

TOWN OF NEW CASTLE, COLORADO

BASIC FINANCIAL STATEMENTS

December 31, 2023

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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, 2023, 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, 2023, 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 30, 2024



Town of New Castle, Colorado
Management's Discussion and Analysis
Fiscal Year Ending December 31, 2023

This Management's Discussion and Analysis (MD&A) of the Town of New Castle's 2023 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 – 24 of this report.

Financial Highlights

Governmental Activities

- As of December 31, 2023 the governmental funds held \$5,447,562 in assets that were readily convertible to cash and \$316,017 in current liabilities.
- As of December 31, 2023 the Town's governmental activities fund held \$25,964,822 in depreciated capital assets, a 0.59% decrease; and \$241,683 in capital asset liabilities, a 17.08% decrease.
- Total 2023 sales tax revenue increased 6.3% or \$169,384 compared to fiscal year 2022. The 3.5% Town sales tax revenue increased 4.49% or \$111,227 compared to 2022.
- 2023 property tax revenue decreased by \$5,773 or 1.09% compared to fiscal year 2022.
- 2023 tobacco tax revenue decreased by 5.11% or \$19,396 compared to fiscal year 2022.
- 2023 building permit revenue decreased by 60.34% or \$84,966 compared to fiscal year 2022. 2023 use tax revenue decreased by 71.95% or \$67,778 compared to fiscal year 2022.
- 2023 lodging tax revenue increased by 123.30% or \$19,908 compared to fiscal year 2022.
- 2023 mineral lease tax revenue increased by 40.61% or \$102,410 compared to fiscal year 2022 and severance tax revenue decreased by 3.56% or \$4,060.
- 2023 governmental activities salary expense increased by 12.70% or \$231,940 compared to fiscal year 2022, partially due to a reallocation of salaries among funds. Total salaries for all funds increased by 11.52% or \$297,677 for 2023.
- Total governmental activities net position increased by 2.43% or \$716,403 during the 2023 fiscal year.

Business-type Activities

- As of December 31, 2023 total assets were \$21,239,892, a decrease of 0.15% or \$30,981. Cash, investments and receivables increased by \$14,592 and capital assets decreased by \$45,573.
- 2023 revenue from the water, wastewater and trash charges for services increased by \$39,594 or 1.16% compared to fiscal year 2022.
- 2023 business-type activities salary expense increased by 8.69% or \$65,737 compared to fiscal year 2022, partially due to a reallocation of salaries among funds. Total salaries for all funds increased by 11.52% or \$297,677 for 2023.

Business-type Activities (Continued)

- 2023 business-type activities electric and natural gas utility expense of \$193,580 was a decrease of 10.57% or \$22,875 compared to fiscal year 2022.
- Total enterprise liabilities decreased by \$610,890 during 2023 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. \$338,597 funds were spent as of December 31, 2023.

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	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 5,447,562	\$ 4,507,468	\$ 4,209,628	\$ 4,195,036	\$ 9,657,190	\$ 8,702,504
Capital assets	25,964,822	26,119,461	17,030,264	17,075,839	42,995,086	43,195,300
Total assets	31,412,384	30,626,929	21,239,892	21,270,875	52,652,276	51,897,804
Long-term debt outstanding	189,683	241,683	3,033,014	3,455,473	3,222,697	3,697,156
Other liabilities	966,784	845,732	1,776,476	1,964,907	2,743,260	2,810,639
Total liabilities	1,156,467	1,087,415	4,809,490	5,420,380	5,965,957	6,507,795
Net Position:						
Net Investment in						
Capital assets	25,723,139	25,900,252	13,574,791	13,204,445	39,297,930	39,104,697
Restricted	359,670	337,526	-	-	359,670	337,526
Unrestricted	4,173,108	3,301,736	2,855,611	2,646,048	7,028,719	5,947,784
Total net position	\$ 30,255,917	\$ 29,539,514	\$ 16,430,402	\$ 15,850,493	\$ 46,686,319	\$ 45,390,007

The Town’s total net position for fiscal year 2023 increased by 2.86% or \$1,296,312. The Town’s assets exceed liabilities by \$46,686,319 (net position) as of December 31, 2023. By far the largest portion of net position (84.17%) 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 (0.76%) represents resources that are subject to various debt provisions, contracts and agreements on how they may be used. The remaining balance of \$7,028,719 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 2023.

