,253,150	-	-	1,744,030	1,253,150
Parks & Recreation	1,205,592	1,185,974	-	-	1,205,592	1,185,974
Health & Welfare	53,408	41,729	-	-	53,408	41,729
Water	-	-	1,372,662	1,313,880	1,372,662	1,313,880
Wastewater	-	-	1,367,061	1,310,021	1,367,061	1,310,021
Sanitation	-	-	632,562	593,051	632,562	593,051
Interest	9,555	8,201	85,787	115,196	95,342	123,397
Total Expenses	6,106,907	5,297,909	3,458,072	3,332,148	9,564,979	8,630,057
Change in Net Position	\$ (136,417)	\$ 716,403	\$1,092,633	\$ 579,909	\$ 956,216	\$1,296,312

Governmental Activities

Taxes comprise the largest source of operating revenue for the Town's governmental activities. 2024 tax source revenue was \$4,436,360, which is 72.07% of total revenues from governmental activities. Property taxes of \$687,865 represent 15.51% of total tax revenue. Charges for services equaled \$213,166 representing 11.17% of total revenues.

The cost of governmental activities (excluding capital outlay) in 2024 was \$4,880,096 compared to \$4,259,552 in 2023, 14.57% increase.

Expenses by Type – Governmental Activities



General Government includes Town Council, Town Administrator, Town Clerk, Finance, General Administration, Building and Planning.

Year to year changes by type of activity:

Activity	Expenditures		
	2024	2023	% Change
General Government	1,341,510	1,387,975	(3.35)
Public Safety	1,611,348	1,365,019	18.05
Public Works	678,441	1,177,546	(42.39)
Health/Welfare/Other	53,244	41,729	27.59
Parks & Recreation	1,132,334	1,113,150	1.72
Capital Outlay	727,654	937,072	(22.35)
Debt Service	61,555	61,555	0.00

Business-type Activities

Total 2024 operating revenue from the Town's business-type activities increased by \$22,550 compared to 2023; operating expenses for 2024 increased by \$155,333 compared to 2023.

Total business type net position during 2024 increased by \$1,092,633, mainly due to an adjustment of utility rates, additional tap fees collected and water rights dedication fees due to an uptick of building activity. However, the main contribution to this increase was recognition of ARPA funds, as well as interest on those, which previously were in Deferred Revenues.

Fund Balance

At the end of 2024, the Town's governmental funds reported a combined fund balance of \$5,294,463 (pg. 3). This is an increase of \$620,215 compared to the prior years ending balance. Of this total balance \$3,178,385 is unassigned and available to finance the Town's future operations and programs; \$308,000 is restricted for emergencies, \$162,007 is restricted for Conservation Trust Fund approved expenses, \$108,721 is restricted for cemetery care; \$8,250 is committed for use in operating a volunteer ambulance service *or* to maintain and enhance the municipal parks and trees (Ord. #315), \$2,322 is committed for Police training (Ord. #383 & 2007-4), \$5,494 is committed for Burning Mtn. Ave street maintenance (9/1995 SIA Agreement), and \$399,097 is committed for traffic impacts (Ord. # 2002-17), and \$600,000 is committed for Long Term Capital Reserve.

At year end the business-type activities reported total net position of \$17,489,082, an increase of \$1,058,680. Of this total net position \$3,577,022 is unrestricted (pg. 6).

Budgetary Highlights – General Fund – (pg. 25)

The General Fund balance was budgeted to increase by \$12,059 for 2024, the actual increase was \$549,955. This increase was largely due sale of the property on 600 W Main Street, as well as overall expense savings in salaries and benefits due to staffing vacancies. Additionally, a trail project totaling \$350,000 that is being funded by grants and other partners was budgeted both in revenues and expenditures.

Capital Assets and Debt Administration

At year end the Town had \$42,185,851 invested in a broad range of capital assets including land and improvements, buildings, parks and equipment, vehicles, equipment, and water and sewer plants and distribution and collection systems. This is a net decrease of \$809,235 or 1.88% from the 2023 year-end amount. 2024 capital additions totaling \$1,437,711 were offset by depreciation in the amount of \$1,971,717. Significant asset additions are detailed on the next page.

Capital Assets at Year-End (pg. 19-20)

	Governmental		Business-type		Total Government	
	2024	2023	2024	2023	2024	2023
Land	\$14,956,525	\$15,214,000	\$ 469,741	\$ 469,741	\$15,426,266	\$15,683,741
Water Rights	-	-	516,282	516,282	516,282	516,282
Buildings and Improvements	4,639,901	4,576,244	18,163,236	18,161,711	22,803,137	22,737,955
Distribution/Collection Systems	-	-	11,357,711	11,357,711	11,357,711	11,357,711
Infrastructure	20,334,743	19,862,466	-	-	20,334,743	19,862,466
Property and Equipment	1,654,640	1,503,590	1,033,214	1,011,278	2,687,854	2,514,868
Construction in Process	380,698	357,782	908,126	221,530	1,288,824	579,312
Less: Accumulated Depreciation	(16,725,732)	(15,549,260)	(15,503,234)	(14,707,989)	(32,228,966)	(30,257,249)
Total Capital Assets	\$25,240,775	\$25,964,822	\$16,945,076	\$17,030,264	\$42,185,851	\$42,995,086

During 2024 the Town completed an Asphalt Overlay Project on Ginseng from Buckthorn, Night Shade Court, Palmetto, Alder Way, Silverthorn Road, Honeysuckle, Mount Harvard, as well as asphalt patches on Castle Ridge, purchased three Chevy Silverado for the Parks and Streets Department, Public Works and Building and Planning Department. Completed construction of the new windows in Town Hall and Kay Williams Playground. Equipped Police Department with new MDTs in every vehicle. Purchased and installed concrete table games in pocket parks, purchased new Z-Trak mower and Water Break Emergency Trailer. Completed pipping of Red Rocks Ditch capital project and construction of Digester Blower Building, and various other equipment purchases. Significant capital assets added during 2024 are shown below.

Significant 2024 Capital Asset Additions

Addition of new windows in Town Hall	63,657
MDT Project – Police Department	88,022
2024 Chevy Silverado 2500 – Streets Department	53,255
2024 Chevy Silverado 25HD – Public Works	61,001
2024 Chevy Silverado – Building & Planning	36,815
Street Asphalt Overlay & Crack Sealing Project	395,948
Z-Trak Mower	14,330
Kay Williams Playground	61,024
Concrete game tables for pocket parks	15,304
Round-a-bout Landscape Design	22,916
South Side Intercept Design	41,338
Water Break Emergency Trailer	10,575
Digester Blower Building	419,853
Red Rocks Ditch-Raw Water Irrigation-pipping	<u>225,356</u>
Total	<u>\$1,509,394</u>

Outstanding Debt (pg. 21–22)

	Governmental Activities		Business-type Activities		Total Government	
	2024	2023	2024	2023	2024	2023
2004 Water Loan	\$ -	\$ -	\$ 370,197	\$ 395,790	\$ 370,197	\$ 395,790
2008 Wastewater Loan	-	-	2,662,819	3,059,683	2,662,819	3,059,683
Notes Payable	189,683	241,683	-	-	189,683	241,683
GO Bonds, Series 2010	-	-	-	-	-	-
Accrued Absences	286,721	202,136	125,494	108,452	412,215	310,588
Total Long-term Obligations	<u>\$ 476,404</u>	<u>\$ 443,819</u>	<u>\$3,158,510</u>	<u>\$3,563,925</u>	<u>\$3,634,914</u>	<u>\$4,007,744</u>

Economic and Other Factors

Community Development

While 2024 saw slower growth in new home construction—with twelve new building starts—landowners continued to pursue applications for Planned Unit Developments (PUDs) in the Castle Valley Ranch area. Development proposals for single-family homes, townhomes, and mixed-use projects continued to move through the review process with the Planning and Zoning Commission and Town Council.

