TOWN OF NEW CASTLE, COLORADO

BASIC FINANCIAL STATEMENTS

December 31, 2025

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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, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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, 2025, 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 25 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, 2026

Town of New Castle, Colorado
Management's Discussion and Analysis
Fiscal Year Ending December 31, 2025

This Management's Discussion and Analysis (MD&A) of the Town of New Castle's 2025 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 governmental-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, 2025 the governmental funds held $6,795,446 in assets that were readily convertible to cash and $1,000,824 in current liabilities.

- As of December 31, 2025 the Town's governmental activities fund held $25,075,017 in depreciated capital assets, a 0.66% decrease; and $135,362 in capital asset liabilities, a 28.64% decrease.

- Total 2025 sales tax revenue increased 12.78% or $365,037 compared to fiscal year 2024. The 3.5% Town sales tax revenue increased 6.11% or $158,678 compared to 2024.

- 2025 property tax revenue decreased by $29,059 or 4.22% compared to fiscal year 2024.

- 2025 tobacco tax revenue increased by 3.38% or $11,044 compared to fiscal year 2024.

- 2025 building permit revenue increased by 73.56% or $82,882 compared to fiscal year 2024. 2025 use tax revenue increased by 43.17% or $27,325 compared to fiscal year 2024.

- 2025 lodging tax revenue decreased by 9.72% or $3,984 compared to fiscal year 2024.

- 2025 mineral lease tax revenue decreased by 22.12% or $30,186 compared to fiscal year 2024 and severance tax revenue decreased by 95.51% or $48,694.

- 2025 governmental activities salary expense increased by 13.21% or $314,617 compared to fiscal year 2024, partially due to a reallocation of salaries among funds, COLA adjustments and promotions from within. Total salaries for all funds increased by 10.14% or $331,227 for 2025.

- Total governmental activities net position decreased by 0.12% or $37,525 during the 2025 fiscal year.

Business-type Activities

- As of December 31, 2025 total assets were $21,927,771, an increase of 2.91% or $620,452. Cash, investments and receivables increased by $363,317 and capital assets increased by $257,135.

- 2025 revenue from the water, wastewater and trash charges for services increased by $338,567 or 9.75% compared to fiscal year 2024.

- 2025 business-type activities salary expense increased by 1.88% or $16,610 compared to fiscal year 2024, partially due to a reallocation of salaries among funds, COLA adjustments and promotions from within. Total salaries for all funds increased by 10.14% or $331,227 for 2025.

Business-type Activities (Continued)

- 2025 business-type activities electric and natural gas utility expense of $198,746 was a decrease of 1.21% or $2,425 compared to fiscal year 2024.

- Total enterprise liabilities decreased by $848,291 during 2025 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 $1,307,773 funds were spent as of December 31, 2025 which concludes our available funding.

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	
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 6,795,446	$ 6,364,442	$ 4,725,560	$ 4,362,243	$ 11,521,006	$ 10,726,685
Capital assets	25,075,017	25,240,775	17,202,211	16,945,076	42,277,228	42,185,851
Total assets	31,870,463	31,605,217	21,927,771	21,307,319	53,798,234	52,912,536
Long-term debt outstanding	78,616	135,362	2,157,411	2,598,533	2,236,027	2,733,895
Other liabilities	1,770,538	1,411,021	812,535	1,219,704	2,583,073	2,630,725
Total liabilities	1,849,154	1,546,383	2,969,946	3,818,237	4,819,100	5,364,620
Net Position:						
Net Investment in Capital assets	24,939,655	25,051,092	14,603,677	13,912,060	39,543,332	38,963,152
Restricted	440,262	416,721	-	-	440,262	416,721
Unrestricted	4,641,392	4,591,021	4,354,148	3,577,022	8,995,540	8,168,043
Total net position	$ 30,021,309	$ 30,058,834	$ 18,957,825	$ 17,489,082	$ 48,979,134	$ 47,547,916

The Town's total net position for fiscal year 2025 increased by 3.01% or $1,431,218. The Town's assets exceed liabilities by $48,979,134 (net position) as of December 31, 2025. By far the largest portion of net position (86.32%) 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 (0.90%) represents resources that are subject to various debt provisions, contracts and agreements on how they may be used. The remaining balance of $8,995,540 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 2025.