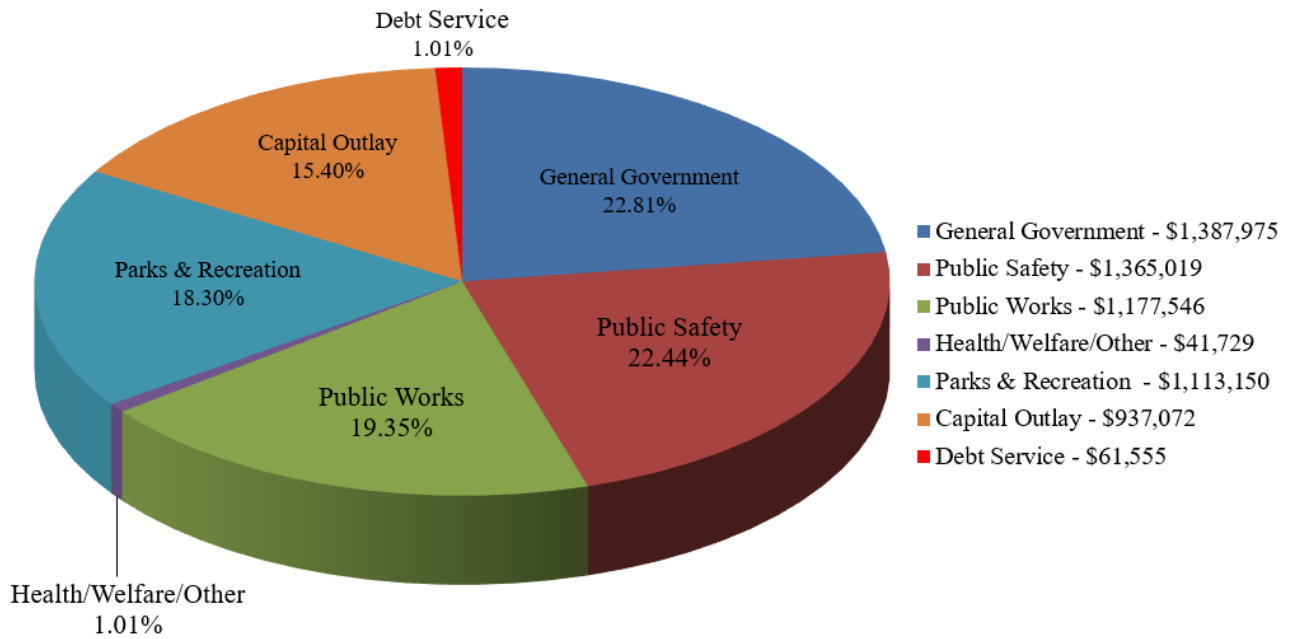
	Governmental		Business Type		Totals	
	2023	2022	2023	2022	2023	2022
<u>Revenues:</u>						
Program Revenues:						
Charges for Services	\$ 229,489	\$ 229,715	\$3,572,945	\$3,769,151	\$3,802,434	\$3,998,866
Capital Grants	519,550	155,007	338,597	70,772	858,147	225,779
Total Program Revenues	<u>749,039</u>	<u>384,722</u>	<u>3,911,542</u>	<u>3,839,923</u>	<u>4,660,581</u>	<u>4,224,645</u>
General Revenues						
Sales and Use Taxes	2,857,746	2,688,362	-	-	2,857,746	2,688,362
Property Taxes	524,458	530,231	-	-	524,458	530,231
Franchise Taxes	184,870	162,828	-	-	184,870	162,828
Other Taxes	771,629	846,408	-	-	771,629	846,408
Investment Income	266,390	63,783	515	165	266,905	63,948
Developer Reimbursement	29,601	39,499	-	-	29,601	39,499
Other Revenues	630,579	532,026	-	17,812	630,579	549,838
Gain (Loss) on Disposal of Assets	-	(138,262)	-	-	0	(138,262)
Total General Revenues	<u>5,265,273</u>	<u>4,724,875</u>	<u>515</u>	<u>17,977</u>	<u>5,265,788</u>	<u>4,742,852</u>
Total Revenue	<u>6,014,312</u>	<u>5,109,597</u>	<u>3,912,057</u>	<u>3,857,900</u>	<u>9,926,369</u>	<u>8,967,497</u>
<u>Expenses:</u>						
General Government	1,394,402	906,386	-	-	1,394,402	906,386
Public Safety	1,414,453	1,270,765	-	-	1,414,453	1,270,765
Public Works	1,253,150	1,644,595	-	-	1,253,150	1,644,595
Parks & Recreation	1,185,974	886,471	-	-	1,185,974	886,471
Health & Welfare	41,729	43,294	-	-	41,729	43,294
Water	-	-	1,313,880	1,163,782	1,313,880	1,163,782
Wastewater	-	-	1,310,021	1,292,191	1,310,021	1,292,191
Sanitation	-	-	593,051	564,612	593,051	564,612
Interest	8,201	14,077	115,196	130,220	123,397	144,297
Total Expenses	<u>5,297,909</u>	<u>4,765,588</u>	<u>3,332,148</u>	<u>3,150,805</u>	<u>8,630,057</u>	<u>7,916,393</u>
Change in Net Position	\$ 716,403	\$ 344,009	\$ 579,909	\$ 707,095	\$1,296,312	\$1,051,104

Governmental Activities

Taxes comprise the largest source of operating revenue for the Town’s governmental activities. 2023 tax source revenue was \$4,338,703, which is 72.14% of total revenues from governmental activities. Property taxes of \$524,458 represent 12.09% of total tax revenue. Charges for services equaled \$229,489 representing 3.82% of total revenues.

The cost of governmental activities (excluding capital outlay) in 2023 was \$4,259,552 compared to \$3,746,774 in 2022, 13.69% 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	2023	2022	% Change
General Government	\$ 1,387,975	\$ 873,271	58.94
Public Safety	1,365,019	1,234,713	10.55
Public Works	1,177,546	718,979	63.78
Health/Welfare/Other	41,729	43,294	(3.61)
Parks & Recreation	1,113,150	817,798	36.12
Capital Outlay	937,072	1,012,801	(7.48)
Debt Service	61,555	61,728	(0.28)

Business-type Activities

Total 2023 operating revenue from the Town's business-type activities increased by \$128,582 compared to 2022; operating expenses for 2023 increased by \$190,367 compared to 2022.

Total business type net position during 2023 increased by \$579,909, mainly due to an adjustment of utility rates, additional tap fees collected and water rights dedication fees due to an uptick of building activity.

Fund Balance

At the end of 2023, the Town's governmental funds reported a combined fund balance of \$4,674,248 (pg. 3). This is an increase of \$817,688 compared to the prior years ending balance. Of this total balance \$2,698,241 is unassigned and available to finance the Town's future operations and programs; \$262,000 is restricted for emergencies, \$102,798 is restricted for Conservation Trust Fund approved expenses, \$97,670 is restricted for cemetery care; \$8,250 is committed for use in operating a volunteer ambulance service *or* to maintain and enhance the municipal parks and trees (Ord. #315), \$2,201 is committed for Police training (Ord. #383 & 2007-4), \$5,494 is committed for Burning Mtn. Ave street maintenance (9/1995 SIA Agreement), and \$399,097 is committed for traffic impacts (Ord. # 2002-17).

At year end the business-type activities reported total net position of \$16,430,402, an increase of \$579,909. Of this total net position \$2,855,611 is unrestricted (pg. 6).

Budgetary Highlights – General Fund – (pg. 25)

The General Fund balance was budgeted to increase by \$5,665 for 2023, the actual increase was \$854,624. This increase was largely due to sales tax collections which came in at \$80,637 over budget and increased mineral lease/severance tax revenues which came in at \$339,638 over budget as well as overall expense savings in salaries and benefits due to staffing vacancies. Additionally, a trail project totaling \$1.2 million that is being funded by grants and other partners was budgeted both in revenues and expenditures.

Capital Assets and Debt Administration

At year end the Town had \$42,995,086 invested in a broad range of capital assets including land and improvements, buildings, parks and equipment, vehicles, equipment, and water and sewer plants and distribution and collection systems. This is a net decrease of \$200,212 or 0.46% from the 2022 year-end amount. 2023 capital additions totaling \$1,662,282 were offset by depreciation in the amount of \$1,636,135. Significant asset additions are detailed on the next page.

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

	Governmental		Business-type		Total Government	
	2023	2022	2023	2022	2023	2022
Land	\$15,214,000	\$15,214,000	\$ 469,741	\$ 469,741	\$15,683,741	\$15,683,741
Water Rights	-	-	516,282	516,282	516,282	516,282
Buildings and Improvements	4,576,244	4,547,711	18,161,711	17,823,114	22,737,955	22,370,825
Distribution/Collection Systems	-	-	11,357,711	11,357,711	11,357,711	11,357,711
Infrastructure	19,862,466	19,278,199	-	-	19,862,466	19,278,199
Property and Equipment	1,503,590	1,459,007	1,011,278	822,585	2,514,868	2,281,592
Construction in Process	357,782	305,452	221,530	22,610	579,312	328,062
Less: Accumulated Depreciation	(15,549,260)	(14,684,908)	(14,707,989)	(13,936,206)	(30,257,249)	(28,621,114)
Total Capital Assets	\$25,964,822	\$26,119,461	\$17,030,264	\$17,075,837	\$42,995,086	\$43,195,298

During 2023 the Town completed an Asphalt Overlay Project on portions of Current Drive, Dragon Root, Lupin Drive, Mallow Court, Mesquite Court, Pennyroyal Court, Rio Grande Avenue, Oak Court, East Capital and Ginseng, purchased two Chevy Silverado for the Parks and Streets Departments, completed construction of the Dog Park and Ice Rink, equipped Police Department with new vehicle radios and body cameras, build out Chief of Police vehicle, upgraded distribution/collection equipment for Utilities Department, upgraded moscad radios, and completed 1st phase of Red Rocks Ditch capital project, and various other equipment purchases. Significant capital assets added during 2023 are shown below.

