

## Accountant's Report

Board of Directors  
Plum Creek Metropolitan District  
Douglas County, Colorado

We have compiled the accompanying forecasted budget of revenue, expenditures and fund balances of the Plum Creek Metropolitan District for the General and Debt Service Funds for the year ending December 31, 2009 including the forecasted estimate of comparative information for the year ending December 31, 2008 in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of a forecast information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not examined the forecast and, accordingly, do not express an opinion or any other form of assurance on the accompanying budget of revenue, expenditures and fund balances or assumptions. Furthermore, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected and those differences may be material. We have no responsibility to update this report for events or circumstances occurring after the date of this report.

The actual historical information for the year 2007 is presented for comparative purposes only. Such information is taken from the audit report of the District for the year ended December 31, 2007 as prepared by Wagner, Burke & Barnes, LLP, dated April 21, 2008, in which an unqualified opinion was expressed.

Management has elected to omit the summary of significant accounting policies required by the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the District's results of operations for the periods. Accordingly, this forecast is not designed for those who are not informed about such matters.

We are not independent with respect to the Plum Creek Metropolitan District.

*Clifton Gunderson LLP*

Greenwood Village, CO  
December 4, 2008

**PLUM CREEK METROPOLITAN DISTRICT**  
**SUMMARY**  
**FORECASTED 2009 BUDGET AS ADOPTED**  
**WITH 2007 ACTUAL AND 2008 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/4/2008

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	ACTUAL 2007	ESTIMATED 2008	ADOPTED 2009
BEGINNING FUND BALANCES	\$ 200,726	\$ 269,815	\$ 422,929
REVENUE			
Property taxes	397,867	468,802	491,300
Specific ownership tax	40,303	41,000	44,220
HB 1006 taxes	7,375	4,295	-
Investment income	20,902	12,200	12,500
Total revenue	466,447	526,297	548,020
TRANSFERS IN	172,500	250,000	250,000
Total funds available	839,673	1,046,112	1,220,949
EXPENDITURES			
General			
Accounting	22,300	20,000	20,000
Audit	3,743	4,112	4,200
County Treasurer's fees	6,113	7,048	7,370
County Treasurer's fees - HB1006	757	240	-
Election costs	-	41	-
Insurance	4,296	2,072	3,000
District management	8,317	10,000	10,000
Legal	36,378	17,000	18,000
Miscellaneous	759	650	2,000
Engineering	8,400	-	-
Contingency	-	-	13,610
Debt Service			
Paying agent fees	150	150	150
Bond principal	190,000	200,000	210,000
Bond interest	116,145	111,870	106,670
Capital outlay	-	-	-
Total expenditures	397,358	373,183	395,000
TRANSFERS OUT	172,500	250,000	250,000
Total expenditures and transfers out requiring appropriation	569,858	623,183	645,000
ENDING FUND BALANCES	\$ 269,815	\$ 422,929	\$ 575,949

This financial information should be read only in connection with the accompanying accountant's report and summary of significant assumptions.

**PLUM CREEK METROPOLITAN DISTRICT  
PROPERTY TAX SUMMARY INFORMATION  
For the Years Ended and Ending December 31,**

12/4/2008

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ACTUAL 2007	ESTIMATED 2008	ADOPTED 2009
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**ASSESSED VALUATION - DOUGLAS COUNTY**

Residential	\$ 14,937,100	\$ 16,223,310	\$ 16,429,520
Commercial	-	-	-
State assessed	-	26,350	26,530
Vacant land	2,780,690	4,207,550	4,769,340
Personal property	122,689	159,000	137,850
Less new growth	(320,470)	(186,760)	-
	<u>17,520,009</u>	<u>20,429,450</u>	<u>21,363,240</u>
Adjustments	-	-	-
Certified Assessed Value	<u>\$ 17,520,009</u>	<u>\$ 20,429,450</u>	<u>\$ 21,363,240</u>

**MILL LEVY**

General	12.528	12.528	12.528
Debt Service	10.472	10.472	10.472
Temporary Mill Levy Reduction (pursuant to C.R.S.39-5-121)	0.000	0.000	0.000
Refund and abatements	0.000	0.000	0.000
Total mill levy	<u>23.000</u>	<u>23.000</u>	<u>23.000</u>

**PROPERTY TAXES**

General	\$ 219,491	\$ 255,940	\$ 267,638
Debt Service	183,470	213,937	223,715
Temporary Mill Levy Reduction	-	-	-
Refund and abatements	-	-	-
Levied property taxes	<u>402,960</u>	<u>469,877</u>	<u>491,353</u>
Adjustments to actual/rounding	(5,093)	-	(53)
Refunds and abatements	-	(1,075)	-
Property taxes	<u>\$ 397,867</u>	<u>\$ 468,802</u>	<u>\$ 491,300</u>

**PROPERTY TAXES**

General	\$ 216,717	\$ 254,865	\$ 267,600
Debt Service	181,150	213,937	223,700
	<u>\$ 397,867</u>	<u>\$ 468,802</u>	<u>\$ 491,300</u>

**HB1006**

New growth	\$ 320,470	\$ 186,760	\$ -
Mill levy	23,000	23,000	23,000
	<u>7,371</u>	<u>4,295</u>	<u>-</u>
Adjustments	4	-	-
Total HB 1006	<u>\$ 7,375</u>	<u>\$ 4,295</u>	<u>\$ -</u>

This financial information should be read only in connection with the accompanying accountant's report and summary of significant assumptions.