The year was also marked by significant infrastructure work, as CDOT began construction on a new roundabout at the intersection of Route 6 and Castle Valley Boulevard. This project will continue into 2025 and is slated for completion by the end of that year. In addition, the Downtown area experienced positive changes with the opening of a new restaurant, coffee shop, and brewery.

Community Events and Activities

In 2024, New Castle proudly continued its tradition of offering vibrant community events. Large-scale events such as the Dirty Hog Dash, Burning Mountain Festival, Trick or Treat New Castle, Rides and Reggae, Chili Cook-Off, and the Tree Lighting Ceremony were complemented by smaller but meaningful gatherings including the Police Bike Rodeo, Hogback Hustle, Founder’s Day, and many others. These events were made possible through the hard work of Town staff and a dedicated team of volunteers who continue to offer diverse, family-friendly programming for the entire community.

Financial Overview

Unlike the previous four years, New Castle saw a flattening of sales tax revenue in 2024. There were also decreases in Mineral Lease Tax distributions and Severance Tax collections, though Property Tax revenues experienced a slight increase. These shifts contributed to tighter budget constraints than in recent years.

With national inflation rates hovering around 3%, and the cost of goods, equipment, housing, and staffing continuing to rise, the Town remains on solid financial footing. However, staff will be

taking a closer look at both revenues and expenditures in the years ahead to ensure ongoing fiscal responsibility.

Capital Projects

2024 was a productive year for capital improvements across New Castle. Projects initiated or completed included:

- Street paving and resurfacing
- Phase II of the Raw Water Irrigation Expansion
- Wastewater Digester Blower Building (including new blowers and controls)
- South Side Intercept Sewer Line design
- Mobile data terminals for the Police Department
- Kay Williams Playground improvements
- Emergency evacuation supplies
- Waterline break response trailer
- Town Hall window replacement project
- New breathalyzer equipment for the Police Department
- Wastewater Treatment Plant shop and office design
- Upgrades to the downtown park
- New signage for the Police Station

Reserve Funds and Financial Practices

The Town continued to meet its financial reserve goals in 2024. An additional \$200,000 was allocated to the Long-Term Capital Reserve Fund, and \$480,144 was added to Unassigned Reserve Funds. These steps ensure the Town remains on track to meet best-practice recommendations, maintaining reserve balances equivalent to six months of annual operational costs.

Outlook for 2025

Looking ahead, staff anticipates continued development activity, with at least one new Castle Valley Ranch project nearing final approval and potentially beginning earthwork by late 2025. The roundabout project is expected to be completed by year-end, and CDOT may begin a bridge replacement project in late 2025 or early 2026.

The ongoing Raw Water Irrigation Expansion is anticipated to be substantially complete by late 2025 and ready for operation in the summer of 2026.

With lower revenue projections and reduced state funding—due in part to declining oil and gas production, New Castle expects a balanced but tighter budget in 2025, with further constraints likely in 2026. Nevertheless, the Town Council and staff remain committed to prudent financial management while maintaining the high level of service and quality of life that makes New Castle a special place to call home.

BASIC FINANCIAL STATEMENTS

TOWN OF NEW CASTLE, COLORADO

STATEMENT OF NET POSITION

As of December 31, 2024

	GOVERNMENTAL	BUSINESS TYPE	TOTALS	
	ACTIVITIES	ACTIVITIES	2024	2023
ASSETS				
Cash and Investments	\$ 5,083,301	\$ 3,851,655	\$ 8,934,956	\$ 8,152,535
Receivables				
Property Taxes	657,992	-	657,992	650,767
Sales and Other	17,392	-	17,392	4,828
Accounts	-	310,588	310,588	313,306
Due from Other Governments	605,757	200,000	805,757	535,754
Capital Assets, not Depreciated	15,337,223	1,894,149	17,231,372	16,779,335
Capital Assets, Depreciated, Net of Accumulated Depreciation	9,903,552	15,050,927	24,954,479	26,215,751
TOTAL ASSETS	31,605,217	21,307,319	52,912,536	52,652,276
LIABILITIES				
Accounts Payable	88,204	136,948	225,152	208,367
Accrued Expenses	42,798	23,321	66,119	90,212
Unearned Revenues	260,724	-	260,724	-
Accrued Interest	-	43,297	43,297	33,989
Developer Escrow	20,261	-	20,261	11,911
Deferred Revenue	-	456,161	456,161	1,057,585
Compensated Absences	286,721	125,494	412,215	215,970
Noncurrent Liabilities				
Due within One Year	54,321	434,483	488,804	474,459
Due in More Than One Year	135,362	2,598,533	2,733,895	3,222,697
TOTAL LIABILITIES	888,391	3,818,237	4,706,628	5,315,190
DEFERRED INFLOWS				
Deferred Property Tax Revenue	657,992	-	657,992	650,767
NET POSITION				
Investment in Capital Assets	25,051,092	13,912,060	38,963,152	39,297,930
Restricted for Emergencies	308,000	-	308,000	262,000
Restricted for Cemetery Care	108,721	-	108,721	97,670
Unrestricted	4,591,021	3,577,022	8,168,043	7,028,719
TOTAL NET POSITION	\$ 30,058,834	\$ 17,489,082	\$ 47,547,916	\$ 46,686,319

The accompanying notes are an integral part of the financial statements.

TOWN OF NEW CASTLE , COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2024

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 1,432,557	\$ -	\$ -	\$ 400,500
Public Safety	1,661,765	5,156	-	-
Public Works	1,744,030	-	-	-
Health and Welfare	53,408	-	-	-
Parks and Recreation	1,205,592	208,166	-	-
Interest on Long-Term Debt	9,555	-	-	-
Total Governmental Activities	6,106,907	213,322	-	400,500
Business-Type Activities				
Water	1,372,662	1,127,701	713,014	53,400
Wastewater	1,367,061	1,710,436	-	131,000
Trash	632,562	635,917	-	-
Interest on Long-Term Debt	85,787	-	-	-
Total Business-Type Activities	3,458,072	3,474,054	713,014	184,400
Total Primary Government	\$ 9,564,979	\$ 3,687,376	\$ 713,014	\$ 584,900

GENERAL REVENUES

Sales Taxes
Property Taxes
Specific Ownership Taxes
Franchise Taxes
Other Taxes
Interest
Developer Reimbursements
Other
Gain (Loss) from Disposal
of Capital Assets

TOTAL GENERAL REVENUES

CHANGE IN NET POSITION

NET POSITION, Beginning, Restated

NET POSITION, Ending

The accompanying notes are an integral part of the financial statements.