Significant 2023 Capital Asset Additions

Street Asphalt Overlay & Crack Sealing Project	\$ 515,018
Dog Park	57,557
Ice Rink	11,691
Bobcat Grader Attachment	21,291
Verti-cutter 2000	12,660
SmithCo Aerator	12,969
Facility Security Cameras	37,212
Police Vehicle Radios and Body Cameras	50,685
Police Vehicle Buildout-Chief	23,742
2 Chevy Silverado Pickups	110,362
Distribution/Collection Equipment for Utilities Department	96,634
Moscad Radio Upgrade	59,500
New filter #3 underdrains and fixer media	32,559
Red Rocks Ditch-Raw Water Irrigation-Phase 1	<u>338,597</u>
Total	<u>\$1,380,477</u>

Outstanding Debt (pg. 21–22)

	Governmental Activities		Business-type Activities		Total Government	
	2023	2022	2023	2022	2023	2022
2004 Water Loan	\$ -	\$ -	\$ 395,790	\$ 420,281	\$ 395,790	\$ 420,281
2008 Wastewater Loan	-	-	3,059,683	3,451,111	3,059,683	3,451,111
Notes Payable	241,683	291,461	-	-	241,683	291,461
GO Bonds, Series 2010	-	-	-	-	-	-
Accrued Absences	141,470	145,046	-	-	141,470	145,046
Total Long-term Obligations	\$ 383,153	\$ 436,507	\$3,455,473	\$3,871,392	\$3,838,626	\$4,307,899

Economic and Other Factors

Recovery and Staffing

With the pandemic solidly behind us and supply chain and staffing issues mostly smoothed out, New Castle began to see a return to normal in 2023. While not everything was perfect, contractors, business owners, and the Town saw improvements in staffing levels, the availability of goods and materials, and the ability to move forward with most projects.

One of the more pressing challenges for the Town staff that lingered into 2023 was the transition of team members who moved away from the area or made life choices to retire or discontinue full-time employment. The Town worked hard throughout 2023 to fill employment vacancies with well-qualified individuals who demonstrated a strong desire to use their skills in the service of a community that they love. Recognizing the value of a strongly committed staff, the Town Council continued their support for staff members by committing to appropriate compensation levels, expanded retirement benefits, and continued contributions to health care and wellness programs. By the end of 2023, town staff and area business owners had seen significant improvements in staffing levels over the previous year with a trend toward more improvement in 2024.

Community Events and Activities

Despite being short-staffed during much of 2023, New Castle was proud to organize and host over a dozen major community events and a host of smaller community activities. Despite the loss of our long-term Recreational Director in early 2023, Town staff, joined by new team members, pulled together to offer our community a diverse palette of fun events and activities for all age levels.

Financial Overview

As with 2022, the Town of New Castle saw improvements in overall revenues for 2023 but also felt the effects of substantial increases in operating expenses. Sales tax revenues increased by 4.49% over that of 2022 but were down sharply when compared to the double-digit increases that were seen during the pandemic years of 2019, 2020, 2021, and 2022. Large national inflation rates of 7% and 6.5% in 2021 and 2022 finally calmed to 3.4% in 2023 but did account for higher-than-average increases in utility rates, materials rates, and other Town expenses.

Housing and Development

With a calming of inflation rates and material costs came a desire from builders and developers to move forward with projects and developments that may have been on hold. Unfortunately, lowering inflation rates came at the cost of higher interest and mortgage rates which worked to slow the sale of existing homes as well as the construction of new homes. While New Castle issued a total of 108 Building Permits in 2023, only 11 of those permits were for the construction of new homes. The town anticipates higher numbers of new housing starts in 2024.

Capital Projects

2023 was a busy year for the Town as staff worked to complete a long list of capital projects. Projects that began or were completed in 2023 included:

- Raw Water Irrigation Expansion Phase 1
- Wastewater Digester Blower Building
- Town Hall Flooring
- Facility Security Project
- Streets paving and resurfacing projects
- Burning Mountain Bike and Hiking Trail
- Eastern LoVa Trail segment
- The purchase of two Police Vehicles
- The purchase of two Public Works Vehicles
- New Police Department Body Cameras
- New Parks Department Equipment

Other significant Town projects included updates to the Town's Building Codes, Wildfire Urban Interface Code, Building Energy Code, and the hiring of a new Town Judge and new Town Prosecutor.

Reserve Funds and Financial Practices

Overall, the Town did well in 2023 to continue its commitment to proper reserve fund balances. With an additional \$200,000 being allocated toward Long Term Capital Reserve and an additional \$200,000 being committed to Unassigned Reserve Funds, the Town is tracking well to stay in line with recommendations to properly size our reserve funds to a figure equal to 6 months of our annual revenues.

Outlook for 2024

Moving into 2024, staff anticipates a slow but steady increase in the rate of new homes and development. Staffing levels are expected to normalize as the availability of qualified and committed individuals looks to be on the rise. Housing costs, and the overall cost of living in the area, will remain a challenge and continue to pose concerns for area employers. Town staff and Town Council remain committed to responsible financial practices and providing our residents with a level of service and quality of amenities that makes New Castle a very special place to call home.

