RESOLUTION NO. 2025-12-01

RESOLUTION TO ADOPT BUDGET AND APPROPRIATE SUMS OF MONEY

RESOLUTION OF THE BOARD OF DIRECTORS OF RESERVE METROPOLITAN DISTRICT NO. 3, TOWN OF MT. CRESTED BUTTE, GUNNISON COUNTY, COLORADO, PURSUANT TO SECTION 29-1-108, C.R.S., SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND, ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY FOR THE BUDGET YEAR 2026

A. Reserve Metropolitan District No. 3 is a duly organized and validly existing special district, quasi-municipal corporation and political subdivision of the State of Colorado pursuant to Title 32, Colorado Revised Statutes (the "**District**").

B. The Board of Directors of the District has appointed Marchetti & Weaver, LLC to prepare and submit a proposed budget to said governing body at the proper time.

C. Marchetti & Weaver, LLC has submitted a proposed budget to this governing body at the appropriate time for its consideration.

D. Upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 17, 2025 and continued to December 1, 2025, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget.

E. The budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("**TABOR**") and other laws or obligations which are applicable to or binding upon the District.

F. Whatever increases may have been made in the expenditure, like increases were added to the revenues so that the budget remains in balance, as required by law.

G. The Board of Directors has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget.

H. It is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF RESERVE METROPOLITAN DISTRICT NO. 3, TOWN OF MT. CRESTED BUTTE, GUNNISON COUNTY, COLORADO:

1. The budget, as submitted, amended, and summarized by funds, is hereby approved and adopted as the budget of the District for the year stated above.

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2. The budget is hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

3. The sums set forth as the total expenditure of each fund in the budget attached hereto as **Exhibit A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

RESOLUTION APPROVED AND ADOPTED on December 1, 2025

RESERVE METROPOLITAN DISTRICT NO. 3

By: Justin K Biggs
President

Attest:

By: Craig Sorensen
Secretary

Doc ID: 0c959d194a3e7f4930f256244b822cad01188dfd

EXHIBIT A

Budget

Doc ID: 0c959d194a3e7f4930f256244b822cad01188dfd

RESERVE METROPOLITAN DISTRICT NO. 3

2026 BUDGET MESSAGE

Reserve Metropolitan District No. 3 is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, financing, operation and maintenance of the Public Improvements from the proceeds of Debt to be issued by the District and other legally available revenues of the District.

The District has no employees and all operations and administrative functions are contracted.

The following budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

2026 BUDGET STRATEGY

The District's strategy in preparing the budget is to strive to provide the type of public-purpose facilities desired by the property owners and residents of the community in the most economic manner possible. The General Fund will provide for the District's general and administrative expenses, the issuance and servicing of Bonds will be accounted for in the Debt Service Fund, and use of bond proceeds for capital improvements will be accounted for in the Capital Fund.

REVENUE

The District certified a mill levy for 2026 collection of 44.695 mills for general fund expenditures, and will rely on Developer Advances to fund any shortfalls. The District also budgeted for the issuance of Bonds in 2026 which will be used to fund capital improvement costs of the Capital Fund.

EXPENDITURES

The District budgeted for administrative expenditures to be accounted for in the General Fund, expenditures related to issuance and servicing of general obligation bonds in the Debt Service Fund, and capital expenditures in the Capital Fund.

The District also budgeted for a TABOR Emergency Reserve to be maintained in the General Fund.