NET (EXPENSE) REVENUE AND
CHANGE IN NET POSITION

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	
		2024	2023
\$ (1,032,057)	\$ -	\$ (1,032,057)	\$ (874,852)
(1,656,609)	-	(1,656,609)	(1,410,219)
(1,744,030)	-	(1,744,030)	(1,253,150)
(53,408)	-	(53,408)	(41,729)
(997,426)	-	(997,426)	(960,719)
(9,555)	-	(9,555)	(8,201)
(5,493,085)	-	(5,493,085)	(4,548,870)
-	521,453	521,453	339,354
-	474,375	474,375	341,799
-	3,355	3,355	13,437
-	(85,787)	(85,787)	(115,196)
-	913,396	913,396	579,394
(5,493,085)	913,396	(4,579,689)	(3,969,476)
2,856,398	-	2,856,398	2,857,746
687,865	-	687,865	524,458
36,365	-	36,365	34,746
157,339	-	157,339	184,870
657,101	-	657,101	736,883
292,557	164,596	457,153	266,905
45,445	-	45,445	29,601
563,172	14,641	577,813	630,579
60,426	-	60,426	-
5,356,668	179,237	5,535,905	5,265,788
(136,417)	1,092,633	956,216	1,296,312
30,195,251	16,396,449	46,591,700	45,390,007
<u>\$ 30,058,834</u>	<u>\$ 17,489,082</u>	<u>\$ 47,547,916</u>	<u>\$ 46,686,319</u>

TOWN OF NEW CASTLE, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2024

	GENERAL FUND	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS	
			2024	2023
ASSETS				
Cash and Investments	\$ 4,812,409	\$ 270,892	\$ 5,083,301	\$ 4,256,213
Taxes Receivable	657,992	-	657,992	650,767
Due from Other Governments	605,757	-	605,757	535,754
Accounts Receivable	17,392	-	17,392	4,828
TOTAL ASSETS	<u>\$ 6,093,550</u>	<u>\$ 270,892</u>	<u>\$ 6,364,442</u>	<u>\$ 5,447,562</u>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ 88,040	\$ 164	\$ 88,204	\$ 65,926
Accrued Liabilities	42,798	-	42,798	44,710
Deposits and Escrow	20,261	-	20,261	11,911
TOTAL LIABILITIES	<u>151,099</u>	<u>164</u>	<u>151,263</u>	<u>122,547</u>
DEFERRED INFLOWS				
Deferred Grant Revenue	260,724	-	260,724	-
Deferred Property Taxes	<u>657,992</u>	<u>-</u>	<u>657,992</u>	<u>650,767</u>
Fund Balance				
Restricted	308,000	270,728	578,728	462,468
Committed	1,038,853	-	1,038,853	415,042
Assigned	498,497	-	498,497	1,098,497
Unassigned	<u>3,178,385</u>	<u>-</u>	<u>3,178,385</u>	<u>2,698,241</u>
TOTAL FUND EQUITY	<u>5,023,735</u>	<u>270,728</u>	<u>5,294,463</u>	<u>4,674,248</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY	<u>\$ 6,093,550</u>	<u>\$ 270,892</u>		

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	25,240,775	25,964,822
Long-term liabilities are not due and payable in the current period and are not reported in the funds. This includes Notes Payable (\$189,683) and Accrued Compensated Absences (\$286,721).	<u>(476,404)</u>	<u>(383,153)</u>
Net position of governmental activities	<u>\$ 30,058,834</u>	<u>\$ 30,255,917</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF NEW CASTLE, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2024

	GENERAL	NON-MAJOR	TOTAL	
	FUND	GOVERNMENTAL	GOVERNMENTAL	
		FUNDS	FUNDS	
			2024	2023
REVENUES				
Taxes	\$ 4,436,360	\$ -	\$ 4,436,360	\$ 4,338,703
Licenses and Permits	159,201	-	159,201	91,860
Intergovernmental	516,454	60,643	577,097	953,207
Charges for Services	213,322	10,400	223,722	248,689
Court	2,035	-	2,035	1,213
Developer Reimbursements	45,445	-	45,445	29,601
Interest	293,041	881	293,922	267,219
Sale of Assets	317,901	-	317,901	-
Miscellaneous	172,282	-	172,282	83,820
TOTAL REVENUES	6,156,041	71,924	6,227,965	6,014,312
EXPENDITURES				
General Government	1,341,510	-	1,341,510	1,387,975
Public Safety	1,611,348	-	1,611,348	1,365,019
Public Works	678,441	-	678,441	1,177,546
Health and Welfare	53,244	164	53,408	41,729
Parks and Recreation	1,132,334	1,500	1,133,834	1,113,150
Debt Service				
Principal	51,693	-	51,693	49,614
Interest	9,862	-	9,862	11,941
Capital Outlay	727,654	-	727,654	49,650
TOTAL EXPENDITURES	5,606,086	1,664	5,607,750	5,196,624
NET CHANGE IN FUND BALANCES	549,955	70,260	620,215	817,688
FUND BALANCES, Beginning	4,473,780	200,468	4,674,248	3,856,560
FUND BALANCES, Ending	\$ 5,023,735	\$ 270,728	\$ 5,294,463	\$ 4,674,248

The accompanying notes are an integral part of the financial statements.

TOWN OF NEW CASTLE, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2024

Amounts Reported for Governmental Activities in the Statement of Activities
are Different Because:

Net Changes in Fund Balances - Total Governmental Funds	\$ 620,215
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$1,194,226) exceeds capital outlay \$727,654 and disposal of assets (257,475).	(724,047)
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. These include payments on Notes Payable \$52,000, and change in accrued compensated absences (\$84,585).	<u>(32,585)</u>
Change in Net Position of Governmental Activities	<u><u>\$ (136,417)</u></u>

The accompanying notes are an integral part of the financial statements.