BASIC FINANCIAL STATEMENTS

TOWN OF NEW CASTLE, COLORADO

STATEMENT OF NET POSITION

As of December 31, 2023

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTALS	
			2023	2022
ASSETS				
Cash and Investments	\$ 4,256,213	\$ 3,896,322	\$ 8,152,535	\$ 7,344,407
Receivables				
Property Taxes	650,767	-	650,767	523,425
Sales and Other	4,828	-	4,828	13,674
Accounts	-	313,306	313,306	304,794
Due from Other Governments	535,754	-	535,754	516,204
Capital Assets, not Depreciated	15,571,782	1,207,553	16,779,335	16,528,085
Capital Assets, Depreciated, Net of Accumulated Depreciation	10,393,040	15,822,711	26,215,751	26,667,213
TOTAL ASSETS	31,412,384	21,239,892	52,652,276	51,897,802
LIABILITIES				
Accounts Payable	65,926	142,441	208,367	152,793
Accrued Expenses	44,710	45,502	90,212	37,455
Unearned Revenues	-	-	-	11,356
Accrued Interest	-	33,989	33,989	43,297
Developer Escrow	11,911	-	11,911	38,757
Deferred Revenue	-	1,057,585	1,057,585	1,324,313
Compensated Absences	141,470	74,500	215,970	213,546
Noncurrent Liabilities				
Due within One Year	52,000	422,459	474,459	465,697
Due in More Than One Year	189,683	3,033,014	3,222,697	3,697,156
TOTAL LIABILITIES	505,700	4,809,490	5,315,190	5,984,370
DEFERRED INFLOWS				
Deferred Property Tax Revenue	650,767	-	650,767	523,425
NET POSITION				
Investment in Capital Assets	25,723,139	13,574,791	39,297,930	39,104,697
Restricted for Emergencies	262,000	-	262,000	259,000
Restricted for Cemetery Care	97,670	-	97,670	78,526
Unrestricted	4,173,108	2,855,611	7,028,719	5,947,784
TOTAL NET POSITION	\$ 30,255,917	\$ 16,430,402	\$ 46,686,319	\$ 45,390,007

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

TOWN OF NEW CASTLE , COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2023

<u>FUNCTIONS/PROGRAMS</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>		
		<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 1,394,402	\$ -	\$ -	\$ 519,550
Public Safety	1,414,453	4,234	-	-
Public Works	1,253,150	-	-	-
Health and Welfare	41,729	-	-	-
Parks and Recreation	1,185,974	225,255	-	-
Interest on Long-Term Debt	8,201	-	-	-
Total Governmental Activities	<u>5,297,909</u>	<u>229,489</u>	<u>-</u>	<u>519,550</u>
Business-Type Activities				
Water	1,313,880	1,261,237	338,597	53,400
Wastewater	1,310,021	1,598,420	-	53,400
Trash	593,051	606,488	-	-
Interest on Long-Term Debt	115,196	-	-	-
Total Business-Type Activities	<u>3,332,148</u>	<u>3,466,145</u>	<u>338,597</u>	<u>106,800</u>
Total Primary Government	<u>\$ 8,630,057</u>	<u>\$ 3,695,634</u>	<u>\$ 338,597</u>	<u>\$ 626,350</u>

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

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	
		2023	2022
\$ (874,852)	\$ -	\$ (874,852)	\$ (751,379)
(1,410,219)	-	(1,410,219)	(1,267,645)
(1,253,150)	-	(1,253,150)	(1,644,595)
(41,729)	-	(41,729)	(43,294)
(960,719)	-	(960,719)	(659,876)
(8,201)	-	(8,201)	(14,077)
<u>(4,548,870)</u>	<u>-</u>	<u>(4,548,870)</u>	<u>(4,380,866)</u>
-	339,354	339,354	331,717
-	341,799	341,799	475,540
-	13,437	13,437	12,081
<u>-</u>	<u>(115,196)</u>	<u>(115,196)</u>	<u>(130,220)</u>
<u>-</u>	<u>579,394</u>	<u>579,394</u>	<u>689,118</u>
(4,548,870)	579,394	(3,969,476)	(3,691,748)
2,857,746	-	2,857,746	2,688,362
524,458	-	524,458	530,231
34,746	-	34,746	39,598
184,870	-	184,870	162,828
736,883	-	736,883	806,810
266,390	515	266,905	63,948
29,601	-	29,601	39,499
630,579	-	630,579	549,838
<u>-</u>	<u>-</u>	<u>-</u>	<u>(138,262)</u>
<u>5,265,273</u>	<u>515</u>	<u>5,265,788</u>	<u>4,742,852</u>
716,403	579,909	1,296,312	1,051,104
<u>29,539,514</u>	<u>15,850,493</u>	<u>45,390,007</u>	<u>44,338,903</u>
<u>\$ 30,255,917</u>	<u>\$ 16,430,402</u>	<u>\$ 46,686,319</u>	<u>\$ 45,390,007</u>

TOWN OF NEW CASTLE, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2023

	GENERAL FUND	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS	
			2023	2022
ASSETS				
Cash and Investments	\$ 4,055,516	\$ 200,697	\$ 4,256,213	\$ 3,454,165
Taxes Receivable	650,767	-	650,767	523,425
Due from Other Governments	535,754	-	535,754	516,204
Accounts Receivable	4,828	-	4,828	13,674
Due from Other Funds	-	-	-	10,000
TOTAL ASSETS	\$ 5,246,865	\$ 200,697	\$ 5,447,562	\$ 4,517,468
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ 65,697	\$ 229	\$ 65,926	\$ 53,050
Accrued Liabilities	44,710	-	44,710	24,320
Unearned Revenues	-	-	-	11,356
Due to Other Funds	-	-	-	10,000
Deposits and Escrow	11,911	-	11,911	38,757
TOTAL LIABILITIES	122,318	229	122,547	137,483
DEFERRED INFLOWS				
Deferred Property Taxes	650,767	-	650,767	523,425
Fund Balance				
Restricted	262,000	200,468	462,468	496,404
Committed	415,042	-	415,042	408,471
Assigned	1,098,497	-	1,098,497	712,885
Unassigned	2,698,241	-	2,698,241	2,238,800
TOTAL FUND EQUITY	4,473,780	200,468	4,674,248	3,856,560
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY	\$ 5,246,865	\$ 200,697		

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.	25,964,822	26,119,461
Long-term liabilities are not due and payable in the current period and are not reported in the funds. This includes Notes Payable (\$241,683) and Accrued Compensated Absences (\$141,470).	(383,153)	(436,507)
Net position of governmental activities	\$ 30,255,917	\$ 29,539,514

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, 2023

	GENERAL FUND	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS	
			2023	2022
REVENUES				
Taxes	\$ 4,338,703	\$ -	\$ 4,338,703	\$ 4,227,828
Licenses and Permits	91,860	-	91,860	156,495
Intergovernmental	874,153	79,054	953,207	482,988
Charges for Services	229,489	19,200	248,689	240,115
Court	1,213	-	1,213	5,619
Developer Reimbursements	29,601	-	29,601	39,499
Interest	266,390	829	267,219	64,030
Miscellaneous	83,820	-	83,820	31,285
TOTAL REVENUES	<u>5,915,229</u>	<u>99,083</u>	<u>6,014,312</u>	<u>5,247,859</u>
EXPENDITURES				
General Government	1,387,975	-	1,387,975	873,271
Public Safety	1,365,019	-	1,365,019	1,234,713
Public Works	1,177,546	-	1,177,546	718,979
Health and Welfare	40,911	818	41,729	43,294
Parks and Recreation	977,949	135,201	1,113,150	814,789
Debt Service				
Principal	49,614	-	49,614	47,651
Interest	11,941	-	11,941	14,077
Capital Outlay	49,650	-	49,650	1,012,801
TOTAL EXPENDITURES	<u>5,060,605</u>	<u>136,019</u>	<u>5,196,624</u>	<u>4,759,575</u>
NET CHANGE IN FUND BALANCES	854,624	(36,936)	817,688	488,284
FUND BALANCES, Beginning	<u>3,619,156</u>	<u>237,404</u>	<u>3,856,560</u>	<u>3,368,276</u>
FUND BALANCES, Ending	<u>\$ 4,473,780</u>	<u>\$ 200,468</u>	<u>\$ 4,674,248</u>	<u>\$ 3,856,560</u>