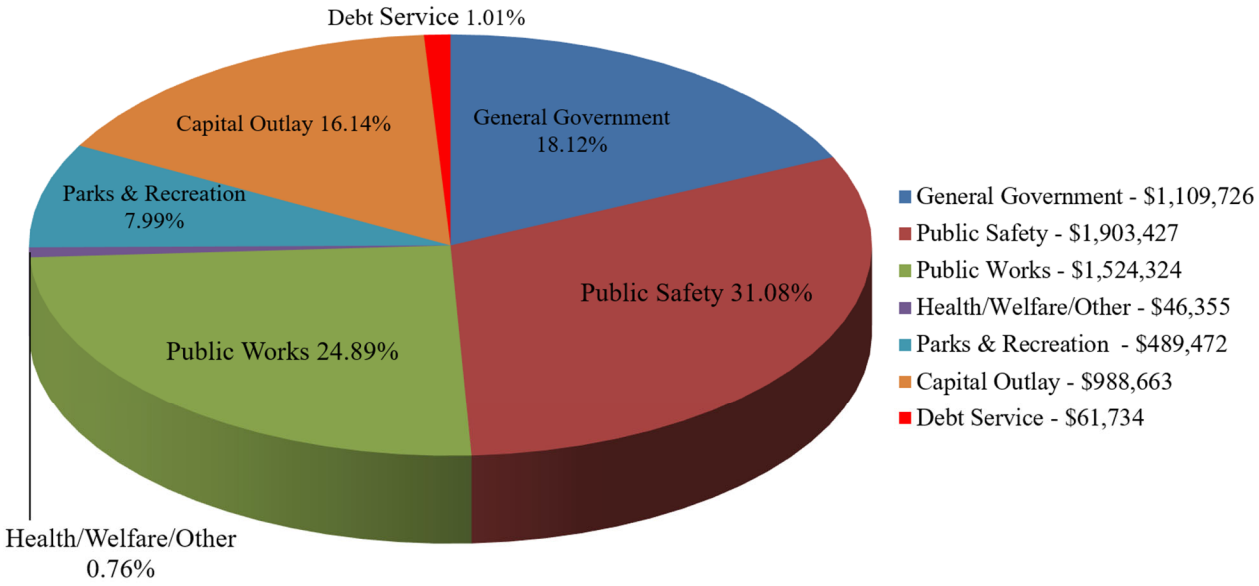
	Governmental		Business Type		Totals	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program Revenues:						
Charges for Services	$ 213,322	$ 213,322	$3,812,621	$3,474,054	$4,025,943	$3,687,376
Capital Grants	325,000	400,500	1,151,433	897,414	1,476,433	1,297,914
Total Program Revenues	538,322	613,822	4,964,054	4,371,468	5,502,376	4,985,290
General Revenues						
Sales and Use Taxes	3,221,435	2,856,398	-	-	3,221,435	2,856,398
Property Taxes	658,806	687,865	-	-	658,806	687,865
Franchise Taxes	163,264	157,339	-	-	163,264	157,339
Other Taxes	698,155	693,466	-	-	698,155	693,466
Investment Income	250,649	292,557	66,818	164,596	317,467	457,153
Developer Reimbursement	107,265	45,445	-	-	107,265	45,445
Other Revenues	605,423	563,172	35,484	14,641	640,907	577,813
Gain (Loss) on Disposal of Assets	-	60,426	-	-	0	60,426
Total General Revenues	5,704,997	5,356,668	102,302	179,237	5,807,299	5,535,905
Total Revenue	6,243,319	5,970,490	5,066,356	4,550,705	11,309,675	10,521,195
Expenses:						
General Government	1,172,015	1,432,557	-	-	1,172,015	1,432,557
Public Safety	1,966,773	1,661,765	-	-	1,966,773	1,661,765
Public Works	2,514,644	1,744,030	-	-	2,514,644	1,744,030
Parks & Recreation	573,486	1,205,592	-	-	573,486	1,205,592
Health & Welfare	46,513	53,408	-	-	46,513	53,408
Water	-	-	1,342,152	1,372,662	1,342,152	1,372,662
Wastewater	-	-	1,447,026	1,367,061	1,447,026	1,367,061
Sanitation	-	-	704,309	632,562	704,309	632,562
Interest	7,413	9,555	104,126	85,787	111,539	95,342
Total Expenses	6,280,844	6,106,907	3,597,613	3,458,072	9,878,457	9,564,979
Change in Net Position	$ (37,525)	$ (136,417)	$1,468,743	$1,092,633	$1,431,218	$ 956,216

Governmental Activities

Taxes comprise the largest source of operating revenue for the Town's governmental activities. 2025 tax source revenue was $4,741,660, which is 76.74% of total revenues from governmental activities. Property taxes of $658,806 represent 13.89% of total tax revenue. Charges for services equaled $213,322 representing 3.45% of total revenues.

The cost of governmental activities (excluding capital outlay) in 2025 was $5,135,038 compared to $4,878,432 in 2024, 5.26% 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:

	Expenditures		
Activity	**2025**	**2024**	**% Change**
General Government	1,109,726	1,341,510	(17.27)
Public Safety	1,903,427	1,611,348	18.13
Public Works	1,524,324	678,441	124.68
Health/Welfare/Other	46,355	53,244	(12.94)
Parks & Recreation	489,472	1,132,334	(56.77)
Capital Outlay	988,663	727,654	35.87
Debt Service	61,734	61,555	0.29

Business-type Activities

Total 2025 operating revenue from the Town's business-type activities increased by $359,410 compared to 2024; operating expenses for 2025 increased by $121,202 compared to 2024.

Total business type net position during 2025 increased by $1,468,743, 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 $456,162 ARPA funds balance, as well as interest on those, which previously were in Deferred Revenues.

Fund Balance

At the end of 2025, the Town's governmental funds reported a combined fund balance of $5,398,755 (pg. 3). This is an increase of $104,292 compared to the prior years ending balance. Of this total balance $2,297,960 is unassigned and available to finance the Town's future operations and programs; $327,000 is restricted for emergencies, $206,699 is restricted for Conservation Trust Fund approved expenses, $113,262 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), $4,540 is committed for Police training (Ord. #383 & 2007-4), $93,309 is committed for Burning Mtn. Ave street maintenance (9/1995 SIA Agreement), and $459,377 is committed for traffic impacts (Ord. # 2002-17), and $800,000 is committed for Long Term Capital Reserve.

At year end the business-type activities reported total net position of $18,957,825, an increase of $1,468,743. Of this total net position $4,354,148 is unrestricted (pg. 6).

Budgetary Highlights – General Fund – (pg. 25)

The General Fund balance was budgeted to decrease by $120,393 for 2025; however, the actual increase was $55,059. This increase was largely due to tax revenue increases, license and permits revenue increases, as well as overall expense savings in salaries and benefits due to staffing vacancies.

Capital Assets and Debt Administration

At year end the Town had $42,277,228 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 increase of $91,377 or 0.22% from the 2024 year-end amount. 2025 capital additions totaling $2,032,093 were offset by depreciation in the amount of $1,830,364. Significant asset additions are detailed on the next page.

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

	Governmental		Business-type		Total Government	
	2025	2024	2025	2024	2025	2024
Land	$15,146,867	$14,956,525	$ 469,741	$ 469,741	$15,616,608	$15,426,266
Water Rights	-	-	516,282	516,282	516,282	516,282
Buildings and Improvements	4,733,271	4,639,901	18,163,236	18,163,236	22,896,507	22,803,137
Distribution/Collection Systems	-	-	11,357,711	11,357,711	11,357,711	11,357,711
Infrastructure	20,665,716	20,334,743	-	-	20,665,716	20,334,743
Property and Equipment	1,848,757	1,654,640	1,033,214	1,033,214	2,881,971	2,687,854
Construction in Process	560,559	380,698	1,951,556	908,126	2,512,115	1,288,824
Less: Accumulated Depreciation	(17,880,153)	(16,725,732)	(16,289,529)	(15,503,234)	(34,169,682)	(32,228,966)
Total Capital Assets	$25,075,017	$25,240,775	$17,202,211	$16,945,076	$42,277,228	$42,185,851

During 2025 the Town completed an Asphalt Overlay Project on Aster Court, West 2nd Street, East 2nd Street, Mountain View Drive, Safflower, Park Avenue, 7th Street Alley, Town Hall parking lot, as well as asphalt patches on El Diente & South Wildhorse, North Wildhorse & Castle Valley Blvd, Stag Court & Deer Valley. Purchased two Chevy Silverado and rifles replacement for the Police Department. Purchase property on 335 W Main street. Replaced HVAC systems in Rec Center and Town Hall. The Town began construction of new offices at the wastewater treatment plant. Construction was finalized for the raw water pond and pump station. Made significant progress on round-a-bout landscape design, and various other equipment purchases. Significant capital assets added during 2025 are shown below.