TOWN OF NEW CASTLE, COLORADO

STATEMENT OF NET POSITION
 PROPRIETARY FUND TYPE
 As of December 31, 2024

	2024	2023
ASSETS		
Current Assets		
Cash and Investments	\$ 3,851,655	\$ 3,896,322
Accounts Receivable	310,588	313,306
Due from Other Governments	200,000	-
Total Current Assets	4,362,243	4,209,628
Noncurrent Assets		
Capital Assets, net of accumulated depreciation	16,945,076	17,030,264
Total Noncurrent Assets	16,945,076	17,030,264
TOTAL ASSETS	21,307,319	21,239,892
LIABILITIES		
Current Liabilities		
Accounts Payable	136,948	142,441
Accrued Expenses	18,341	19,162
Accrued Interest Payable	43,297	33,989
Notes Payable, Current	434,483	422,459
Deferred Revenue	456,161	1,057,585
Total Current Liabilities	1,089,230	1,675,636
Noncurrent Liabilities		
Deposits	4,980	26,340
Compensated Absences	125,494	74,500
Notes Payable, Long Term	2,598,533	3,033,014
Total Noncurrent Liabilities	2,729,007	3,133,854
TOTAL LIABILITIES	3,818,237	4,809,490
NET POSITION		
Net Investment in Capital Assets	13,912,060	13,574,791
Unrestricted	3,577,022	2,855,611
TOTAL NET POSITION	\$ 17,489,082	\$ 16,430,402

The accompanying notes are an integral part of the financial statements.

TOWN OF NEW CASTLE, COLORADO

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUND TYPE
Year Ended December 31, 2024

	2024	2023
OPERATING REVENUES		
Water Sales	\$ 1,127,701	\$ 1,261,237
Wastewater Sales	1,710,436	1,598,420
Trash Sales	635,917	606,488
Other Revenues	14,641	-
TOTAL OPERATING REVENUES	3,488,695	3,466,145
OPERATING EXPENSES		
Water	1,372,662	1,313,880
Wastewater	1,367,061	1,310,021
Trash	632,562	593,051
TOTAL OPERATING EXPENSES	3,372,285	3,216,952
OPERATING INCOME (LOSS)	116,410	249,193
NON-OPERATING REVENUES (EXPENSES)		
Intergovernmental Grants	713,014	338,597
Interest Income	164,596	515
Interest Expense	(85,787)	(115,196)
TOTAL NON-OPERATING REVENUES (EXPENSES)	791,823	223,916
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	908,233	473,109
CONTRIBUTIONS AND TRANSFERS		
Capital Contributions	184,400	106,800
TOTAL CONTRIBUTIONS AND TRANSFERS	184,400	106,800
NET INCOME (LOSS)	1,092,633	579,909
NET POSITION, Beginning	16,430,402	15,850,493
Prior Period Adjustment	(33,953)	-
NET POSITION, Beginning, Restated	16,396,449	-
NET POSITION, Ending	\$ 17,489,082	\$ 16,430,402

The accompanying notes are an integral part of the financial statements.

TOWN OF NEW CASTLE, COLORADO

STATEMENT OF CASH FLOWS

PROPRIETARY FUND TYPE

Year Ended December 31, 2024

Increase (Decrease) in Cash and Cash Equivalents

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 3,491,413	\$ 3,457,633
Cash Paid to Suppliers	(1,481,929)	(1,301,867)
Cash Paid to Employees	(1,084,384)	(1,085,867)
Net Cash Provided by Operating Activities	<u>925,100</u>	<u>1,069,899</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of Fixed Assets	(710,057)	(726,210)
Note Payments	(422,457)	(415,919)
Interest Payments	(76,479)	(124,504)
Intergovernmental Grants	(88,410)	71,869
Tap Fees and Capital Contributions	163,040	130,430
Net Cash Used by Capital and Related Financing Activities	<u>(1,134,363)</u>	<u>(1,064,334)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	<u>164,596</u>	<u>515</u>
Net (Decrease) in Cash and Cash Equivalents	(44,667)	6,080
CASH AND CASH EQUIVALENTS, Beginning	<u>3,896,322</u>	<u>3,890,242</u>
CASH AND CASH EQUIVALENTS, Ending	<u><u>\$ 3,851,655</u></u>	<u><u>\$ 3,896,322</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income (Loss)	<u>\$ 116,410</u>	<u>\$ 249,193</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	795,245	771,783
Changes in Assets and Liabilities		
Accounts Receivable	2,718	(8,512)
Accounts Payable	(5,493)	42,698
Accrued Expenses	(821)	8,737
Accrued Compensated Absences	17,041	6,000
Total Adjustments	<u>808,690</u>	<u>820,706</u>
Net Cash Provided by Operating Activities	<u><u>\$ 925,100</u></u>	<u><u>\$ 1,069,899</u></u>

The accompanying notes are an integral part of the financial statements.

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of New Castle, Colorado was founded in 1888. The Town is governed by a Mayor and six-member council elected by the residents.

The accounting policies of the Town of New Castle, Colorado (the “Town”) conform to generally accepted accounting principles as applicable to governments. Following is a summary of the more significant policies.

Reporting Entity

In accordance with governmental accounting standards, the Town of New Castle has considered the possibility of inclusion of additional entities in its basic financial statements.

The definition of the reporting entity is based primarily on financial accountability. The Town is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if Town officials appoint a voting majority of the organization’s governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Town. The Town may also be financially accountable for governmental organizations that are fiscally dependent upon it.

Based on the application of these criteria, the Town does not include additional organizations in its reporting entity.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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 collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, specific ownership taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town. 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, are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's practice to use restricted resources first, then unrestricted resources as they are needed.

In the fund financial statements, the Town reports the following major governmental fund:

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the Town, except those required to be accounted for in another fund.

The Town reports the following major proprietary fund:

The *Utility Fund* accounts for the financial activities associated with the provision of water, wastewater, and trash services.

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Cash and Investments

Cash equivalents include investments with original maturities of three months or less.

Investments are recorded at fair value.

Capital Assets

Capital assets, which include property 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 more than \$5,000 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 acquisition 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.

Property and equipment of the Town is depreciated using the straight line method over the following estimated useful lives:

Buildings and Improvements	10 - 40 years
Water and Sewer Plants	10 - 50 years
Water and Sewer Lines	10 - 50 years
Machinery and Equipment	5 - 40 years
Infrastructure	10 - 20 years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and balance sheets will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position and fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Deferred Outflows/Inflows of Resources (Continued)

In addition to the liabilities, the statement of financial position and balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position and fund balance that applies to a futures period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Compensated Absences

Employees of the Town are allowed to accumulate unused vacation time up to 320 hours or 40 days and an unlimited amount of unused sick time. Upon termination of employment from the Town, employees will be compensated for all accrued vacation time at their current pay rate. Employees are not compensated for any of their accrued sick time.

These compensated absences are recognized as current salary costs when earned in the proprietary fund types and when due in the governmental fund types. A liability has been recorded in the government-wide financial statements for the accrued compensated absences.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position

The government-wide and business-type fund financial statements utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted.

Investment in Capital Assets is intended to reflect the portion of net position which are associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost.

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Restricted Net Position are liquid assets, which have third party limitations on their use.

Unrestricted Net Position represent assets that do not have any third party limitation on their use. While Town management may have categorized and segmented portion for various purposes, the Town Council has the unrestricted authority to revisit or alter these managerial decisions.