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, 2023

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

Net Changes in Fund Balances - Total Governmental Funds	\$ 817,688
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 (\$1,091,711) exceeds capital outlay \$937,072.	(154,639)
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 a payments on Notes Payable (\$49,778) and change in accrued compensated absences (\$3,576).	<u>53,354</u>
Change in Net Position of Governmental Activities	<u><u>\$ 716,403</u></u>

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

TOWN OF NEW CASTLE, COLORADO

STATEMENT OF NET POSITION
 PROPRIETARY FUND TYPE
 As of December 31, 2023

	<u>2023</u>	<u>2022</u>
ASSETS		
Current Assets		
Cash and Investments	\$ 3,896,322	\$ 3,890,242
Accounts Receivable	313,306	304,794
Due from Other Governments	<u>-</u>	<u>-</u>
Total Current Assets	<u>4,209,628</u>	<u>4,195,036</u>
Noncurrent Assets		
Capital Assets, net of accumulated depreciation	<u>17,030,264</u>	<u>17,075,837</u>
Total Noncurrent Assets	<u>17,030,264</u>	<u>17,075,837</u>
TOTAL ASSETS	<u>21,239,892</u>	<u>21,270,873</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	142,441	99,743
Accrued Expenses	19,162	10,425
Accrued Interest Payable	33,989	43,297
Notes Payable, Current	422,459	415,919
Deferred Revenue	<u>1,057,585</u>	<u>1,324,313</u>
Total Current Liabilities	<u>1,675,636</u>	<u>1,893,697</u>
Noncurrent Liabilities		
Deposits	26,340	2,710
Compensated Absences	74,500	68,500
Notes Payable, Long Term	<u>3,033,014</u>	<u>3,455,473</u>
Total Noncurrent Liabilities	<u>3,133,854</u>	<u>3,526,683</u>
TOTAL LIABILITIES	<u>4,809,490</u>	<u>5,420,380</u>
NET POSITION		
Net Investment in Capital Assets	13,574,791	13,204,445
Unrestricted	<u>2,855,611</u>	<u>2,646,048</u>
TOTAL NET POSITION	<u>\$ 16,430,402</u>	<u>\$ 15,850,493</u>

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, 2023

	<u>2023</u>	<u>2022</u>
OPERATING REVENUES		
Water Sales	\$ 1,314,637	\$ 1,324,199
Wastewater Sales	1,651,820	1,525,659
Trash Sales	606,488	576,693
Other Revenues	<u>-</u>	<u>17,812</u>
TOTAL OPERATING REVENUES	<u>3,572,945</u>	<u>3,444,363</u>
OPERATING EXPENSES		
Water	1,313,880	1,163,782
Wastewater	1,310,021	1,292,191
Trash	<u>593,051</u>	<u>564,612</u>
TOTAL OPERATING EXPENSES	<u>3,216,952</u>	<u>3,020,585</u>
OPERATING INCOME (LOSS)	<u>355,993</u>	<u>423,778</u>
NON-OPERATING REVENUES (EXPENSES)		
Intergovernmental Grants	338,597	70,772
Interest Income	515	165
Interest Expense	<u>(115,196)</u>	<u>(130,220)</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>223,916</u>	<u>(59,283)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>579,909</u>	<u>364,495</u>
CONTRIBUTIONS AND TRANSFERS		
Capital Contributions	<u>-</u>	<u>342,600</u>
TOTAL CONTRIBUTIONS AND TRANSFERS	<u>-</u>	<u>342,600</u>
NET INCOME (LOSS)	579,909	707,095
NET POSITION, Beginning	<u>15,850,493</u>	<u>15,143,398</u>
NET POSITION, Ending	<u>\$ 16,430,402</u>	<u>\$ 15,850,493</u>

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, 2023
 Increase (Decrease) in Cash and Cash Equivalents

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 3,564,433	\$ 3,490,806
Cash Paid to Suppliers	(1,301,867)	(1,256,507)
Cash Paid to Employees	(1,085,867)	(1,007,519)
Net Cash Provided by Operating Activities	<u>1,176,699</u>	<u>1,226,780</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of Fixed Assets	(726,210)	(616,822)
Note Payments	(415,919)	(409,429)
Interest Payments	(124,504)	(130,220)
Intergovernmental Grants	71,869	770,427
Tap Fees and Capital Contributions	23,630	344,310
Net Cash Used by Capital and Related Financing Activities	<u>(1,171,134)</u>	<u>(41,734)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	<u>515</u>	<u>165</u>
Net (Decrease) in Cash and Cash Equivalents	6,080	1,185,211
CASH AND CASH EQUIVALENTS, Beginning	<u>3,890,242</u>	<u>2,705,031</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 3,896,322</u>	<u>\$ 3,890,242</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income (Loss)	<u>\$ 355,993</u>	<u>\$ 423,778</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	771,783	755,621
Changes in Assets and Liabilities		
Accounts Receivable	(8,512)	46,443
Accounts Payable	42,698	(3,977)
Accrued Expenses	8,737	(335)
Accrued Compensated Absences	6,000	5,250
Total Adjustments	<u>820,706</u>	<u>803,002</u>
Net Cash Provided by Operating Activities	<u>\$ 1,176,699</u>	<u>\$ 1,226,780</u>

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

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Reporting Entity

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

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

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

Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, specific ownership taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

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

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

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

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

The Town reports the following major proprietary fund:

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

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Additionally, the Town reports the following fund type:

Permanent Fund – The *Cemetery Permanent Fund* accounts for the activities of the Town cemetery, including the sale of plots and maintenance.

Cash and Investments

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

Investments are recorded at fair value.

Capital Assets

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

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

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

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

Deferred Outflows/Inflows of Resources

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

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

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 future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Compensated Absences

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

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

Long-Term Obligations

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

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

Net Position

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

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

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

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, 2023.
- 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, 2023:

Emergency Reserves	\$ 262,000
Parks and Recreation	102,798
Cemetery Care	<u>97,670</u>
Total	<u>\$ 462,468</u>

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

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, 2023:

Support of Volunteer Ambulance Service	\$ 8,250
Police Training	2,201
Burning Mountain Avenue Street Maintenance	5,494
Traffic Impacts	<u>399,097</u>
Total	<u>\$ 415,042</u>

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

The Town has classified the following amounts as assigned as of December 31, 2023:

Long-term Capital Reserve	<u>\$ 1,098,497</u>
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- **Unassigned** – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

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

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes

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

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

Comparative Data

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

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

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

- Prior to September 30, the Town staff submits to the Town Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of an ordinance.