Reserve Metropolitan District No. 3
Statement of Net Position
October 31, 2025

	General Fund	Debt Service Fund	Capital Fund	Fixed Assets & LTD	Total
ASSETS					
CASH					
Chase Checking	-				-
UMB Revenue Fund		-			-
UMB Senior Bond Fund		-			-
UMB Surplus Fund		-			-
UMB Subordinate Bond Fund		-			-
Pooled Cash	-	-	-		-
TOTAL CASH	-	-	-	-	-
OTHER CURRENT ASSETS					
Due From County Treasurer	-	-			-
Property Tax Receivable	-	-			-
Prepaid Expense	-				-
TOTAL OTHER CURRENT ASSETS	-	-	-	-	-
FIXED ASSETS					
Construction in Progress					-
TOTAL FIXED ASSETS	-	-	-	-	-
TOTAL ASSETS	-	-	-	-	-
LIABILITIES & DEFERED INFLOWS					
CURRENT LIABILITIES					
Accounts Payable	-				-
TOTAL CURRENT LIABILITIES	-	-	-	-	-
DEFERRED INFLOWS					
Deferred Property Taxes	-	-			-
Deferred Impact Fees	-				
TOTAL DEFERRED INFLOWS	-	-	-	-	-
LONG-TERM LIABILITIES					
Bonds Payable- Series 2024A				-	-
Bonds Payable- Series 2024B				-	-
Developer Payable- Capital				-	-
Developer Payable- Operations				-	-
Accrued Int- Series 2024A				-	-
Accrued Int- Series 2024B				-	-
Accrued But Unpaid Int- Series 2024B				-	-
Accrued Int- Developer Payable- Ops				-	-
Accrued Int- Developer Payable- Cap				-	-
TOTAL LONG-TERM LIABILITIES	-	-	-	-	-
TOTAL LIAB & DEF INFLOWS	-	-	-	-	-
NET POSITION					
Inv in Capital Assets					-
Amount to be Provided for Debt				-	-
Fund Balance- Non-Spendable	-				-
Fund Balance- Restricted	-	-	-		-
Fund Balance- Unassigned	-				-
TOTAL NET POSITION	-	-	-	-	-
	=	=	=	=	=

No assurance is provided on these financial statements; substantially all disclosures required by GAAP omitted.

Reserve Metropolitan District No. 3 **Print Date: 12/12/25**
Statement of Revenues, Expenditures, & Changes In Fund Balance
Modified Accrual Basis For the Period Indicated

	2024 Unaudited Actual	2025 Adopted Budget	Variance Positive (Negative)	2025 Forecast	YTD Thru 10/31/25 Actual	YTD Thru 10/31/25 Budget	Variance Positive (Negative)	2026 Adopted Budget	Budget Notes/Assumptions
PROPERTY TAXES									
Assessed Valuation	-	-	-	-				**19,780**	Final AV
Mill Levy - Operations	-	-	-	-				44.695	13 Ops Adj. + 50 Debt Adj. Less RMD 2 Debt Mills
Mill Levy - Debt Service Fund	-	-	-	-				-	Full Mill Levy As Ops Until Bonds Issued
Total Mill Levy	**-**	**-**	**-**	**-**				**44.695**	13 Ops Adj. + 50 Debt Adj. Less RMD 2 Debt Mills
Property Tax Revenue - Operations	-	-	-	-				884	13 Ops Adj. + 50 Debt Adj. Less RMD 2 Debt Mills
Property Tax Revenue - Debt Service Fund	-	-	-	-				-	Full Mill Levy As Ops Until Bonds Issued
Total Property Taxes	**-**	**-**	**-**	**-**				**884**	13 Ops Adj. + 50 Debt Adj. Less RMD 2 Debt Mills

