

**Timnath Ranch Metropolitan District No. 2**

**Financial Statements**  
with Independent Auditor's Report

**December 31, 2024**



**HINKLE &  
COMPANY**  
*Strategic* <sup>PC</sup>  
*Business Advisors*

# Timnath Ranch Metropolitan District No. 2

Table of Contents  
December 31, 2024

<b>Independent Auditor's Report</b> .....	1
<b>Basic Financial Statements</b>	
<i>Government-wide Financial Statements</i>	
Statement of Net Position .....	4
Statement of Activities .....	5
<i>Governmental Funds</i>	
Balance Sheet .....	6
Statement of Revenues, Expenditures and Changes in Fund Balance .....	7
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of the Governmental Funds to the Statement of Activities.....	8
<i>Notes to Financial Statements</i> .....	9
<b>Required Supplementary Information</b>	
<i>Budgetary Comparison Schedule</i>	
General Fund.....	16
<i>Notes to Required Supplementary Information</i> .....	17



**HINKLE &  
COMPANY**  
Strategic <sup>PC</sup>  
Business Advisors

## Independent Auditor's Report

Board of Directors  
Timnath Ranch Metropolitan District No. 2  
Timnath, Colorado

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the financial statements of the governmental activities and each major fund of Timnath Ranch Metropolitan District No. 2 (the District), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2024, and the respective changes in financial position 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 District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District'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.

#### Office Locations:

Colorado Springs, CO  
Denver, CO  
Frisco, CO  
Tulsa, OK

#### Denver Office:

750 W. Hampden Avenue,  
Suite 400  
Englewood,  
Colorado 80110  
TEL: 303.796.1000  
FAX: 303.796.1001  
[www.HinkleCPAs.com](http://www.HinkleCPAs.com)

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

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District'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 required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



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

*Hick & Company, PC*

Englewood, Colorado  
September 9, 2025



## **Basic Financial Statements**

**Timnath Ranch Metropolitan District No. 2**  
Statement of Net Position  
December 31, 2024

	Governmental Activities
<b>Assets</b>	
Property Taxes Receivable	\$ <u>48,609</u>
Total Assets	<u>48,609</u>
<b>Liabilities</b>	
Accrued Interest Payable	<u>3,836,974</u>
Total Liabilities	<u>3,836,974</u>
<b>Deferred Inflows of Resources</b>	
Property Tax Revenue	<u>48,609</u>
Total Deferred Inflows of Resources	<u>48,609</u>
<b>Net Position</b>	
Unrestricted	<u>(3,836,974)</u>
Total Net Position	<u><u>\$ (3,836,974)</u></u>

**Timnath Ranch Metropolitan District No. 2**  
**Statement of Activities**  
For the Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	
<b>Primary Government</b>				
<i>Governmental Activities</i>				
Payment to District No. 1 for Services	\$ 333,819	\$ -	\$ -	\$ (333,819)
Payment to District No. 4 for Services	1,168,378	-	-	(1,168,378)
Treasurer's Fee	977	-	-	(977)
	<u>\$ 1,503,174</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(1,503,174)</u>
<b>General Revenues</b>				
				48,845
Property Tax				90,211
Specific Ownership Tax				1,364,106
Intergovernmental				12
Investment Income				<u>1,503,174</u>
				Total General Revenues and Transfers
				<u>1,503,174</u>
				Change in Net Position
				-
				<b>Net Position, Beginning of Year</b>
				<u>(3,836,974)</u>
				<b>Net Position, End of Year</b>
				<u>\$ (3,836,974)</u>

**Timnath Ranch Metropolitan District No. 2**  
 Balance Sheet  
 Governmental Fund  
 December 31, 2024

	General
<b>Assets</b>	
Accounts Receivable	\$ -
Property Taxes Receivable	48,609
	48,609
<b>Total Assets</b>	<b>\$ 48,609</b>
	-
<b>Liabilities</b>	
Due to Other Districts	\$ -
	-
<b>Total Liabilities</b>	<b>-</b>
	-
<b>Deferred Inflows of Resources</b>	
Property Tax Revenue	48,609
	48,609
<b>Fund Balance</b>	
Unrestricted, Unassigned	-
	-
<b>Total Fund Balance</b>	<b>-</b>
	-
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 48,609</b>
	-

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

Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds.