Significant 2025 Capital Asset Additions

Purchase of 335 W Main property	190,342
HVAC replacement in Town Hall	45,792
HVAC replacement in Rec Center	35,741
(2) 2025 Chevy Silverado – Police Department	152,747
Rifles Replacement – Police Department	39,540
Street Asphalt Overlay & Crack Sealing Project	330,360
Round-a-bout Landscape Design	290,213
South Side Intercept Design	56,856
Waster Water Offices	686,035
Digestor Blower Building	49,180
Raw Water Irrigation Pond and Pump House	251,361
Total	$2,128,167

Outstanding Debt (pg. 21–22)

	Governmental Activities		Business-type Activities		Total Government	
	2025	2024	2025	2024	2025	2024
2004 Water Loan	$ -	$ -	$ 343,452	$ 370,197	$ 343,452	$ 370,197
2008 Wastewater Loan	-	-	2,255,082	2,662,819	2,255,082	2,662,819
Notes Payable	135,362	189,683	-	-	135,362	189,683
GO Bonds, Series 2010	-	-	-	-	-	-
Accrued Absences	317,101	286,721	125,494	125,494	442,595	412,215
Total Long-term Obligations	$ 452,463	$ 476,404	$2,724,028	$3,158,510	$3,176,491	$3,634,914

Economic and Other Factors

The Town of New Castle continued to make meaningful progress during 2025 through responsible financial management, strategic infrastructure investment, and thoughtful community development. While challenges remained, including continued declines in energy-related revenues, the Town strengthened its financial position, completed major capital improvements, expanded housing opportunities, invested in critical public infrastructure, and continued to provide the high-quality services and community events that make New Castle an exceptional place to live, work, and visit.

Community Development

Community development activity increased during 2025, with the Town issuing 21 new home building permits and 136 building permits across residential, commercial, and miscellaneous construction activities. Land use activity also remained strong, highlighted by the approval of a Planned Unit Development (PUD) consisting of 130 housing units, providing a mix of both for-sale and rental housing opportunities to help meet the community's growing housing needs.

Major transportation improvements also marked the year. Construction of the new Route 6/Castle Valley Boulevard Roundabout was completed, and the intersection became fully operational in 2025, with final landscaping scheduled for completion in 2026. Building on that momentum, the Colorado Department of Transportation (CDOT) began construction on the replacement of the Route 6 Main Street Bridge, a significant infrastructure investment expected to continue through the fall of 2026.

Downtown New Castle continued to experience positive economic momentum in 2025 with the opening of several new Main Street businesses, further enhancing the community's commercial district and expanding shopping, dining, and service opportunities for residents and visitors alike.

Community Events and Activities

Community events continued to be a defining part of life in New Castle during 2025, bringing neighbors together and reinforcing the strong sense of community that makes New Castle a place people are proud to call home. Signature events including the Dirty Hog Dash, Burning Mountain Festival, Rides and Reggae, Trick or Treat New Castle, the Chili Cook-Off, and the Tree Lighting

Ceremony once again drew residents and visitors throughout the year, while numerous smaller events and activities provided opportunities for families, friends, and neighbors to connect.

These events would not be possible without the dedication of Town staff and the many volunteers who generously contribute their time, talents, and enthusiasm. Their continued commitment helps create memorable experiences, strengthen community connections, and preserve the welcoming small-town character that defines New Castle.

Financial Overview

New Castle experienced a strong rebound in sales tax revenues during 2025, with collections increasing 12.78% over the previous year. This growth reflected increased local economic activity and helped offset declines in several other key revenue sources. Property tax revenues, however, decreased 4.22% compared to 2024.

The most significant financial challenge in 2025 was the continued decline in revenues generated by the energy industry. Federal Mineral Lease (FML) revenues decreased 22.12%, while State Severance Tax revenues fell by more than 95%. These declines were driven by several factors, including lower oil and natural gas prices, reduced drilling and production activity throughout the region, changes in federal royalty distributions, and the application of substantial property tax credits under Colorado's severance tax system. Because these revenues are closely tied to the cyclical nature of the energy industry, significant year-to-year fluctuations are not uncommon.

Despite these shifts, the Town remains in a strong financial position. Careful budgeting, conservative financial management, and healthy reserve balances have enabled New Castle to continue investing in infrastructure, community services, and capital improvements while maintaining long-term fiscal stability. While revenues tied to the energy sector continue to fluctuate, New Castle's diversified revenue base, disciplined budgeting, and healthy reserves position the Town well for the future.

Capital Projects

New Castle continued to make significant investments in its infrastructure, public facilities, parks, and equipment during 2025. These projects support the Town's commitment to maintaining reliable public services, improving community amenities, and planning for future growth. Major capital projects completed or initiated during the year included:

Transportation

- Completion of the Route 6/Castle Valley Boulevard Roundabout
- Annual street maintenance and capital roadway improvement projects
- Annual concrete replacement and sidewalk improvements

Utilities

- Wastewater Treatment Plant Digester Blower improvements
- Construction of the new Wastewater Treatment Plant Shop and Office Facility
- Continued expansion of the Raw Water Irrigation System

- Continued design of the South Side Intercept Sewer Line replacement
- Award of grant funding for emergency backup generators serving critical public infrastructure

Facilities and Public Safety

- Replacement of the Town Hall HVAC system
- Replacement of aging Town vehicles and heavy equipment
- Installation of Mobile Data Terminals in Police Department patrol vehicles

Parks and Community Amenities

- Partnership with the Garfield Re-2 School District to develop an ADA-accessible playground
- Improvements and updates to the Historic Museum
- Purchase of a Main Street property for future redevelopment as a downtown public park

These investments represent the Town's ongoing commitment to preserving existing infrastructure, improving public safety, enhancing community amenities, and responsibly planning for New Castle's future. By strategically investing in long-term capital improvements, the Town continues to strengthen the services and quality of life residents expect while positioning the community for sustainable growth.