Reserve Metropolitan District No. 3 **Print Date: 12/12/25**

Statement of Revenues, Expenditures, & Changes In Fund Balance

Modified Accrual Basis For the Period Indicated

	2024 Unaudited Actual	2025 Adopted Budget	Variance Positive (Negative)	2025 Forecast	YTD Thru 10/31/25 Actual	YTD Thru 10/31/25 Budget	Variance Positive (Negative)	2026 Adopted Budget	Budget Notes/Assumptions
COMBINED FUNDS									
REVENUE									
Property Taxes	-	-	-	-	-	-	-	884	13 Ops Adj. + 50 Debt Adj. Less RMD 2 Debt Mills
Specific Ownership Taxes	-	-	-	-	-	-	-	53	6% of Property Taxes
Debt Service Property Taxes From Other Districts	-	-	-	-	-	-	-	-	None For 2026
Interest & Other Income	-	-	-	-	-	-	-	187,000	Investment of Bond Funds
TOTAL REVENUE	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**187,937**	
EXPENDITURES									
Administration									
Accounting, Audit, Management, Engin. & Legal	-	40,000	-	40,000	-	33,333	33,333	125,000	See Detail in General Fund
Treasurer's Fees	-	-	-	-	-	-	-	27	3% of Property Taxes
Insurance, Election, and Other	-	6,000	-	6,000	-	6,000	6,000	14,000	See Detail in General Fund
Contingency	-	4,000	4,000	-	-	3,333	3,333	100,000	Unforeseen Needs
Debt Service						-			
Bond Interest	-	-	-	-	-	-	-	1,050,000	Preliminary Estimate of 2026 Bond Issuance
Bond Principal	-	-	-	-	-	-	-	-	Preliminary Estimate of 2026 Bond Issuance
Bond Issuance Costs & Trustee Fees	-	-	-	-	-	-	-	1,006,600	Preliminary Estimate of 2026 Bond Issuance
Contingency	-	-	-	-	-	-	-	-	Unforeseen Needs
Capital Outlay	-	-	-	-	-	-	-	15,067,000	Preliminary Estimate of 2026 Bond Issuance
TOTAL EXPENDITURES	**-**	**50,000**	**4,000**	**46,000**	**-**	**42,667**	**42,667**	**17,362,627**	
REVENUE OVER / (UNDER) EXPENDITURES	**-**	**(50,000)**	**4,000**	**(46,000)**	**-**	**(42,667)**	**42,667**	**(17,174,689)**	
OTHER SOURCES / (USES)									
Developer Advances	-	55,000	5,000	60,000	-	45,833	(45,833)	250,000	To Cover Shortfall & Fund Small Reserve
Developer Advance Repayments	-	-		-	-	-	-	-	
Bond Proceeds	-							20,000,000	Preliminary Estimate of 2026 Bond Issuance
TOTAL OTHER SOURCES / (USES)	**-**	**55,000**	**5,000**	**60,000**	**-**	**45,833**	**(45,833)**	**20,250,000**	
CHANGE IN FUND BALANCE	**-**	**5,000**	**9,000**	**14,000**	**-**	**3,167**	**(3,167)**	**3,075,311**	
BEGINNING FUND BALANCE	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**14,000**	
ENDING FUND BALANCE	**-**	**5,000**	**9,000**	**14,000**	**-**	**3,167**	**(3,167)**	**3,089,311**	
	=	=	=	=	=	=	=	=	
COMPONENTS OF FUND BALANCE									
Non-Spendable	-	10,000	-	10,000	-			10,500	Prepaid Insurance
TABOR Emergency Reserve	-	1,650	150	1,800	-			7,528	3% Emergency Reserve
Restricted For Debt Service	-	-	-	-	-			3,063,400	Per Debt Service Fund
Restricted for Capital Projects	-	-	-	-	-			-	Per Capital Fund
Unassigned	-	(6,650)	8,850	2,200	-			7,882	
TOTAL ENDING FUND BALANCE	**-**	**5,000**	**9,000**	**14,000**	**-**			**3,089,311**	
	=	**=**	**=**	**=**	**=**			**=**	

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substantially all disclosures required by GAAP omitted.