Accrued Interest	\$ (3,836,974)
	(3,836,974)
<b>Total Net Position of Governmental Activities</b>	<b>\$ (3,836,974)</b>
	(3,836,974)

**Timnath Ranch Metropolitan District No. 2**  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Governmental Fund  
For the Year Ended December 31, 2024

	General
<b>Revenues</b>	
Property Taxes	\$ 48,845
Specific Ownership Taxes	90,211
Interest Income	12
Intergovernmental	1,364,106
Total Revenues	1,503,174
<b>Expenditures</b>	
Payment to District No. 1 for Services	333,819
Payment to District No. 4 for Services	1,168,378
Treasurer's Fee	977
Total Expenditures	1,503,174
<b>Net Change in Fund Balance</b>	-
<b>Fund Balance, Beginning of Year</b>	-
<b>Fund Balance, End of Year</b>	\$ -

## Timnath Ranch Metropolitan District No. 2

### Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of the Governmental Fund to the Statement of Activities For the Year Ended December 31, 2024

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

Net Change in Fund Balance of the Governmental Funds	\$ -
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Accrued Interest Payable	<u>-</u>
Change in Net Position of Governmental Activities	<u>\$ -</u>

## Timnath Ranch Metropolitan District No. 2

Notes to Financial Statements

December 31, 2024

### **Note 1: Summary of Significant Accounting Policies**

Timnath Ranch Metropolitan District No. 2 (The District) was formed, pursuant to the Colorado Special District Act, Article 1 of Title 32 of the Colorado Revised Statutes, in November 2005, as a quasi-municipal corporation and a political subdivision of the State of Colorado. The District was formed in conjunction with Timnath Ranch Metropolitan District 1, 3 and 4 (the Districts). The District, along with District 3 and 4, serve as the Financing Districts with District 1 serving as the Service District. The District is governed by a five-member Board of Directors. The District is in the Town of Timnath, Colorado.

The Districts were formed to serve the needs of the approximately 560-acre Timnath Ranch mixed-use development being developed by Timnath Ranch, LLC (the Developer) currently planned to consist of 1,600 single family and multi-family homes, 33 acres of light industrial property and 60 acres of commercial property.

#### **Reporting Entity**

The accounting policies of the Timnath Ranch Metropolitan District No. 2 (the District) conform to the accounting principles generally accepted in the United States of America (US GAAP) as applicable to governmental entities. The following is a summary of the more significant policies consistently applied in the preparation of the basic financial statements of the District.

As required by US GAAP, these financial statements present the activities of the District, which is legally separate and financially independent of other state and local government entities. The District has no component units as defined by Governmental Accounting Standards Board (GASB), Statement No. 14, *The Reporting Entity* and GASB No. 39, *Determining Whether Certain Organizations are Component Units*.

#### **Government-wide Financial Statements**

The government-wide financial statements, the Statement of Net Position and the Statement of Activities, report information on the accrual basis of accounting related to the *governmental-type activities* of the District, which rely to a significant extent on property taxes and specific ownership taxes. The Statement of Activities demonstrates the degree to which expenses of the *governmental-type activities* are supported by property tax and specific ownership taxes.

#### **Governmental Fund Financial Statements**

The governmental fund financial statements are prepared 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 if the revenues are collectible within the current period or soon thereafter to pay liabilities of the current period. For that purpose, the District considers revenues to be available if they are expected to be collected within 60 days of the end of the current fiscal period.

## Timnath Ranch Metropolitan District No. 2

### Notes to Financial Statements

December 31, 2024

#### **Note 1: Summary of Significant Accounting Policies (Continued)**

##### **Governmental Funds**

The District consists of one governmental fund. The governmental fund information is presented separately in the governmental fund balance sheet and in the governmental funds statement of revenue, expenditures, and change in fund balance for the General Fund.

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

##### **Cash and Cash Equivalents**

The District considers cash and cash equivalents to include cash on hand, unrestricted demand deposits and money market accounts, as applicable. As of December 31, 2024, the District had no cash and cash equivalents.

##### **Fair Value of Financial Instruments**

The District's financial instruments include various accounts receivable, accrued liabilities and deferred inflows of resources. The District estimates that the fair value of these financial instruments as of December 31, 2024, do not differ materially from the aggregate carrying values used in the accompanying financial statements. The carrying amount of these financial instruments approximates the fair value due to the short maturity of these financial instruments.

##### **Capital Assets**

The District has a capitalization policy of \$5,000. The District's Board of Directors has the option to capitalize certain items for less than \$5,000 in certain circumstances. Depreciation, if applicable, is to be provided in amounts sufficient to relate the cost of depreciable capital assets to operations over the estimated useful lives of the assets.

The cost of normal maintenance and repairs that do not add to the value of, or materially extend the life of, the related capital asset, are charged to expense as incurred, if applicable.