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

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, 2023 follows:

Cash Deposits	\$ 2,231,137
Investments	<u>5,921,397</u>
Total	<u>\$ 8,152,534</u>

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

Governmental Activities	\$ 4,256,212
Business-Type Activities	<u>3,896,322</u>
Total	<u>\$ 8,152,534</u>

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At December 31, 2023, State regulatory commissioners have indicated that all financial institutions holding deposits for the Town are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held.

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

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, 2023, the Town had deposits with financial institutions with a carrying amount of \$2,231,137. The bank balances with the financial institutions were \$2,217,067. Of these balances, \$250,000 was covered by federal depository insurance, \$1,857,660 was covered by collateral held by authorized escrow agents in the financial institution's name (PDPA) and \$109,407 were uninsured.

Investments

Interest Rate Risk

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

Credit Risk

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

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

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

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Local Government Investment Pools

The Town had invested \$3,901,618 in the Colorado Surplus Asset Fund Trust (CSAFE) an investment vehicle established for local government entities in Colorado pursuant to Title 24, Article 75, Part 7 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. The State Securities Commissioner administers and enforces the requirements of creating and operating the Pools. CSAFE reports its underlying investments at amortized costs and is considered a qualifying external investment pool under GASB Statement 79. CSAFE operates similar to money market funds where each share is equal in value to \$1.00. The fair value of the position in the pools is the same as the value of the pooled shares.

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

The Town had invested \$2,019,779 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAM by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities.

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

Fair Value

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

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

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, 2023 is summarized below:

	Balances <u>12/31/22</u>	Additions	Deletions	Balances <u>12/31/23</u>
Governmental Activities				
Capital Assets, not depreciated				
Land	\$ 15,214,000	\$ -	\$ -	\$ 15,214,000
Construction in Progress	<u>305,452</u>	<u>52,330</u>	<u>-</u>	<u>357,782</u>
Total Capital Assets, not depreciated	<u>15,519,452</u>	<u>52,330</u>	<u>-</u>	<u>15,571,782</u>
Capital Assets, depreciated				
Buildings	4,547,711	28,533	-	4,576,244
Machinery and Equipment	1,459,006	271,943	227,359	1,503,590
Infrastructure	<u>19,278,200</u>	<u>584,266</u>	<u>-</u>	<u>19,862,466</u>
Total Capital Assets, depreciated	<u>25,284,917</u>	<u>884,742</u>	<u>227,359</u>	<u>25,942,300</u>
Less Accumulated Depreciation				
Buildings	2,349,195	118,065	-	2,467,260
Machinery and Equipment	983,271	105,209	227,359	861,121
Infrastructure	<u>11,352,442</u>	<u>868,437</u>	<u>-</u>	<u>12,220,879</u>
Total Accumulated Depreciation	<u>14,684,908</u>	<u>1,091,711</u>	<u>227,359</u>	<u>15,549,260</u>
Total Capital Assets, depreciated, Net	<u>10,600,009</u>	<u>(206,969)</u>	<u>-</u>	<u>10,393,040</u>
Governmental Activities, Capital Assets, Net	<u>\$ 26,119,461</u>	<u>\$ (154,639)</u>	<u>\$ -</u>	<u>\$ 25,964,822</u>

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 4: CAPITAL ASSETS (Continued)

	Balances <u>12/31/22</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>12/31/23</u>
Business-Type Activities				
Capital Assets, not depreciated				
Land	\$ 469,741	\$ -	\$ -	\$ 469,741
Water Rights	516,282	-	-	516,282
Construction in Progress	<u>22,610</u>	<u>198,920</u>	-	<u>221,530</u>
Total Capital Assets, not depreciated	<u>1,008,633</u>	<u>198,920</u>	-	<u>1,207,553</u>
Capital Assets, depreciated				
Buildings and Improvements	17,823,114	338,597	-	18,161,711
Distribution and Collection	11,357,711	-	-	11,357,711
Machinery and Equipment	<u>822,585</u>	<u>188,693</u>	-	<u>1,011,278</u>
Total Capital Assets, depreciated	<u>30,003,410</u>	<u>527,290</u>	-	<u>30,530,700</u>
Less: Accumulated Depreciation				
Buildings and Improvements	7,778,090	501,681	-	8,279,771
Distribution and Collection	5,612,838	224,504	-	5,837,342
Machinery and Equipment	<u>545,278</u>	<u>45,598</u>	-	<u>590,876</u>
Total Accumulated Depreciation	<u>13,936,206</u>	<u>771,783</u>	-	<u>14,707,989</u>
Total Capital Assets, depreciated, Net	<u>16,067,204</u>	<u>(244,493)</u>	-	<u>15,822,711</u>
Business-Type Activities, Capital Assets, Net	<u>\$ 17,075,837</u>	<u>\$ (45,573)</u>	<u>\$ -</u>	<u>\$ 17,030,264</u>

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

Governmental Activities

General Government	\$ 6,427
Public Safety	49,434
Public Works	963,026
Parks and Recreation	<u>72,824</u>

Total **\$ 1,091,711**

Business-type Activities

Water	\$ 274,068
Sewer	<u>497,715</u>

Total **\$ 771,783**

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

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, 2023.

	<u>Balance</u> <u>12/31/22</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/23</u>	<u>Due In</u> <u>One Year</u>
Notes Payable	\$ 291,461	\$ -	\$ 49,778	\$ 241,683	\$ 52,000
Accrued Compensated Absences	<u>145,046</u>	<u>-</u>	<u>3,576</u>	<u>141,470</u>	<u>-</u>
Total	<u>\$ 436,507</u>	<u>\$ -</u>	<u>\$ 53,354</u>	<u>\$ 383,153</u>	<u>\$ 52,000</u>

Accrued Compensated Absences are being paid from resources generated by the General Fund.

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, 2023 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 52,000	\$ 9,555	\$ 61,555
2025	54,321	7,234	61,555
2026	56,746	4,809	61,555
2027	59,279	2,276	61,555
2028	<u>19,337</u>	<u>177</u>	<u>19,514</u>
Total Debt Service Requirements	<u>\$ 241,683</u>	<u>\$ 24,053</u>	<u>\$ 265,736</u>

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

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, 2023.

	<u>Balance</u> <u>12/31/22</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/23</u>	<u>Due In</u> <u>One Year</u>
2004 CWCB Loan	\$ 420,281	\$ -	\$ 24,491	\$ 395,790	\$ 25,594
2008 CWRPDA Loan	<u>3,451,111</u>	<u>-</u>	<u>391,428</u>	<u>3,059,683</u>	<u>396,865</u>
Total	<u>\$ 4,871,392</u>	<u>\$ -</u>	<u>\$ 415,919</u>	<u>\$ 3,455,473</u>	<u>\$ 422,459</u>

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.