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. The Town did not report any nonspendable fund balance at December 31, 2024.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Town has classified the following amounts as restricted as of December 31, 2024:

Emergency Reserves	\$ 308,000
Parks and Recreation	162,007
Cemetery Care	<u>108,721</u>
Total	<u>\$ 578,728</u>

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Fund Balance Classification (Continued)

- **Committed** – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Town has classified the following amounts as committed as of December 31, 2024:

Support of Volunteer Ambulance Service	\$ 8,250
Police Training	2,322
Burning Mountain Avenue Street Maintenance	5,494
Long Term Capital Reserve	600,000
Traffic Impacts	<u>422,787</u>
Total	<u>\$ 1,038,853</u>

- **Assigned** – Amounts in the assigned fund balance classification are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as restricted or committed. In the General Fund, assigned amounts represent intended uses established by Town Council or a Town official delegated that Town by Town Charter or ordinance.

The Town has classified the following amounts as assigned as of December 31, 2024:

Long-term Capital Reserve	<u>\$ 498,497</u>
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- **Unassigned** – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The Town would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources.

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes

Property taxes are levied on November 1 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits to the Town on a monthly basis.

Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred revenue are recorded at December 31. As the tax is collected in the succeeding year, the deferred revenue is recognized as revenue and the receivable is reduced.

Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, complete comparative data in accordance with generally accepted accounting principles has not been presented since its inclusion would make the financial statements unduly complex and difficult to read.

Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

- Prior to September 30, the Town staff submits to the Town Council 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.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of an ordinance.

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE 2: **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY** (Continued)

- The Town Administration is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Town Council.
- Budgets are legally adopted for all funds of the Town. Budgets for the General, Conservation Trust, and Cemetery Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The Budgetary comparisons presented for the Utility Fund is presented on a non-GAAP budgetary basis. Capital outlay is budgeted as an expenditure and depreciation is not budgeted.
- Budgeted amounts in the financial statements are as originally adopted or as amended by the Town Council. All appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations by fund.

NOTE 3: **DEPOSITS AND INVESTMENTS**

A summary of deposits and investments as of December 31, 2024 follows:

Petty Cash	\$ 200
Cash Deposits	2,690,373
Investments	<u>6,244,383</u>
Total	<u>\$ 8,934,956</u>

The above amounts are classified in the statement of Net Position as follows:

Governmental Activities	\$ 5,083,301
Business-Type Activities	<u>3,851,655</u>
Total	<u>\$ 8,934,956</u>

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. 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 regulations. At December 31, 2024, State regulatory commissioners have indicated that all financial institutions holding deposits for the Town are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held.

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

Custodial Credit Risk – Deposits (Continued)

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 uninsured deposits.

The Town has no policy regarding custodial credit risk for deposits.

At December 31, 2024, the Town had deposits with financial institutions with a carrying amount of \$2,690,373. The bank balances with the financial institutions were \$2,192,534. Of these balances, \$250,000 was covered by federal depository insurance, \$1,866,070 was covered by collateral held by authorized escrow agents in the financial institution's name (PDPA) and \$76,464 were uninsured.

Investments

Interest Rate Risk

The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Colorado statutes specify in which instruments the units of local government may invest which include:

- Obligations of the United States and certain U.S. government agency securities
- General obligation and revenue bonds of U.S. local government entities
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

The above investments are authorized for all funds and fund types used by Colorado municipalities.

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE 3: **DEPOSITS AND INVESTMENTS** (Continued)

Local Government Investment Pools

The Town had invested \$4,115,106 in the Colorado Surplus Asset Fund Trust (CSAFE) an investment vehicle established for local government entities in Colorado pursuant to Title 24, Article 75, Part 7 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. The State Securities Commissioner administers and enforces the requirements of creating and operating the Pools. CSAFE reports its underlying investments at amortized costs and is considered a qualifying external investment pool under GASB Statement 79. CSAFE operates similar to money market funds where each share is equal in value to \$1.00. The fair value of the position in the pools is the same as the value of the pooled shares.

CSAFE is rated AAAM by Standard and Poor's. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities are owned by the pools and held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the pools. Investments of the pools comply with state statutes, consisting of U.S. Treasury bills, notes and note strips, repurchase agreements, U.S. Instrumentalities, Commercial Paper, Bank Deposits and Money Market Funds. CSAFE does not have any limitations or restrictions on participant withdrawals.

The Town had invested \$2,129,277 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAM by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities.

ColoTrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables, and payables.

Fair Value

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant observable inputs.

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Fair Value (Continued)

The Town does not carry any additional investments subject to these fair value measurements.

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2024 is summarized below:

	Balances <u>12/31/23</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>12/31/24</u>
Governmental Activities				
Capital Assets, not depreciated				
Land	\$ 15,214,000	\$ -	\$ 257,475	\$ 14,956,525
Construction in Progress	<u>357,782</u>	<u>22,916</u>	<u>-</u>	<u>380,698</u>
Total Capital Assets, not depreciated	<u>15,571,782</u>	<u>22,916</u>	<u>257,475</u>	<u>15,337,223</u>
Capital Assets, depreciated				
Buildings	4,576,244	63,657	-	4,639,901
Machinery and Equipment	1,503,590	168,804	17,754	1,654,640
Infrastructure	<u>19,862,466</u>	<u>472,277</u>	<u>-</u>	<u>20,334,743</u>
Total Capital Assets, depreciated	<u>25,942,300</u>	<u>704,738</u>	<u>17,754</u>	<u>26,629,284</u>
Less Accumulated Depreciation				
Buildings	2,467,260	121,460	-	2,588,720
Machinery and Equipment	861,121	155,313	17,754	998,680
Infrastructure	<u>12,220,879</u>	<u>917,453</u>	<u>-</u>	<u>13,138,332</u>
Total Accumulated Depreciation	<u>15,549,260</u>	<u>1,194,226</u>	<u>17,754</u>	<u>16,725,732</u>
Total Capital Assets, depreciated, Net	<u>10,393,040</u>	<u>(489,488)</u>	<u>-</u>	<u>9,903,552</u>
Governmental Activities, Capital Assets, Net	<u>\$ 25,964,822</u>	<u>\$ (466,572)</u>	<u>\$ 257,475</u>	<u>\$ 25,240,775</u>

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE 4: CAPITAL ASSETS (Continued)

	Balances <u>12/31/23</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>12/31/24</u>
Business-Type Activities				
Capital Assets, not depreciated				
Land	\$ 469,741	\$ -	\$ -	\$ 469,741
Water Rights	516,282	-	-	516,282
Construction in Progress	<u>221,530</u>	<u>686,596</u>	-	<u>908,126</u>
Total Capital Assets, not depreciated	<u>1,207,553</u>	<u>686,596</u>	-	<u>1,894,149</u>
Capital Assets, depreciated				
Buildings and Improvements	18,161,711	1,525	-	18,163,236
Distribution and Collection	11,357,711	-	-	11,357,711
Machinery and Equipment	<u>1,011,278</u>	<u>21,936</u>	-	<u>1,033,214</u>
Total Capital Assets, depreciated	<u>30,530,700</u>	<u>23,461</u>	-	<u>30,554,161</u>
Less: Accumulated Depreciation				
Buildings and Improvements	8,279,771	508,406	-	8,788,177
Distribution and Collection	5,837,342	223,402	-	6,060,744
Machinery and Equipment	<u>590,876</u>	<u>63,437</u>	-	<u>654,313</u>
Total Accumulated Depreciation	<u>14,707,989</u>	<u>795,245</u>	-	<u>15,503,234</u>
Total Capital Assets, depreciated, Net	<u>15,822,711</u>	<u>(771,784)</u>	-	<u>15,050,927</u>
Business-Type Activities, Capital Assets, Net	<u>\$ 17,030,264</u>	<u>\$ (85,188)</u>	<u>\$ -</u>	<u>\$ 16,945,076</u>

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

Governmental Activities

General Government	\$ 6,462
Public Safety	50,418
Public Works	1,065,588
Parks and Recreation	<u>71,758</u>

\$ 1,194,226

Business-type Activities

Water	\$ 299,721
Sewer	<u>495,524</u>

\$ 795,245

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE 5: LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2024.