Reserve Funds and Financial Practices

The Town continued to strengthen its long-term financial position during 2025 through disciplined budgeting and conservative financial management. An additional $200,000 was allocated to the Long-Term Capital Reserve Fund, further enhancing the Town's ability to fund future infrastructure and capital replacement needs without relying heavily on debt. The Town also invested more than $190,000 toward the purchase of a Main Street property that is planned for future redevelopment as a downtown public park.

New Castle continued to make steady progress in building reserve funds that are appropriate for both the General Fund and Utility Fund, ensuring the financial capacity to respond to unexpected needs while supporting long-term capital planning. Maintaining healthy reserve balances remains a cornerstone of the Town's financial strategy and reflects a commitment to fiscal responsibility.

The Town also maintained its cautious approach to borrowing by continuing to reduce outstanding debt. During 2025, New Castle lowered its total debt obligations by more than $458,000, strengthening its financial position while preserving flexibility for future community investments. These sound financial practices help ensure the Town remains well positioned to provide high-quality services, maintain critical infrastructure, and responsibly plan for future growth.

Outlook for 2026

Looking ahead, New Castle expects another active year of growth, infrastructure investment, and community improvement. The recently approved 130-unit residential development is anticipated to complete its roads and utility infrastructure while beginning vertical construction of new homes. In

addition, several development proposals are expected to continue through the Planning and Zoning Commission and Town Council review process as interest in the community remains strong.

The Town will continue its commitment to investing in critical infrastructure and public amenities throughout 2026. Planned capital improvements will focus on streets, water and wastewater utilities, public facilities, parks, and equipment replacement to ensure New Castle continues to provide reliable services while preparing for future growth.

Several major transportation projects will also reach important milestones during the year. Final landscaping of the Route 6/Castle Valley Boulevard Roundabout is expected to be completed, while CDOT anticipates finishing construction of the new Main Street Bridge by late 2026, further improving safety, traffic flow, and regional connectivity.

From a financial perspective, revenues associated with the oil and gas industry, including Federal Mineral Lease and State Severance Tax distributions, are expected to remain well below historical averages. While these reductions will continue to put pressure on municipal budgets, New Castle remains well positioned through conservative financial management, healthy reserve funds, and a continued focus on responsible spending. The Town Council and staff remain committed to maintaining the high level of service, infrastructure investment, and quality of life that residents have come to expect while planning responsibly for the future.

BASIC FINANCIAL STATEMENTS

TOWN OF NEW CASTLE, COLORADO

STATEMENT OF NET POSITION
As of December 31, 2025

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTALS 2025	TOTALS 2024
ASSETS				
Cash and Investments	$ 5,265,573	$ 4,013,103	$ 9,278,676	$ 8,934,956
Receivables				
Property Taxes	769,714	-	769,714	657,992
Sales and Other	41,555	-	41,555	17,392
Accounts	-	347,457	347,457	310,588
Due from Other Governments	718,604	365,000	1,083,604	805,757
Capital Assets, not Depreciated	15,707,426	2,937,579	18,645,005	17,231,372
Capital Assets, Depreciated, Net of Accumulated Depreciation	9,367,591	14,264,632	23,632,223	24,954,479
TOTAL ASSETS	31,870,463	21,927,771	53,798,234	52,912,536
LIABILITIES				
Accounts Payable	522,742	164,355	687,097	225,152
Accrued Expenses	53,971	37,116	91,087	66,119
Unearned Revenues	18,628	-	18,628	260,724
Accrued Interest	-	44,447	44,447	43,297
Developer Escrow	31,636	-	31,636	20,261
Deferred Revenue	-	-	-	456,161
Compensated Absences	317,101	125,494	442,595	412,215
Noncurrent Liabilities				
Due within One Year	56,746	441,123	497,869	488,804
Due in More Than One Year	78,616	2,157,411	2,236,027	2,733,895
TOTAL LIABILITIES	1,079,440	2,969,946	4,049,386	4,706,628
DEFERRED INFLOWS				
Deferred Property Tax Revenue	769,714	-	769,714	657,992
NET POSITION				
Investment in Capital Assets	24,939,655	14,603,677	39,543,332	38,963,152
Restricted for Emergencies	327,000	-	327,000	308,000
Restricted for Cemetery Care	113,262	-	113,262	108,721
Unrestricted	4,641,392	4,354,148	8,995,540	8,168,043
TOTAL NET POSITION	$ 30,021,309	$ 18,957,825	$ 48,979,134	$ 47,547,916