Currently, it is the intent of the District to convey any acquired or constructed capital assets to the Town of Timnath or other local governmental entities, as applicable. As of December 31, 2024, the District had no capital assets and there were no conveyances during 2024.

##### **Property Taxes**

Property taxes are levied on December 15 and attach an enforceable lien on the respective property on January 1. Taxes are payable in full on or before April 30 or in two installments on February 28 and June 15. The County Treasurer collects and remits the property taxes to the District on a monthly basis.

## Timnath Ranch Metropolitan District No. 2

Notes to Financial Statements

December 31, 2024

### Note 1: Summary of Significant Accounting Policies (Continued)

#### **Property Taxes** (Continued)

District 1 in its capacity as the Service District collects all property taxes on behalf of the Districts as service fees. The portion of the District's property taxes for operations are reflected as a Payment to District 1 for services, further discussed in Note 7, and the debt service portion, transferred to District 4 by District 1, are reflected as Service fees paid to District 4.

#### **Net Position**

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District may report three categories of net position, as follows:

*Net investment in capital assets* - consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows or resources related to those assets.

*Restricted net position* - net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

*Unrestricted net position* - consists of all other net positions that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the District will use the most restrictive net position first.

#### **Fund Balance**

The District utilizes the fund balance presentation as required under GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Fund balances are categorized as non-spendable, restricted, committed, assigned or unassigned.

##### **Non-Spendable Fund Balance**

Represents amounts that cannot be spent because they are either in non-spendable form or legally required to remain intact.

##### **Restricted Fund Balance**

Represents amounts with external constraints placed on the use of these resources or imposed by enabling legislation.

## Timnath Ranch Metropolitan District No. 2

Notes to Financial Statements

December 31, 2024

### Note 1: Summary of Significant Accounting Policies (Continued)

#### **Fund Balance** (Continued)

##### **Committed Fund Balance**

Represents amounts that can only be used for specific purposes imposed by a formal action of the District's highest level of decision-making authority, the District's Board of Directors. Committed resources cannot be used for any other purpose unless the District's Board of Directors removes or changes the specific use by the same type of action used to commit those amounts, either by resolution or by ordinance.

##### **Assigned Fund Balance**

Represents amounts that the District intends to use for specific purposes as expressed by the District's Board of Directors or a District official delegated the authority to assign amounts.

##### **Unassigned Fund Balance**

Represents the residual classification for the general fund or deficit balances in other funds, as applicable.

Amounts are considered to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available. Unrestricted amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of these unrestricted fund balances classifications could be used.

#### **Use of Estimates**

The preparation of financial statements in conformity with US GAAP involves the use of District management's estimates that may affect the reported amounts of assets and liabilities as of the date of the financial statements, and the reported amounts of revenue and expenses as applicable, during the reporting period. These estimates are based upon District management's best judgment, after considering past events and assumptions about future events. Actual results could differ from those estimates.

#### **Subsequent Events**

We have evaluated subsequent events through September 9, 2025, the date the financial statements were available to be issued.

## Timnath Ranch Metropolitan District No. 2

### Notes to Financial Statements

December 31, 2024

#### **Note 2: Cash and Investments**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. State regulators determine the eligibility. Amounts on deposit in excess of the Federal Deposit Insurance Corporation (FDIC) insurance levels must be collateralized. The eligible collateral is determined by the PDPA. The PDPA allows institutions to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all uninsured public deposits. The market value of the collateral must be equal to 102% of the aggregate uninsured public deposits. The Colorado Division of Banking for banks and savings associations is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

As of December 31, 2024, the District does not maintain depository accounts.

#### **Note 3: Long-Term Debt**

##### **Subordinate Note Payable**

In November 2015, the District entered into a Subordinate Note Payable and Loan Agreement with the Developer in order to finance improvements within the District boundaries. The note payable has a final maturity date of January 2048. The note payable carries an interest rate of the Federal Reserve Bank prime rate plus 2% with an effective rate of 5.25% as of December 31, 2024. Interest is to be calculated using the simple interest method. With the issuance of the Limited Tax General Obligation Refunding and Improvement Bonds, Series 2018A by District 4 during the year ended December 31, 2023, a portion of the note payable principal was paid. However, the unpaid accrued interest, in the amount of \$3,836,974, associated with the paid portion remains outstanding. Under the terms of the Note Payable and Loan Agreement, the unpaid accrued interest is not subject to additional accrual.