	<u>Balance</u> <u>12/31/23</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/24</u>	<u>Due In</u> <u>One Year</u>
Notes Payable	\$ 241,683	\$ -	\$ 52,000	\$ 189,683	\$ 54,321
Accrued Compensated Absences, Restated	-	-	-	-	-
	<u>202,136</u>	<u>84,585</u>	<u>-</u>	<u>286,721</u>	<u>-</u>
Total	<u>\$ 443,819</u>	<u>\$ 84,585</u>	<u>\$ 52,000</u>	<u>\$ 476,404</u>	<u>\$ 54,321</u>

Accrued Compensated Absences are being paid from resources generated by the General Fund. Compensated absences beginning balance was restated as a result of adopting the new accounting pronouncement, GASB 101 Compensated Absences.

Note Payable

The Town has also obtained a line of credit in the amount of \$810,000. The original note required monthly payments of principle and interest at 5.25%. The Town refinanced this note during 2011 to obtain a lower interest rate. The new rate is 4.375% for five years. After five years, the rate changes to Prime plus 0.5% with a floor of 4.75% and a ceiling of 5.25%. All other terms of the note remain the same. The note matures in April 2028.

Annual debt service requirements for the Notes and Bonds Payable at December 31, 2024 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 54,321	\$ 7,234	\$ 61,555
2026	56,746	4,809	61,555
2027	59,279	2,276	61,555
2028	<u>19,337</u>	<u>177</u>	<u>19,514</u>
Total Debt Service Requirements	<u>\$ 189,683</u>	<u>\$ 14,497</u>	<u>\$ 204,180</u>

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE 5: LONG-TERM DEBT(Continued)

Business-Type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2024.

	Balance <u>12/31/23</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>12/31/24</u>	Due In <u>One Year</u>
2004 CWCB Loan	\$ 395,790	\$ -	\$ 25,593	\$ 370,197	\$ 26,745
2008 CWRPDA Loan	3,059,683	-	396,864	2,662,819	407,738
Accrued Compensated Absences, Restated	<u>108,452</u>	<u>17,042</u>	<u>-</u>	<u>125,494</u>	<u>-</u>
Total	<u>\$ 3,563,925</u>	<u>\$ 17,042</u>	<u>\$ 422,457</u>	<u>\$ 3,158,510</u>	<u>\$ 434,483</u>

Compensated absences beginning balance was restated as a result of adopting the new accounting pronouncement, GASB 101 Compensated Absences.

Loans Payable

2004 Colorado Water Conservation Board (CWCB) Loan

Proceeds of this loan were used for the construction of a new diversion structure and pump station on the Colorado River, and a raw water pipeline to the Town's water treatment facility. Principal and interest payments are due annually on August 1. Interest accrues at 4.5%. This loan matures on August 1, 2035.

2008 Colorado Water Resources & Power Development Town (CWRPDA) Loan

Proceeds of this loan were used for the construction of a new wastewater treatment facility and improvements to the wastewater system of the Town. Principal and interest payments are due annually on August 1. Interest accrues at 3.45%. This loan matures on August 1, 2030.

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE 5: LONG-TERM DEBT(Continued)

Future Debt Service Requirements

Annual debt service requirements for the outstanding loans at December 31, 2024 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 434,483	\$ 76,308	\$ 510,791
2026	441,123	65,599	506,722
2027	453,254	56,264	509,518
2028	470,878	45,633	516,511
2029	510,306	34,095	544,401
2030-2034	681,429	46,226	727,655
2035	<u>41,543</u>	<u>1,869</u>	<u>43,412</u>
Total Debt Service Requirements	<u>\$ 3,033,016</u>	<u>\$ 325,994</u>	<u>\$ 3,359,010</u>

NOTE 6: RETIREMENT COMMITMENTS

Employee Pension Plan

The Town contributes to a multiple employer defined contribution retirement plan administered by the Colorado Officials and Employees Retirement Association. Every employee who is employed by the Town is eligible to participate in the Plan immediately upon hire. Both the Town and the employee contribute from three to six percent of the employee's base salary. Plan provisions are established and may be amended by Town Council. During the years ended December 31, 2024 and 2023, employer and employees contributed \$166,571 and \$110,406, respectively, equal to their required contribution

Participants vest in employer contributions and in earnings, losses, and changes in fair market value of Plan assets at a rate of 20% for each full twelve months of participating in the Plan. Participants are immediately vested in their own contributions and earnings.

NOTE 7: PUBLIC ENTITY RISK POOL

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; and natural disasters. For these risks of loss, the Town is involved with the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, Section 18(2).

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE 7: PUBLIC ENTITY RISK POOL (Continued)

The purposes of CIRSA are to provide members defined liability, property, and workers compensation coverages and to assist members in preventing and reducing losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees and officers.

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 of 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 coverages 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 entity.

NOTE 8: COMMITMENTS AND CONTINGENCIES

Tabor Amendment

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 government. On November 1994, voters within the Town approved the collection, retention and expenditure of State grants, all sales and use taxes and all other revenue generated by the Town in 1995 and subsequent years without limitation, notwithstanding the provisions of the Amendment. The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2024, the emergency reserve of \$308,000 was recorded in the General Fund.

NOTE 9: SUBSEQUENT EVENTS

Potential subsequent events were considered through July 31, 2025. No events were identified for disclosure.

NOTE 10: CHANGE IN ACCOUNTING PRINCIPLE

The Town adopted a new GASB pronouncement, GASB 101 Compensated Absences, which requires accrual of unpaid accumulated sick time. As a result of the adoption of GASB 101, the Town recognized a liability of \$412,215 in the government-wide financial statements at December 31, 2024.