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

TOWN OF NEW CASTLE , COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	$ 1,172,015	$ 12,015	$ -	$ 325,000
Public Safety	1,966,773	2,682	-	-
Public Works	2,514,644	-	-	-
Health and Welfare	46,513	-	-	-
Parks and Recreation	573,486	198,625	-	-
Interest on Long-Term Debt	7,413	-	-	-
Total Governmental Activities	6,280,844	213,322	-	325,000
Business-Type Activities				
Water	1,342,152	1,437,653	821,633	53,400
Wastewater	1,447,026	1,707,363	-	276,400
Trash	704,309	667,605	-	-
Interest on Long-Term Debt	104,126	-	-	-
Total Business-Type Activities	3,597,613	3,812,621	821,633	329,800
Total Primary Government	$ 9,878,457	$ 4,025,943	$ 821,633	$ 654,800
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 2025	TOTALS 2024
$ (835,000)	$ -	$ (835,000)	$ (1,032,057)
(1,964,091)	-	(1,964,091)	(1,656,609)
(2,514,644)	-	(2,514,644)	(1,744,030)
(46,513)	-	(46,513)	(53,408)
(374,861)	-	(374,861)	(997,426)
(7,413)	-	(7,413)	(9,555)
(5,742,522)	-	(5,742,522)	(5,493,085)
-	970,534	970,534	521,453
-	536,737	536,737	474,375
-	(36,704)	(36,704)	3,355
-	(104,126)	(104,126)	(85,787)
-	1,366,441	1,366,441	913,396
(5,742,522)	1,366,441	(4,376,081)	(4,579,689)
3,221,435	-	3,221,435	2,856,398
658,806	-	658,806	687,865
44,688	-	44,688	36,365
163,264	-	163,264	157,339
653,467	-	653,467	657,101
250,649	66,818	317,467	457,153
107,265	-	107,265	45,445
605,423	35,484	640,907	577,813
-	-	-	60,426
5,704,997	102,302	5,807,299	5,535,905
(37,525)	1,468,743	1,431,218	956,216
30,058,834	17,489,082	47,547,916	46,591,700
$ 30,021,309	$ 18,957,825	$ 48,979,134	$ 47,547,916

TOWN OF NEW CASTLE, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2025

	GENERAL FUND	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS 2025	TOTAL GOVERNMENTAL FUNDS 2024
ASSETS				
Cash and Investments	$ 4,945,454	$ 320,119	$ 5,265,573	$ 5,083,301
Taxes Receivable	769,714	-	769,714	657,992
Due from Other Governments	718,604	-	718,604	605,757
Accounts Receivable	41,555	-	41,555	17,392
TOTAL ASSETS	$ 6,475,327	$ 320,119	$ 6,795,446	$ 6,364,442
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	$ 522,584	$ 158	$ 522,742	$ 88,204
Accrued Liabilities	53,971	-	53,971	42,798
Deposits and Escrow	31,636	-	31,636	20,261
TOTAL LIABILITIES	608,191	158	608,349	151,263
DEFERRED INFLOWS				
Deferred Revenue	18,628	-	18,628	260,724
Deferred Property Taxes	769,714	-	769,714	657,992
Fund Balance				
Restricted	327,000	319,961	646,961	578,728
Committed	1,375,476	-	1,375,476	1,038,853
Assigned	246,960	-	246,960	498,497
Unassigned	3,129,358	-	3,129,358	3,178,385
TOTAL FUND EQUITY	5,078,794	319,961	5,398,755	5,294,463
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY	$ 6,475,327	$ 320,119		
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.			25,075,017	25,240,775
Long-term liabilities are not due and payable in the current period and are not reported in the funds. This includes Notes Payable ($135,362) and Accrued Compensated Absences ($317,101).			(452,463)	(476,404)
Net position of governmental activities			$ 30,021,309	$ 30,058,834

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, 2025

	GENERAL FUND	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS 2025	TOTAL GOVERNMENTAL FUNDS 2024
REVENUES				
Taxes	$ 4,741,660	$ -	$ 4,741,660	$ 4,436,360
Licenses and Permits	217,275	-	217,275	159,201
Intergovernmental	426,268	59,791	486,059	577,097
Charges for Services	132,727	4,000	136,727	223,722
Court	27,831	-	27,831	2,035
Developer Reimbursements	107,265	-	107,265	45,445
Interest	250,649	768	251,417	293,922
Sale of Assets	-		-	317,901
Miscellaneous	275,085	-	275,085	172,282
TOTAL REVENUES	6,178,760	64,559	6,243,319	6,227,965
EXPENDITURES				
General Government	1,109,726	-	1,109,726	1,341,510
Public Safety	1,903,427	-	1,903,427	1,611,348
Public Works	1,524,324	-	1,524,324	678,441
Health and Welfare	46,355	158	46,513	53,408
Parks and Recreation	489,472	15,168	504,640	1,133,834
Debt Service				
Principal	54,321	-	54,321	51,693
Interest	7,413	-	7,413	9,862
Capital Outlay	988,663	-	988,663	727,654
TOTAL EXPENDITURES	6,123,701	15,326	6,139,027	5,607,750
NET CHANGE IN FUND BALANCES	55,059	49,233	104,292	620,215
FUND BALANCES, Beginning	5,023,735	270,728	5,294,463	4,674,248
FUND BALANCES, Ending	$ 5,078,794	$ 319,961	$ 5,398,755	$ 5,294,463

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, 2025

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:		
Net Changes in Fund Balances - Total Governmental Funds	$	104,292
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 ($1,154,421) exceeds capital outlay $988,663.		(165,758)
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 $54,321, and change in accrued compensated absences ($30,380).		23,941
Change in Net Position of Governmental Activities	$	(37,525)

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, 2025

	2025	2024
ASSETS		
Current Assets		
Cash and Investments	$ 4,013,103	$ 3,851,655
Accounts Receivable	347,457	310,588
Due from Other Governments	365,000	200,000
Total Current Assets	4,725,560	4,362,243
Noncurrent Assets		
Capital Assets, net of accumulated depreciation	17,202,211	16,945,076
Total Noncurrent Assets	17,202,211	16,945,076
TOTAL ASSETS	21,927,771	21,307,319
LIABILITIES		
Current Liabilities		
Accounts Payable	164,355	136,948
Accrued Expenses	23,131	18,341
Accrued Interest Payable	44,447	43,297
Notes Payable, Current	441,123	434,483
Deferred Revenue	-	456,161
Total Current Liabilities	673,056	1,089,230
Noncurrent Liabilities		
Deposits	13,985	4,980
Compensated Absences	125,494	125,494
Notes Payable, Long Term	2,157,411	2,598,533
Total Noncurrent Liabilities	2,296,890	2,729,007
TOTAL LIABILITIES	2,969,946	3,818,237
NET POSITION		
Net Investment in Capital Assets	14,603,677	13,912,060
Unrestricted	4,354,148	3,577,022
TOTAL NET POSITION	$ 18,957,825	$ 17,489,082