Future Debt Service Requirements

Annual debt service requirements for the outstanding loans at December 31, 2023 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 422,459	\$ 85,787	\$ 508,246
2025	434,483	76,309	510,792
2026	441,123	65,599	506,722
2027	453,254	56,264	509,518
2028	470,878	45,633	516,511
2029-2033	1,151,988	76,663	1,228,651
2034-2035	<u>81,288</u>	<u>5,527</u>	<u>86,815</u>
Total Debt Service Requirements	<u>\$ 3,455,473</u>	<u>\$ 411,782</u>	<u>\$ 3,867,255</u>

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

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, 2022 and 2023, employer and employees contributed \$80,715 and \$85,605, 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).

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.

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

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, 2023, the emergency reserve of \$262,000 was recorded in the General Fund

NOTE 9: SUBSEQUENT EVENTS

Potential subsequent events were considered through July 30, 2024. It was determined that no events are required to be disclosed through this date.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF NEW CASTLE, COLORADO

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2023

	2023		VARIANCE Positive (Negative)	2022 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Taxes	\$ 4,145,825	\$ 4,338,703	\$ 192,878	\$ 4,227,828
Licenses and Permits	133,100	91,860	(41,240)	156,495
Intergovernmental	1,306,300	874,153	(432,147)	410,114
Charges for Services	109,150	229,489	120,339	229,715
Court	9,300	1,213	(8,087)	5,619
Developer Reimbursements	60,000	29,601	(30,399)	39,499
Interest	38,800	266,390	227,590	63,783
Sale of Assets	-	-	-	-
Miscellaneous	102,200	83,820	(18,380)	31,285
TOTAL REVENUES	<u>5,904,675</u>	<u>5,915,229</u>	<u>10,554</u>	<u>5,164,338</u>
EXPENDITURES				
Current				
General Government	2,339,710	1,387,975	951,735	873,271
Public Safety	1,458,900	1,365,019	93,881	1,234,713
Public Works	933,000	1,177,546	(244,546)	718,979
Health and Welfare	53,000	40,911	12,089	42,581
Parks and Recreation	1,022,800	977,949	44,851	777,816
Capital Outlay	30,000	49,650	(19,650)	1,012,801
Debt Service				
Principal	49,400	49,614	(214)	47,651
Interest	12,200	11,941	259	14,077
TOTAL EXPENDITURES	<u>5,899,010</u>	<u>5,060,605</u>	<u>838,405</u>	<u>4,721,889</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>5,665</u>	<u>854,624</u>	<u>848,959</u>	<u>442,449</u>
NET CHANGE IN FUND BALANCE	5,665	854,624	848,959	442,449
FUND BALANCE, Beginning	<u>1,900,000</u>	<u>3,619,156</u>	<u>1,719,156</u>	<u>3,176,707</u>
FUND BALANCE, Ending	<u>\$ 1,905,665</u>	<u>\$ 4,473,780</u>	<u>\$ 2,568,115</u>	<u>\$ 3,619,156</u>

See the accompanying independent auditors' report.

COMBINING AND INDIVIDUAL FUND SCHEDULES

TOWN OF NEW CASTLE, COLORADO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2023

	SPECIAL REVENUE FUND	PERMANENT FUND	TOTALS	
	CONSERVATION TRUST FUND	CEMETERY TRUST FUND	2023	2022
ASSETS				
Cash	\$ 102,798	\$ 97,899	\$ 200,697	\$ 227,577
Due from Other Funds	-	-	-	10,000
TOTAL ASSETS	<u>\$ 102,798</u>	<u>\$ 97,899</u>	<u>\$ 200,697</u>	<u>\$ 237,577</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ 229	\$ 229	\$ 173
FUND EQUITY				
Fund Balance				
Restricted for Cemetery Care	\$ -	\$ 97,670	\$ 97,670	\$ 78,526
Restricted for Park and Recreation	102,798	-	102,798	158,878
TOTAL FUND EQUITY	<u>102,798</u>	<u>97,670</u>	<u>200,468</u>	<u>237,404</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 102,798</u>	<u>\$ 97,899</u>	<u>\$ 200,697</u>	<u>\$ 237,577</u>

See the accompanying independent auditors' report.

TOWN OF NEW CASTLE, COLORADO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2023

	SPECIAL REVENUE FUND	PERMANENT FUND	TOTALS	
	CONSERVATION TRUST FUND	CEMETERY TRUST FUND	2023	2022
REVENUES				
Intergovernmental	\$ 79,054	\$ -	\$ 79,054	\$ 72,874
Charges for Services	-	19,200	19,200	10,400
Interest	67	762	829	247
TOTAL REVENUES	79,121	19,962	99,083	83,521
EXPENDITURES				
Health and Welfare	-	818	818	713
Parks and Recreation	135,201	-	135,201	36,973
TOTAL EXPENDITURES	135,201	818	136,019	37,686
NET CHANGE IN FUND BALANCES	(56,080)	19,144	(36,936)	45,835
FUND BALANCES, Beginning	158,878	78,526	237,404	191,569
FUND BALANCES, Ending	<u>\$ 102,798</u>	<u>\$ 97,670</u>	<u>\$ 200,468</u>	<u>\$ 237,404</u>

See the accompanying independent auditors' report.

TOWN OF NEW CASTLE, COLORADO

CONSERVATION TRUST FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2023

	2023			VARIANCE Positive (Negative)	2022 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Intergovernmental	\$ 55,000	\$ 55,000	\$ 79,054	\$ 24,054	\$ 72,874
Interest	50	50	67	17	2
TOTAL REVENUES	<u>55,050</u>	<u>55,050</u>	<u>79,121</u>	<u>24,071</u>	<u>72,876</u>
EXPENDITURES					
Parks and Recreation	<u>130,000</u>	<u>139,500</u>	<u>135,201</u>	<u>4,299</u>	<u>36,973</u>
NET CHANGE IN FUND BALANCE	(74,950)	(84,450)	(56,080)	28,370	35,903
FUND BALANCE, Beginning	<u>148,026</u>	<u>148,026</u>	<u>158,878</u>	<u>10,852</u>	<u>122,975</u>
FUND BALANCE, Ending	<u>\$ 73,076</u>	<u>\$ 63,576</u>	<u>\$ 102,798</u>	<u>\$ 39,222</u>	<u>\$ 158,878</u>

See the accompanying independent auditors' report.