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE 11: ADJUSTMENTS TO AND RESTATEMENTS OF BEGINNING BALANCES

During the fiscal year ending on December 31, 2024, beginning net position was decreased by \$94,619 as a result of adopting the new pronouncement GASB 101 Compensated Absences, to recognize unused accumulated sick time estimated to be used by employees in the future. The effect of the restatement is shown below:

	<u>Net Position:</u> <u>Government Wide</u>
December 31, 2023, as previously reported	\$ 46,686,319
Change in Accounting Principle	<u>(94,619)</u>
December 31, 2023, as restated	<u>\$ 46,591,700</u>

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF NEW CASTLE, COLORADO

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2024

	2024			VARIANCE	2023
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	ACTUAL
REVENUES					
Taxes	\$ 4,614,965	\$ 4,614,965	\$ 4,436,360	\$ (178,605)	\$ 4,338,703
Licenses and Permits	115,134	115,134	159,201	44,067	91,860
Intergovernmental	285,000	410,885	516,454	105,569	874,153
Charges for Services	157,550	157,550	213,322	55,772	229,489
Court	10,200	10,200	2,035	(8,165)	1,213
Developer Reimbursements	76,000	76,000	45,445	(30,555)	29,601
Interest	200,100	200,100	293,041	92,941	266,390
Sale of Assets	48,500	48,500	317,901	269,401	-
Miscellaneous	10,870	10,870	172,282	161,412	83,820
TOTAL REVENUES	<u>5,518,319</u>	<u>5,644,204</u>	<u>6,156,041</u>	<u>511,837</u>	<u>5,915,229</u>
EXPENDITURES					
Current					
General Government	1,176,459	1,176,459	1,341,510	(165,051)	1,387,975
Public Safety	1,882,018	1,882,018	1,611,348	270,670	1,365,019
Public Works	1,220,901	1,346,786	678,441	668,345	1,177,546
Health and Welfare	58,000	58,000	53,244	4,756	40,911
Parks and Recreation	1,072,282	1,072,282	1,132,334	(60,052)	977,949
Capital Outlay	35,000	35,000	727,654	(692,654)	49,650
Debt Service					
Principal	49,400	49,400	51,693	(2,293)	49,614
Interest	12,200	12,200	9,862	2,338	11,941
TOTAL EXPENDITURES	<u>5,506,260</u>	<u>5,632,145</u>	<u>5,606,086</u>	<u>26,059</u>	<u>5,060,605</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>12,059</u>	<u>12,059</u>	<u>549,955</u>	<u>537,896</u>	<u>854,624</u>
NET CHANGE IN FUND BALANCE	12,059	12,059	549,955	537,896	854,624
FUND BALANCE, Beginning	<u>4,287,644</u>	<u>4,287,644</u>	<u>4,473,780</u>	<u>186,136</u>	<u>3,619,156</u>
FUND BALANCE, Ending	<u>\$ 4,299,703</u>	<u>\$ 4,299,703</u>	<u>\$ 5,023,735</u>	<u>\$ 724,032</u>	<u>\$ 4,473,780</u>

See the accompanying independent auditors' report.

COMBINING AND INDIVIDUAL FUND SCHEDULES

TOWN OF NEW CASTLE, COLORADO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2024

	SPECIAL REVENUE FUND CONSERVATION TRUST FUND	PERMANENT FUND CEMETERY TRUST FUND	TOTALS	
			2024	2023
ASSETS				
Cash	\$ 162,007	\$ 108,885	\$ 270,892	\$ 200,697
TOTAL ASSETS	<u>\$ 162,007</u>	<u>\$ 108,885</u>	<u>\$ 270,892</u>	<u>\$ 200,697</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	<u>\$ -</u>	<u>\$ 164</u>	<u>\$ 164</u>	<u>\$ 229</u>
FUND EQUITY				
Fund Balance				
Restricted for Cemetery Care	\$ -	\$ 108,721	\$ 108,721	\$ 97,670
Restricted for Park and Recreation	<u>162,007</u>	<u>-</u>	<u>162,007</u>	<u>102,798</u>
TOTAL FUND EQUITY	<u>162,007</u>	<u>108,721</u>	<u>270,728</u>	<u>200,468</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 162,007</u>	<u>\$ 108,885</u>	<u>\$ 270,892</u>	<u>\$ 200,697</u>

See the accompanying independent auditors' report.

TOWN OF NEW CASTLE, COLORADO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2024

	SPECIAL REVENUE FUND CONSERVATION TRUST FUND	PERMANENT FUND CEMETERY TRUST FUND	TOTALS	
			2024	2023
REVENUES				
Intergovernmental	\$ 60,643	\$ -	\$ 60,643	\$ 79,054
Charges for Services	-	10,400	10,400	19,200
Interest	66	815	881	829
TOTAL REVENUES	60,709	11,215	71,924	99,083
EXPENDITURES				
Health and Welfare	-	164	164	818
Parks and Recreation	1,500	-	1,500	135,201
TOTAL EXPENDITURES	1,500	164	1,664	136,019
NET CHANGE IN FUND BALANCES	59,209	11,051	70,260	(36,936)
FUND BALANCES, Beginning	102,798	97,670	200,468	237,404
FUND BALANCES, Ending	\$ 162,007	\$ 108,721	\$ 270,728	\$ 200,468

See the accompanying independent auditors' report.

TOWN OF NEW CASTLE, COLORADO

CONSERVATION TRUST FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2024

	2024			VARIANCE Positive (Negative)	2023 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Intergovernmental	\$ 65,749	\$ 65,749	\$ 60,643	\$ (5,106)	\$ 79,054
Interest	70	70	66	(4)	67
TOTAL REVENUES	65,819	65,819	60,709	(5,110)	79,121
EXPENDITURES					
Parks and Recreation	10,000	20,000	1,500	18,500	135,201
NET CHANGE IN FUND BALANCE	55,819	45,819	59,209	13,390	(56,080)
FUND BALANCE, Beginning	95,202	95,202	102,798	7,596	158,878
FUND BALANCE, Ending	<u>\$ 151,021</u>	<u>\$ 141,021</u>	<u>\$ 162,007</u>	<u>\$ 20,986</u>	<u>\$ 102,798</u>

See the accompanying independent auditors' report.

TOWN OF NEW CASTLE, COLORADO

CEMETERY FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2024

	2024			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2023 ACTUAL
REVENUES				
Sale of Plots	\$ 12,000	\$ 10,400	\$ (1,600)	\$ 19,200
Interest and Other	600	815	215	762
TOTAL REVENUES	12,600	11,215	(1,385)	19,962
EXPENDITURES				
Maintenance and Operations	12,500	164	12,336	818
NET CHANGE IN FUND BALANCE	100	11,051	10,951	19,144
FUND BALANCE, Beginning	76,640	97,670	21,030	78,526
FUND BALANCE, Ending	<u>\$ 76,740</u>	<u>\$ 108,721</u>	<u>\$ 31,981</u>	<u>\$ 97,670</u>

See the accompanying independent auditors' report.