Reserve Metropolitan District No. 3 **Print Date: 12/12/25**

Statement of Revenues, Expenditures, & Changes In Fund Balance

Modified Accrual Basis For the Period Indicated

	2024 Unaudited Actual	2025 Adopted Budget	Variance Positive (Negative)	2025 Forecast	YTD Thru 10/31/25 Actual	YTD Thru 10/31/25 Budget	Variance Positive (Negative)	2026 Adopted Budget	Budget Notes/Assumptions
GENERAL FUND									
REVENUE									
Property Taxes- Operations	-	-	-	-	-	-	-	884	13 Ops Adj. + 50 Debt Adj. Less RMD 2 Debt Mills
Specific Ownership Taxes	-	-	-	-	-	-	-	53	6% of Property Taxes
Interest Income	-	-	-	-	-	-	-	-	
Miscellaneous Income		-	-	-				-	
TOTAL REVENUE	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**937**	
EXPENDITURES									
Administration									
Accounting	-	10,000	-	10,000	-	8,333	8,333	50,000	M&W Estimate- Districts 3-5
Audit	-	-	-	-	-	-	-	-	Exemption Included In Accounting
District Management	-	-	-	-	-	-	-	-	Included In Legal
Legal	-	30,000	-	30,000	-	25,000	25,000	75,000	Legal Counsel Estimate- Districts 3-5
Engineering	-	-	-	-	-	-		-	In Capital Fund
Office Supplies, Bill.com Fees, Other	-	1,000	-	1,000	-	1,000	1,000	1,500	Bill.com & Other Misc
Treasurer's Fees	-	-	-	-	-	-	-	27	3% of Property Taxes
Election	-	-	-	-	-	-	-	500	Prep Work for 2027 Elections
Insurance, Bonds & SDA Dues	-	5,000	-	5,000	-	5,000	5,000	10,000	Districts 3-5
Website	-	-	-	-	-	-	-	2,000	Districts 3-5
Contingency /Emergencies		4,000	4,000	-	-	3,333	3,333	100,000	Unforeseen Needs
TOTAL EXPENDITURES	**-**	**50,000**	**4,000**	**46,000**	**-**	**42,667**	**42,667**	**239,027**	
REVENUE OVER / (UNDER) EXPENDITURES	**-**	**(50,000)**	**4,000**	**(46,000)**	**-**	**(42,667)**	**42,667**	**(238,089)**	
OTHER SOURCES / (USES)									
Transfers In/(Out)	-	-	-	-	-	-	-	-	
Developer Advance	-	55,000	5,000	60,000	-	45,833	(45,833)	250,000	To Cover Shortfall & Fund Small Reserve
Developer Advance Repayment	-	-		-	-	-	-	-	
TOTAL OTHER SOURCES / (USES)	**-**	**55,000**	**5,000**	**60,000**	**-**	**45,833**	**(45,833)**	**250,000**	
CHANGE IN FUND BALANCE	**-**	**5,000**	**9,000**	**14,000**	**-**	**3,167**	**(3,167)**	**11,911**	
BEGINNING FUND BALANCE	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**14,000**	
ENDING FUND BALANCE	**-**	**5,000**	**9,000**	**14,000**	**-**	**3,167**	**(3,167)**	**25,911**	
	=	=	=		=	=	=	=	

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Reserve Metropolitan District No. 3 **Print Date: 12/12/25**