##### **Debt Issuance Authorization**

In November 2007, the qualified electors of the District approved the issuance of indebtedness and the imposition of taxes for the repayment thereof up to \$182,000,000 at an interest rate not to exceed 15% for providing public improvements and up to \$25,000,000 at an interest rate not to exceed 15% for service plan purposes.

However, under the District's Service Plan, based upon the debt issued by the Districts, the amount of indebtedness available for issuance as of December 31, 2024 was \$0.

## Timnath Ranch Metropolitan District No. 2

Notes to Financial Statements

December 31, 2024

### **Note 4: Timnath Development Authority Agreement**

The Town of Timnath formed the Timnath Development Authority (the Authority), as an urban renewal authority. The Districts are within the boundaries of the area designated in the Urban Renewal Plan for the Town of Timnath. Pursuant to the Urban Renewal Plan, the tax incremental revenue derived from the levy of incremental property taxes against property within the boundaries of the Authority is to be divided between the taxing authority and the Authority for a period of 25 years. The tax incremental revenue allocated to the District for the year end December 31, 2024, in the amount of \$1,364,106, is reflected as intergovernmental revenue.

### **Note 5: Commitments**

#### **Intergovernmental Agreement Concerning District Operations and Outstanding Reimbursement Obligations (District Operations Agreement)**

Under the District Operations Agreement, District 1 is authorized to undertake certain administrative functions on behalf of the Districts, and as such, the Districts agree to fund the operating costs incurred by District 1 from legally available funds of the Districts. Under the District Operations Agreement, District 2 remitted to District 1, \$333,819 during 2024.

#### **District Management Agreement**

The District outsources the management of the District which includes overall management, accounting, and administrative services. The service contract renews annually each year on January 1, unless notice of non-renewal is provided by either party as described in the service contract.

### **Note 6: Related Parties and Transactions**

#### **Members of the Board of Directors**

All the members of the Board of Directors of the District are employees, owners or are otherwise affiliated with the Developer.

#### **Subordinate Note Payable**

As further discussed in Note 3, there is a Subordinate Note Payable in the amount of \$6,541,121, which was paid in full during 2023, with accrued interest in amount of \$3,836,974 due to the Developer.

## **Timnath Ranch Metropolitan District No. 2**

Notes to Financial Statements

December 31, 2024

### **Note 7: Risk Management**

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets and natural disasters. These risks are covered by commercial insurance purchased from independent insurance brokers. Settled claims have not exceeded this commercial coverage in any of the past three years.

### **Note 8: Tax, Spending and Debt Limitations**

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending and debt limitations which apply to the State of Colorado and all local governments.

TABOR requires local governments to establish emergency reserves. These reserves must be at least 3% of fiscal year spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the calculation of the fiscal year spending limits may require judicial interpretation.

As of December 31, 2024, the District's TABOR required emergency reserve is included as part of the TABOR emergency reserve reflected in District 1.

## **Required Supplementary Information**

**Timnath Ranch Metropolitan District No. 2**  
 Budgetary Comparison Schedule  
 General Fund  
 For the Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
<b>Revenues</b>			
Taxes			
Property Taxes	\$ 48,845	\$ 48,845	\$ -
Specific Ownership Tax	100,857	90,211	(10,646)
Intergovernmental	1,364,127	1,364,106	(21)
Interest and Other	20,000	12	(19,988)
Total Revenues	<u>1,533,829</u>	<u>1,503,174</u>	<u>(30,655)</u>
<b>Expenditures</b>			
Operating			
Payment to District No. 1 for Services	336,186	333,819	2,367
Payment to District No. 4 for Services	1,176,665	1,168,378	8,287
Treasurer's Fee	978	977	1
Debt Service	-	-	-
Contingency	20,000	-	20,000
Total Expenditures	<u>1,533,829</u>	<u>1,503,174</u>	<u>30,655</u>
<b>Revenues Over (Under) Expenditures</b>	-	-	-
<b>Net Change in Fund Balance</b>	-	-	-
<b>Fund Balance, Beginning of Year</b>	-	-	-
<b>Fund Balance, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## Timnath Ranch Metropolitan District No. 2

Notes to Required Supplementary Information  
December 31, 2024

### Note 1: Stewardship, Compliance, and Accountability

#### Budgets

A budget is legally adopted for the District. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP).

The District follows these procedures to establish the budgetary information reflected in the financial statements:

- In October, management submits to the District Board a proposed 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 a resolution.
- Management 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 District Board.
- Budgets are legally adopted for all funds of the Town. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Capital outlay and debt payments are budgeted as expenditures and depreciation is not budgeted.
- Colorado governments may not exceed budgeted appropriations at the fund level.
- All appropriations lapse at year end.