TOWN OF NEW CASTLE, COLORADO

CEMETERY FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2023

	2023		VARIANCE Positive (Negative)	2022 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Sale of Plots	\$ 12,500	\$ 19,200	\$ 6,700	\$ 10,400
Interest and Other	170	762	592	245
TOTAL REVENUES	<u>12,670</u>	<u>19,962</u>	<u>7,292</u>	<u>10,645</u>
EXPENDITURES				
Health and Welfare	<u>12,500</u>	<u>818</u>	<u>11,682</u>	<u>713</u>
NET CHANGE IN FUND BALANCE	170	19,144	18,974	9,932
FUND BALANCE, Beginning	<u>71,378</u>	<u>78,526</u>	<u>7,148</u>	<u>68,594</u>
FUND BALANCE, Ending	<u>\$ 71,548</u>	<u>\$ 97,670</u>	<u>\$ 26,122</u>	<u>\$ 78,526</u>

See the accompanying independent auditors' report.

TOWN OF NEW CASTLE, COLORADO

UTILITY FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2023

	2023			VARIANCE	2022 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	
REVENUES					
Water Sales	\$ 1,203,300	\$ 1,203,300	\$ 1,261,237	\$ 57,937	\$ 1,324,199
Wastewater Sales	1,560,620	1,560,620	1,598,420	37,800	1,525,659
Trash Sales	605,000	605,000	606,488	1,488	576,693
Intergovernmental Grants	200,000	200,000	338,597	138,597	70,772
Tap Fees and Contributions	388,000	388,000	106,800	(281,200)	342,600
Interest	-	-	515	515	165
Other Revenues	-	-	-	-	17,812
TOTAL REVENUES	3,956,920	3,956,920	3,912,057	(44,863)	3,857,900
EXPENDITURES					
Water	1,028,800	1,028,800	1,005,167	23,633	861,534
Wastewater	1,026,400	1,180,200	846,951	333,249	838,818
Trash	593,800	593,800	593,051	749	564,612
Debt Service	542,000	542,000	531,115	10,885	539,649
Capital Outlay	664,100	664,100	726,210	(62,110)	697,579
TOTAL EXPENDITURES	3,855,100	4,008,900	3,702,494	306,406	3,502,192
NET INCOME, Budget Basis	\$ 101,820	\$ (51,980)	209,563	\$ 261,543	355,708
GAAP BASIS ADJUSTMENTS					
Capital Outlay			726,210		697,579
Loan Principal Payments			415,919		409,429
Depreciation			(771,783)		(755,621)
NET INCOME, GAAP Basis			579,909		707,095
NET POSITION, Beginning			15,850,493		15,143,398
NET POSITION, Ending			\$ 16,430,402		\$ 15,850,493

See the accompanying independent auditors' report.

COMPLIANCE



COLORADO
Department of Transportation

Steps for printing your content and returning to 'Edit Mode

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

Annual Highway Finance Report - CY23

Email address:

City/County:

Receipts, Disbursements & Costs

II - Receipts for Road & Street Purposes

A. Receipts from local sources

2. General Fund Appropriations:	\$	407,283.00
3. Other local imposts: <i>from A.3. 'Total' below</i>	\$	1,032,641.00
4. Miscellaneous local receipts: <i>from A.4. 'Total' below</i>	\$	159,028.00
5. Transfers from toll facilities	\$	0.00
6. Proceeds of sale of bonds and notes		
a. Bonds - Original Issues:	\$	0.00
b. Bonds - Refunding Issues:	\$	0.00
c. Notes:	\$	0.00

SubTotal: \$ 1,598,952.00

B. Private Contributions \$ 0.00

Receipts, Disbursements & Costs

II - Receipts for Road & Street Purposes (Detail)

A.3. | Other local imposts

a. Property Taxes & Assessments	\$	0.00
b. Other Local Imposts		
1. Sales Taxes:	\$	991,549.00
2. Infrastructure and Impact Fees:	\$	6,346.00
3. Liens:	\$	0.00
4. Licenses:	\$	0.00
5. Specific Ownership and/or Other:	\$	34,746.00
Total: (a + b) carried to 'Other local imposts' above	\$	1,032,641.00

A.4. | Miscellaneous local receipts

a. Interest on Investments:	\$	42.00
b. Traffic fines and Penalties:	\$	6,104.00
c. Parking Garage Fees:	\$	0.00
d. Parking Meter Fees:	\$	0.00
e. Sale of Surplus Property:	\$	0.00
f. Charges for Services:	\$	0.00
g. Other Misc. Receipts:	\$	2,882.00
h. Other:	\$	150,000.00
Total: (a through h) carried to 'Misc local receipts' above	\$	159,028.00

C. Receipts from State Government

1. Highway User Taxes:	\$	146,174.00
3. Other State funds:		
c. Motor Vehicle Registrations:	\$	18,681.00
d. Other (Specify):		
Comments: undefined	\$	0.00
e. Other (Specify):		
Comments: undefined	\$	0.00
Total: (1+3c,d,e)	\$	164,855.00

D. Receipts from Federal Government

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

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

Receipts, Disbursements & Costs

III - Disbursements for Road & Street Purposes

A. Local highway disbursements

1. Capital outlay: <i>(from A.1.d. 'Total Capital Outlay' below)</i>	\$	119,562.00
2. Maintenance:	\$	810,416.00
3. Road and street services		
a. Traffic control operations:	\$	15,416.00
b. Snow and ice removal:	\$	79,708.00
c. Other:	\$	39,306.00
4. General administration and miscellaneous	\$	36,358.00
5. Highway law enforcement and safety	\$	663,041.00
Total: (A.1-5)	\$	1,763,807.00

B. Debt service on local obligations

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

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

Total Disbursements: *(A+B+C+D)* \$ 1,763,807.00

Receipts, Disbursements & Costs

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

	A. ON NATIONAL HIGHWAY SYSTEM	B. OFF NATIONAL HIGHWAY SYSTEM	C. TOTAL
A.1. Capital Outlay			
a. Right-Of-Way Costs:	\$ 0.00	\$ 0.00	\$ 0.00
b. Engineering Costs:	\$ 0.00	\$ 0.00	\$ 0.00
c. Construction			
1. New Facilities:	\$ 0.00	\$ 0.00	\$ 0.00
2. Capacity Improvements:	\$ 0.00	\$ 0.00	\$ 0.00
3. System Preservation:	\$ 0.00	\$ 119,562.00	\$ 119,562.00
4. System Enhancement:	\$ 0.00	\$ 0.00	\$ 0.00
5. Total Construction:			\$ 119,562.00
d. Total Capital Outlay: <i>(Lines A.1.a. + 1.b. + 1.c.5)</i>			\$ 119,562.00

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	\$ 1,763,807.00	\$ 1,763,807.00	\$ 0.00	\$ 0.00

Notes and Comments:

Please enter your name:

Please provide a telephone number where you may be reached:

Please click on the "Save" button before viewing the data in a print format.



Contact: Eric Ehrbar | Email: Eric.Ehrbar@state.co.us | Phone: 303.512.4914