TOWN OF NEW CASTLE, COLORADO

UTILITY FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2024

	2024			VARIANCE	
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	2023 ACTUAL
REVENUES					
Water Sales	\$ 1,264,348	\$ 1,264,348	\$ 1,127,701	\$ (136,647)	\$ 1,261,237
Wastewater Sales	1,652,396	1,652,396	1,710,436	58,040	1,598,420
Trash Sales	635,089	635,089	635,917	828	606,488
Intergovernmental Grants	309,400	463,200	713,014	249,814	338,597
Tap Fees and Contributions	847,040	847,040	184,400	(662,640)	106,800
Interest	-	-	164,596	164,596	515
Other Revenues	-	-	14,641	14,641	-
TOTAL REVENUES	4,708,273	4,862,073	4,550,705	(311,368)	3,912,057
EXPENDITURES					
Water	1,210,753	1,210,753	1,072,373	138,380	1,005,167
Wastewater	1,114,878	1,114,878	957,892	156,986	846,951
Trash	620,164	620,164	632,562	(12,398)	593,051
Debt Service	534,295	534,295	516,484	17,811	531,115
Capital Outlay	1,192,640	1,346,440	710,056	636,384	726,210
TOTAL EXPENDITURES	4,672,730	4,826,530	3,889,367	937,163	3,702,494
NET INCOME, Budget Basis	\$ 35,543	\$ 35,543	661,338	\$ 625,795	209,563
GAAP BASIS ADJUSTMENTS					
Capital Outlay			710,056		726,210
Loan Principal Payments			516,484		415,919
Depreciation			(795,245)		(771,783)
NET INCOME, GAAP Basis			1,092,633		579,909
NET POSITION, Beginning, Restated			16,396,449		15,850,493
NET POSITION, Ending			\$ 17,489,082		\$ 16,430,402

See the accompanying independent auditors' report.

COMPLIANCE



COLORADO
Department of Transportation

Steps for printing your content and returning to 'Edit Mode

1. Click Ctrl + A on a Windows machine or Command + A on a Mac to select all data.
2. Right-click your mouse and select Print.
3. Confirm that print settings are correct - make sure "selection only" isn't checked.
4. Print hard copy or to PDF.
5. Click "Edit Mode" to return to modifying your data.
6. Remember to click "Save" to save any changes.

Annual Highway Finance Report - CY24

Email address: vehlers@newcastlecolorado.org

City/County: New Castle

Receipts, Disbursements & Costs

II - Receipts for Road & Street Purposes

A. Receipts from local sources

2. General Fund Appropriations:	\$	782,732.00
3. Other local imposts: <i>from A.3. 'Total' below)</i>	\$	1,047,316.00
4. Miscellaneous local receipts: <i>from A.4. 'Total' below)</i>	\$	12,094.00
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

SubTotal: \$ 1,842,142.00

B. Private Contributions \$ 0.00

Receipts, Disbursements & Costs

II - Receipts for Road & Street Purposes (Detail)

A.3. | Other local imposts

a. Property Taxes & Assessments	\$ 0.00
b. Other Local Imposts	
1. Sales Taxes:	\$ 991,980.00
2. Infrastructure and Impact Fees:	\$ 19,800.00
3. Liens:	\$ 0.00
4. Licenses:	\$ 0.00
5. Specific Ownership and/or Other:	\$ 35,536.00
Total: (a + b) carried to 'Other local imposts' above	\$ 1,047,316.00

A.4. | Miscellaneous local receipts

a. Interest on Investments:	\$ 41.00
b. Traffic fines and Penalties:	\$ 8,410.00
c. Parking Garage Fees:	\$ 0.00
d. Parking Meter Fees:	\$ 0.00
e. Sale of Surplus Property:	\$ 0.00
f. Charges for Services:	\$ 0.00
g. Other Misc. Receipts:	\$ 3,643.00
h. Other:	\$ 0.00
Total: (a through h) carried to 'Misc local receipts' above	\$ 12,094.00

C. Receipts from State Government

1. Highway User Taxes:	\$ 171,117.00
3. Other State funds:	
c. Motor Vehicle Registrations:	\$ 19,304.00
d. Other (Specify):	
Comments: undefined	\$ 0.00
e. Other (Specify):	
Comments: undefined	\$ 0.00
Total: (1+3c,d,e)	\$ 190,421.00

D. Receipts from Federal Government

2. Other Federal Agencies	
a. Forest Service:	\$ 0.00

b. FEMA:	\$	0.00
c. HUD:	\$	0.00
d. Federal Transit Administration:	\$	0.00
e. U.S. Corp of Engineers	\$	0.00
f. Other Federal:	\$	0.00
Total: (2a-f)		\$ 0.00

Receipts, Disbursements & Costs

III - Disbursements for Road & Street Purposes

A. Local highway disbursements

1. Capital outlay: (from A.1.d. 'Total Capital Outlay' below)	\$	173,577.00
2. Maintenance:	\$	839,674.00
3. Road and street services		
a. Traffic control operations:	\$	18,205.00
b. Snow and ice removal:	\$	100,441.00
c. Other:	\$	49,967.00
4. General administration and miscellaneous	\$	43,324.00
5. Highway law enforcement and safety	\$	807,375.00
Total: (A.1-5)		\$ 2,032,563.00

B. Debt service on local obligations

1. Bonds		
a. Interest	\$	0.00
b. Redemption	\$	0.00
2. Notes		
a. Interest	\$	0.00
b. Redemption	\$	0.00
SubTotal: (1+2)		\$ 0.00

C. Payments to State for Highways:	\$	0.00
D. Payments to Toll Facilities:	\$	0.00

Total Disbursements: (A+B+C+D)

\$

2,032,563.00

Receipts, Disbursements & Costs

III - Disbursements for Road & Street Purposes - (Detail)

	A. ON NATIONAL HIGHWAY SYSTEM	B. OFF NATIONAL HIGHWAY SYSTEM	C. TOTAL
A.1. Capital Outlay			
a. Right-Of-Way Costs:	\$ 0.00	\$ 0.00	\$ 0.00
b. Engineering Costs:	\$ 0.00	\$ 0.00	\$ 0.00
c. Construction			
1. New Facilities:	\$ 0.00	\$ 0.00	\$ 0.00
2. Capacity Improvements:	\$ 0.00	\$ 0.00	\$ 0.00
3. System Preservation:	\$ 0.00	\$ 150,661.00	\$ 150,661.00
4. System Enhancement:	\$ 0.00	\$ 22,916.00	\$ 22,916.00
5. Total Construction:			\$ 173,577.00
d. Total Capital Outlay: (Lines A.1.a. + 1.b. + 1.c.5)			\$ 173,577.00

Receipts, Disbursements & Costs

IV. Local Highway Debt Status

	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
1. Bonds (Refunding Portion)		\$ 0.00	\$ 0.00	\$ 0.00
B. Notes (Total):	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

Receipts, Disbursements & Costs

V - Local Road & Street Fund Balance

A. Beginning Balance	B. Total Receipts	C.Total Disbursements	D. Ending Balance	E. Reconciliation
\$ 0.00	\$ 2,032,563.00	\$ 2,032,563.00	\$ 0.00	\$ 0.00

Notes and Comments:

Please enter your name: Viktoriya Ehlers

Please provide a telephone number where you may be reached: 970.984.2311x104

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