Statement of Revenues, Expenditures, & Changes In Fund Balance

Modified Accrual Basis For the Period Indicated

	2024 Unaudited Actual	2025 Adopted Budget	Variance Positive (Negative)	2025 Forecast	YTD Thru 10/31/25 Actual	YTD Thru 10/31/25 Budget	Variance Positive (Negative)	2026 Adopted Budget	Budget Notes/Assumptions
DEBT SERVICE FUND									
REVENUE									
Property Taxes	-	-	-	-	-	-	-	-	Full Mill Levy As Ops Until Bonds Issued
Specific Ownership Taxes	-	-	-	-	-	-	-	-	6% of Property Taxes
Property Taxes-District No. 4	-	-	-	-	-	-	-	-	None For 2026
Property Taxes-District No. 5	-	-	-	-	-	-	-	-	None For 2026
Interest Income	-	-	-	-	-	-	-	120,000	Investment of Bond Funds
TOTAL REVENUE	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**120,000**	
EXPENDITURES									
Treasurer's Fees	-	-	-	-	-	-	-	-	3% of Property Taxes
Bond Interest	-	-	-	-	-	-	-	1,050,000	Preliminary Estimate of 2026 Bond Issuance
Bond Principal	-	-	-	-	-	-	-	-	Preliminary Estimate of 2026 Bond Issuance
Bank Charges	-	-	-	-	-	-	-	6,600	5.5% of Interest Income
Trustee Fees	-	-	-	-	-	-	-	-	Preliminary Estimate of 2026 Bond Issuance
Cost of Issuance	-	-	-	-	-	-	-	1,000,000	Preliminary Estimate of 2026 Bond Issuance
Contingency		-	-	-	-	-	-	-	Unforeseen Needs
TOTAL EXPENDITURES	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,056,600**	
REVENUE OVER / (UNDER) EXPENDITURES	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,936,600)**	
OTHER SOURCES / (USES)									
Transfers In/(Out)	-	-	-	-	-	-	-	(15,000,000)	Preliminary Estimate of 2026 Bond Issuance
Bond Proceeds	-	-	-	-	-	-	-	20,000,000	Preliminary Estimate of 2026 Bond Issuance
TOTAL OTHER SOURCES / (USES)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5,000,000**	
CHANGE IN FUND BALANCE	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,063,400**	
BEGINNING FUND BALANCE	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
ENDING FUND BALANCE	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,063,400**	
	=	=	=		=	=	=	=	

No assurance is provided on these financial statements;
substantially all disclosures required by GAAP omitted.

Reserve Metropolitan District No. 3 **Print Date: 12/12/25**

Statement of Revenues, Expenditures, & Changes In Fund Balance

Modified Accrual Basis For the Period Indicated

	2024 Unaudited Actual	2025 Adopted Budget	Variance Positive (Negative)	2025 Forecast	YTD Thru 10/31/25 Actual	YTD Thru 10/31/25 Budget	Variance Positive (Negative)	2026 Adopted Budget	Budget Notes/Assumptions
CAPITAL FUND									
REVENUE									
Interest Income	-	-	-	-	-	-	-	67,000	Investment of Bond Funds
TOTAL REVENUE	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**67,000**	
EXPENDITURES									
Legal	-	-	-	-	-	-	-	60,000	Preliminary Estimate
Accounting		-	-	-		-	-	30,000	Preliminary Estimate
Engineering								40,000	Preliminary Estimate
Bank Fees	-	-	-	-	-	-	-	4,000	5.5% of Interest Income
Water	-	-	-	-	-	-	-	-	
Sanitation	-	-	-	-	-	-	-	-	
Storm Water	-	-	-	-	-	-	-	-	
Streets	-	-	-	-	-	-	-	-	
Parks and Recreation	-	-	-	-	-	-	-	-	
Capital Improvements	-	-	-	-	-	-	-	14,933,000	Preliminary Estimate- Categories Above TBD
Contingency		-	-	-		-	-	-	
TOTAL EXPENDITURES	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**15,067,000**	
REVENUE OVER / (UNDER) EXPENDITURES	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(15,000,000)**	
OTHER SOURCES / (USES)									
Transfers In/(Out)	-	-	-	-	-	-	-	15,000,000	Preliminary Estimate of 2026 Bond Issuance
Developer Advances	-	-	-	-	-	-	-	-	
Developer Repayment	-		-	-	-	-	-	-	
TOTAL OTHER SOURCES / (USES)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**15,000,000**	
CHANGE IN FUND BALANCE	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
BEGINNING FUND BALANCE	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
ENDING FUND BALANCE	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
	=	=	=		=	=	=	=	

I, Craig Sorensen, hereby certify that I am the duly appointed Secretary of the Reserve Metropolitan District No. 3, and that the foregoing is a true and correct copy of the budget for the budget year 2026, duly adopted at a meeting of the Board of Directors of the Reserve Metropolitan District No. 3 held on December 1, 2025.

Craig Sorensen

Secretary

Doc ID: 0c959d194a3e7f4930f256244b822cad01188dfd