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, 2025

	2025	2024
OPERATING REVENUES		
Water Sales	$ 1,437,653	$ 1,127,701
Wastewater Sales	1,707,363	1,710,436
Trash Sales	667,605	635,917
Other Revenues	35,484	14,641
TOTAL OPERATING REVENUES	3,848,105	3,488,695
OPERATING EXPENSES		
Water	1,342,152	1,372,662
Wastewater	1,447,026	1,367,061
Trash	704,309	632,562
TOTAL OPERATING EXPENSES	3,493,487	3,372,285
OPERATING INCOME (LOSS)	354,618	116,410
NON-OPERATING REVENUES (EXPENSES)		
Intergovernmental Grants	821,633	713,014
Interest Income	66,818	164,596
Interest Expense	(104,126)	(85,787)
TOTAL NON-OPERATING REVENUES (EXPENSES)	784,325	791,823
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	1,138,943	908,233
CONTRIBUTIONS AND TRANSFERS		
Capital Contributions	329,800	184,400
TOTAL CONTRIBUTIONS AND TRANSFERS	329,800	184,400
NET INCOME (LOSS)	1,468,743	1,092,633
NET POSITION, Beginning	17,489,082	16,430,402
Prior Period Adjustment	-	(33,953)
NET POSITION, Beginning, Restated	17,489,082	16,396,449
NET POSITION, Ending	$ 18,957,825	$ 17,489,082

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, 2025
Increase (Decrease) in Cash and Cash Equivalents

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	$ 3,811,236	$ 3,491,413
Cash Paid to Suppliers	(1,920,388)	(1,481,929)
Cash Paid to Employees	(754,606)	(1,084,384)
Net Cash Provided by Operating Activities	1,136,242	925,100
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of Fixed Assets	(1,043,431)	(710,057)
Note Payments	(434,482)	(422,457)
Interest Payments	(102,976)	(76,479)
Intergovernmental Grants	200,472	(88,410)
Tap Fees and Capital Contributions	338,805	163,040
Net Cash Used by Capital and Related Financing Activities	(1,041,612)	(1,134,363)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	66,818	164,596
Net (Decrease) in Cash and Cash Equivalents	161,448	(44,667)
CASH AND CASH EQUIVALENTS, Beginning	3,851,655	3,896,322
CASH AND CASH EQUIVALENTS, Ending	$ 4,013,103	$ 3,851,655
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income (Loss)	$ 354,618	$ 116,410
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	786,296	795,245
Changes in Assets and Liabilities		
Accounts Receivable	(36,869)	2,718
Accounts Payable	27,407	(5,493)
Accrued Expenses	4,790	(821)
Accrued Compensted Absencs	-	17,041
Total Adjustments	781,624	808,690
Net Cash Provided by Operating Activities	$ 1,136,242	$ 925,100

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

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.

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.

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.

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.

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, 2025.

- 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, 2025:

Emergency Reserves	$ 327,000
Parks and Recreation	206,699
Cemetery Care	113,262
Total	**$ 646,961**

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, 2025:

Support of Volunteer Ambulance Service	$ 8,250
Police Training and Vehicles	4,540
Burning Mountain Avenue Street Maintenance	93,309
Long Term Capital Reserve	800,000
Traffic Impact Fees	459,377
Perpetual Care	10,000
Total	**$ 1,375,476**

- 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, 2025:

Long-term Capital Reserve	**$ 246,960**

- 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.

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.

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, 2025 follows:

Petty Cash	$ 200
Cash Deposits	2,251,144
Investments	7,027,332
Total	**$ 9,278,676**

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

Governmental Activities	$ 5,265,573
Business-Type Activities	4,013,103
Total	**$ 9,278,676**

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, 2025, 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.

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, 2025, the Town had deposits with financial institutions with a carrying amount of $2,251,144. The bank balances with the financial institutions were $2,168,369. Of these balances, $458,199 were covered by federal depository insurance, $1,682,784 were covered by collateral held by authorized escrow agents in the financial institution's name (PDPA) and $27,368 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.

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

Local Government Investment Pools

The Town had invested $4,802,207 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 Statues, 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 statues, 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 $2,225,125 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.

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, 2025 is summarized below:

	Balances 12/31/24	Additions	Deletions	Balances 12/31/25
Governmental Activities				
Capital Assets, not depreciated				
Land	$ 14,956,525	$ 190,342	$ -	$ 15,146,867
Construction in Progress	380,698	290,213	110,352	560,559
Total Capital Assets, not depreciated	15,337,223	480,555	110,352	15,707,426
Capital Assets, depreciated				
Buildings	4,639,901	93,370	-	4,733,271
Machinery and Equipment	1,654,640	194,117	-	1,848,757
Infrastructure	20,334,743	330,973	-	20,665,716
Total Capital Assets, depreciated	26,629,284	618,460	-	27,247,744
Less Accumulated Depreciation				
Buildings	2,588,720	123,095	-	2,711,815
Machinery and Equipment	998,680	187,011	-	1,185,691
Infrastructure	13,138,332	844,315	-	13,982,647
Total Accumulated Depreciation	16,725,732	1,154,421	-	17,880,153
Total Capital Assets, depreciated, Net	9,903,552	(535,961)	-	9,367,591
Governmental Activities, Capital Assets, Net	**$ 25,240,775**	**$ (55,406)**	**$ 110,352**	**$ 25,075,017**

NOTE 4: ***CAPITAL ASSETS*** (Continued)

	Balances 12/31/24	Additions	Deletions	Balances 12/31/25
Business-Type Activities				
Capital Assets, not depreciated				
Land	$ 469,741	$ -	$ -	$ 469,741
Water Rights	516,282	-	-	516,282
Construction in Progress	908,126	1,043,430	-	1,951,556
Total Capital Assets, not depreciated	1,894,149	1,043,430	-	2,937,579
Capital Assets, depreciated				
Buildings and Improvements	18,163,236	-	-	18,163,236
Distribution and Collection	11,357,711	-	-	11,357,711
Machinery and Equipment	1,033,214	-	-	1,033,214
Total Capital Assets, depreciated	30,554,161	-	-	30,554,161
Less: Accumulated Depreciation				
Buildings and Improvements	8,788,177	508,404	-	9,296,581
Distribution and Collection	6,060,744	216,699	-	6,277,443
Machinery and Equipment	654,313	61,192	-	715,505
Total Accumulated Depreciation	15,503,234	786,295	-	16,289,529
Total Capital Assets, depreciated, Net	15,050,927	(786,295)	-	14,264,632
Business-Type Activities, Capital Assets, Net	**$ 16,945,076**	**$ 257,135**	**$ -**	**$ 17,202,211**

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

Governmental Activities	
General Government	$ 31,909
Public Safety	63,346
Public Works	990,320
Parks and Recreation	68,846
Total	**$ 1,154,421**
Business-type Activities	
Water	$ 293,220
Sewer	493,075
Total	**$ 786,295**

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, 2025.

	Balance 12/31/24	Additions	Payments	Balance 12/31/25	Due In One Year
Notes Payable	$ 189,683	$ -	$ 54,321	$ 135,362	$ 56,746
Accrued Compensated Absences, Restated	286,721	30,380	-	317,101	-
Total	**$ 476,404**	**$ 30,380**	**$ 54,321**	**$ 452,463**	**$ 56,746**

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, 2025 are as follows:

Year Ended December 31,	Principal	Interest	Total
2026	$ 56,746	$ 4,809	$ 61,555
2027	59,279	2,276	61,555
2028	19,337	177	19,514
Total Debt Service Requirements	**$ 135,362**	**$ 7,262**	**$ 142,624**

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, 2025.

	Balance 12/31/23	Additions	Payments	Balance 12/31/24	Due In One Year
2004 CWCB Loan	$ 370,197	$ -	$ 26,745	$ 343,452	$ 27,949
2008 CWRPDA Loan	2,662,819	-	407,738	2,255,082	413,174
Accrued Compensated Absences, Restated	125,494	-	-	125,494	-
Total	**$ 3,158,510**	**$ -**	**$ 434,483**	**$ 2,724,028**	**$ 441,123**

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.

NOTE 5: ***LONG-TERM DEBT*** (Continued)

Future Debt Service Requirements

Annual debt service requirements for the outstanding loans at December 31, 2025 are as follows:

Year Ended December 31,	Principal	Interest	Total
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	532,422	21,618	554,040
2031 - 2035	190,551	26,477	217,028
Total Debt Service Requirements	**$ 2,598,534**	**$ 249,686**	**$ 2,848,220**

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, 2025 and 2024, employer and employees contributed $181,165 and $166,571, 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).

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 AN 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, 2025, the emergency reserve of $327,000 was recorded in the General Fund.

NOTE 9: *SUBSEQUENT EVENTS*

Potential subsequent events were considered through July 31, 2026. No events were identified for disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF NEW CASTLE, COLORADO

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2025

	2025				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
REVENUES					
Taxes	$ 4,082,333	$ 4,082,333	$ 4,741,660	$ 659,327	$ 4,436,360
Licenses and Permits	105,938	105,938	217,275	111,337	159,201
Intergovernmental	650,000	650,000	426,268	(223,732)	516,454
Charges for Services	145,000	145,000	132,727	(12,273)	213,322
Court	12,200	12,200	27,831	15,631	2,035
Developer Reimbursements	40,000	40,000	107,265	67,265	45,445
Interest	220,700	220,700	250,649	29,949	293,041
Sale of Assets	22,500	22,500	-	(22,500)	317,901
Miscellaneous	455,430	455,430	275,085	(180,345)	172,282
TOTAL REVENUES	5,734,101	5,734,101	6,178,760	444,659	6,156,041
EXPENDITURES					
Current					
General Government	1,064,305	1,265,354	1,109,726	155,628	1,341,510
Public Safety	1,836,390	1,836,390	1,903,427	(67,037)	1,611,348
Public Works	1,758,291	1,758,291	1,524,324	233,967	678,441
Health and Welfare	53,500	53,500	46,355	7,145	53,244
Parks and Recreation	1,060,408	1,060,408	489,472	570,936	1,132,334
Capital Outlay	20,000	20,000	988,663	(968,663)	727,654
Debt Service					
Principal	54,000	54,000	54,321	(321)	51,693
Interest	7,600	7,600	7,413	187	9,862
TOTAL EXPENDITURES	5,854,494	6,055,543	6,123,701	(68,158)	5,606,086
NET CHANGE IN FUND BALANCE	(120,393)	(321,442)	55,059	376,501	549,955
FUND BALANCE, Beginning	4,961,776	4,961,776	5,023,735	61,959	4,473,780
FUND BALANCE, Ending	$ 4,841,383	$ 4,640,334	$ 5,078,794	$ 438,460	$ 5,023,735

See the accompanying independent auditors' report.

COMBINING AND INDIVIDUAL FUND SCHEDULES

TOWN OF NEW CASTLE, COLORADO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2025

	SPECIAL REVENUE FUND CONSERVATION TRUST FUND	PERMANENT FUND CEMETERY TRUST FUND	TOTALS 2025	TOTALS 2024
ASSETS				
Cash	$ 206,699	$ 113,420	$ 320,119	$ 270,892
TOTAL ASSETS	$ 206,699	$ 113,420	$ 320,119	$ 270,892
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ -	$ 158	$ 158	$ 164
FUND EQUITY				
Fund Balance				
Restricted for Cemetery Care	$ -	$ 113,262	$ 113,262	$ 108,721
Restricted for Park and Recreation	206,699	-	206,699	162,007
TOTAL FUND EQUITY	206,699	113,262	319,961	270,728
TOTAL LIABILITIES AND FUND BALANCES	$ 206,699	$ 113,420	$ 320,119	$ 270,892

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, 2025

	SPECIAL REVENUE FUND CONSERVATION TRUST FUND	PERMANENT FUND CEMETERY TRUST FUND	TOTALS 2025	TOTALS 2024
REVENUES				
Intergovernmental	$ 59,791	$ -	$ 59,791	$ 60,643
Charges for Services	-	4,000	4,000	10,400
Interest	69	699	768	881
TOTAL REVENUES	59,860	4,699	64,559	71,924
EXPENDITURES				
Health and Welfare	-	158	158	164
Parks and Recreation	15,168	-	15,168	1,500
TOTAL EXPENDITURES	15,168	158	15,326	1,664
NET CHANGE IN FUND BALANCES	44,692	4,541	49,233	70,260
FUND BALANCES, Beginning	162,007	108,721	270,728	200,468
FUND BALANCES, Ending	$ 206,699	$ 113,262	$ 319,961	$ 270,728

See the accompanying independent auditors' report.

TOWN OF NEW CASTLE, COLORADO

CONSERVATION TRUST FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2025

	2025			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
REVENUES				
Intergovernmental	$ 63,000	$ 59,791	$ (3,209)	$ 60,643
Interest	70	69	(1)	66
TOTAL REVENUES	63,070	59,860	(3,210)	60,709
EXPENDITURES				
Parks and Recreation	63,550	15,168	48,382	1,500
NET CHANGE IN FUND BALANCE	(480)	44,692	45,172	59,209
FUND BALANCE, Beginning	167,139	162,007	(5,132)	102,798
FUND BALANCE, Ending	$ 166,659	$ 206,699	$ 40,040	$ 162,007

See the accompanying independent auditors' report.

TOWN OF NEW CASTLE, COLORADO

CEMETERY FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2025

	2025			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
REVENUES				
Sale of Plots	$ 10,000	$ 4,000	$ (6,000)	$ 10,400
Interest and Other	790	699	(91)	815
TOTAL REVENUES	10,790	4,699	(6,091)	11,215
EXPENDITURES				
Maintenance and Operations	2,500	158	2,342	164
NET CHANGE IN FUND BALANCE	8,290	4,541	(3,749)	11,051
FUND BALANCE, Beginning	92,003	108,721	16,718	97,670
FUND BALANCE, Ending	$ 100,293	$ 113,262	$ 12,969	$ 108,721

See the accompanying independent auditors' report.

TOWN OF NEW CASTLE, COLORADO

UTILITY FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2025

	2025			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
REVENUES				
Water Sales	$ 1,328,231	$ 1,437,653	$ 109,422	$ 1,127,701
Wastewater Sales	1,693,014	1,707,363	14,349	1,710,436
Trash Sales	673,652	667,605	(6,047)	635,917
Intergovernmental Grants	895,000	821,633	(73,367)	713,014
Tap Fees and Contributions	232,800	329,800	97,000	184,400
Interest	-	66,818	66,818	164,596
Other Revenues	-	35,484	35,484	14,641
TOTAL REVENUES	4,822,697	5,066,356	243,659	4,550,705
EXPENDITURES				
Water	1,127,104	1,027,634	99,470	1,072,373
Wastewater	1,105,524	975,248	130,276	957,892
Trash	646,911	704,309	(57,398)	632,562
Debt Service	537,459	538,609	(1,150)	516,484
Capital Outlay	1,291,000	1,043,430	247,570	710,056
TOTAL EXPENDITURES	4,707,998	4,289,230	418,768	3,889,367
NET INCOME, Budget Basis	$ 114,699	777,126	$ 662,427	661,338
GAAP BASIS ADJUSTMENTS				
Capital Outlay		1,043,430		710,056
Loan Principal Payments		434,483		516,484
Depreciation		(786,296)		(795,245)
NET INCOME, GAAP Basis		1,468,743		1,092,633
NET POSITION, Beginning, Restated		17,489,082		16,396,449
NET POSITION, Ending		$ 18,957,825		$ 17,489,082

See the accompanying independent auditors' report.

COMPLIANCE

COLORADO
Department of Transportation

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6. Remember to click "Save" to save any changes.

Annual Highway Finance Report - CY25

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:	$	979,799.00
3. Other local imposts: *from A.3. 'Total' below)*	$	1129699.00
4. Miscellaneous local receipts: *from A.4. 'Total' below)*	$	23316.00
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
d. Total:	$	0.00
7. Total:	$	2132814.00
B. Private Contributions	$	0.00
C. Receipts from State government	$	192113.00
D. Receipts from Federal government	$	0.00
E. Total Receipts (A.7 + B + C + D)	$	2324927.00

Receipts, Disbursements & Costs

II - Receipts for Road & Street Purposes (Detail)

A.3.¦ Other local imposts

a. Property Taxes &and Assessments	$	0.00
a. Non-property Taxes and Assessments Imposts	$	1,129,699.00
Total: *(a + b) carried to 'Other local imposts' above)*	$	1129699.00

A.4.¦ Miscellaneous local receipts

a. Interest on Investments:	$	43.00
b. Other Misc. Local Receipts:	$	23,273.00
Total: *(a through h) carried to 'Misc local receipts' above)*	$	23316.00

C. Receipts from State Government

1. Highway User Taxes:	$	182,113.00
3. Other State funds:		
c. Non-State Bond Proceeds:	$	10,000.00
Total: *(1+3c,d,e)*	$	192113.00

D. Receipts from Federal Government

1. FHWA	$	0.00
2. Other Federal Agencies	$	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)*	$	453735.00
2. Maintenance:	$	678,326.00
3. Road and street services		
a.¦Snow and ice removal:	$	109,015.00

b. Other & Traffic Control Operations:	$ 61,985.00
c. Total (a + b):	$ 171000.00
4. General administration and miscellaneous	$ 49,698.00
5. Highway law enforcement and safety	$ 972,168.00
6. Total (A.1-5):	$ 2324927.00

B. Debt service on local obligations

1.¦ Bonds	
a.¦Interest	$ 0.00
b.¦Redemption	$ 0.00
c. Total (a + b):	$ 0.00
2.¦ Notes	
a.¦Interest	$ 0.00
b.¦Redemption	$ 0.00
c. Total (a + b):	$ 0.00
Total: *(1+2)*	$ 0.00
C. Payments to State for Highways:	$ 0.00
D. Payments to Toll Facilities:	$ 0.00
E. Total Expenditures: *(A6+B3+C+D)*	$ 2324927.00

Receipts, Disbursements & Costs

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

A.1. Capital Outlay

a. Right-of-way Costs:	$ 0.00
b. Engineering Costs:	$ 0.00
c. Construction Costs:	$ 453,735.00
d. Total: *(a+b+c)*	$ 453735.00

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	$ 2324927.00	$ 2324927.00	$ 0.00	$ 0.00

Notes and Comments:

Please enter your name: Viktoriya Ehlers

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

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