**PLUM CREEK METROPOLITAN DISTRICT  
GENERAL FUND  
FORECASTED 2009 BUDGET AS ADOPTED  
WITH 2007 ACTUAL AND 2008 ESTIMATED  
For the Years Ended and Ending December 31,**

12/4/2008

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	ACTUAL 2007	ESTIMATED 2008	ADOPTED 2009
BEGINNING FUND BALANCE	\$ 79,189	\$ 88,096	\$ 80,347
<b>REVENUE</b>			
Property taxes	216,717	254,865	267,600
Specific ownership tax	40,303	41,000	44,220
Investment income	11,849	4,100	2,500
Total revenue	268,869	299,965	314,320
Total funds available	348,058	388,061	394,667
<b>EXPENDITURES</b>			
Accounting	22,300	20,000	20,000
Audit	3,743	4,112	4,200
County Treasurer's fees	3,269	3,839	4,014
Election costs	-	41	-
Insurance	4,296	2,072	3,000
District management	8,317	10,000	10,000
Legal	36,378	17,000	18,000
Miscellaneous	759	650	2,000
Engineering	8,400	-	-
Contingency	-	-	3,786
Total expenditures	87,462	57,714	65,000
<b>TRANSFERS OUT</b>			
Debt Service Fund	172,500	250,000	250,000
Total transfers out	172,500	250,000	250,000
Total expenditures and transfers out requiring appropriation	259,962	307,714	315,000
ENDING FUND BALANCE	\$ 88,096	\$ 80,347	\$ 79,667
Emergency Reserve	\$ 8,100	\$ 9,000	\$ 9,500

This financial information should be read only in connection with the accompanying accountant's report and summary of significant assumptions.

**PLUM CREEK METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
FORECASTED 2009 BUDGET AS ADOPTED  
WITH 2007 ACTUAL AND 2008 ESTIMATED  
For the Years Ended and Ending December 31,**

12/4/2008

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	ACTUAL 2007	ESTIMATED 2008	ADOPTED 2009
BEGINNING FUND BALANCE	\$ 121,537	\$ 181,719	\$ 342,582
REVENUE			
Property taxes	181,150	213,937	223,700
HB 1006 taxes	7,375	4,295	-
Investment income	9,053	8,100	10,000
Total revenue	197,578	226,332	233,700
TRANSFERS IN			
General Fund	172,500	250,000	250,000
Total transfers in	172,500	250,000	250,000
Total funds available	491,615	658,051	826,282
EXPENDITURES			
County Treasurer's fees	2,844	3,209	3,356
County Treasurer's fees - HB1006	757	240	-
Paying agent fees	150	150	150
Bond principal	190,000	200,000	210,000
Bond interest	116,145	111,870	106,670
Contingency	-	-	9,824
Total expenditures	309,896	315,469	330,000
Total expenditures and transfers out requiring appropriation	309,896	315,469	330,000
ENDING FUND BALANCE	\$ 181,719	\$ 342,582	\$ 496,282

This financial information should be read only in connection with the accompanying accountant's report and summary of significant assumptions.

**PLUM CREEK METROPOLITAN DISTRICT  
2009 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District was organized to provide financing for the construction of water, irrigation, sewer, storm drainage, park and recreation facilities, street improvements, safety-control and transportation facilities. The District's service area is located in Douglas County, Colorado entirely within the Town of Castle Rock.

On May 7, 1996, the District's qualified electors authorized general obligation indebtedness in an amount not to exceed \$7,000,000 at an interest rate not to exceed 18% per annum, payable from taxes from an ad valorem mill levy not to exceed 40 mills. The election also allows the District an annual operations property tax increase of \$72,000, from which the revenues may be retained without regard to the limitations contained in Article X, Section 20 of the Colorado Constitution or any other law. Pursuant to the amended service plan, the District is limited to issuing \$3,600,000 in bonds. Any debt issuance in excess of this limit would have to be approved by the Town of Castle Rock.

The District prepares its budget on the modified accrual basis of accounting.

**Revenue**

**Property Taxes**

The calculation of the taxes levied is displayed on page 3 at the adopted mill levy of 23.000 mills.

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The forecast assumes that the District's share will be equal to approximately 9% of the property taxes collected.

**Interest**

Interest earned on projected funds available has been estimated using a rate of approximately 3%.

**Expenditures**

**Administrative and Operating Expenditures**

Administrative and operating expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, accounting, insurance, banking, and meeting costs.

**PLUM CREEK METROPOLITAN DISTRICT  
2009 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures (Continued)**

**Debt Service**

During 2003, the District issued General Obligation Refunding Bonds Series 2003 for the purpose of refunding the Series 1999 General Obligation Limited Tax Bonds. The Bond principal and interest payments are provided based on the debt amortization schedule, which has an increasing debt service schedule through maturity in 2018 with an interest rate of 1.10% to 4.35%. The bonds are subject to redemption prior to maturity, at the option of the District, beginning December 1, 2011, upon payment of par, accrued interest, and a 1.00% redemption premium. After December 1, 2012, the bonds may be redeemed without a redemption premium.

**Debt and Leases**

The District's current debt service schedule is attached. The District has no operating or capital leases.

**Reserves**

**Emergency Reserve**

The District has provided for an emergency reserve equal to at least 3% of fiscal year spending for 2009, as defined under TABOR.

**This information is an integral part of the forecasted budget.**

**PLUM CREEK METROPOLITAN DISTRICT  
SCHEDULE OF GENERAL OBLIGATION REFUNDING BONDS**

<b>\$3,590,000</b>			
<b>General Obligation</b>			
<b>Refunding Bonds</b>			
<b>Series 2003</b>			
<b>Dated September 1, 2003</b>			
<b>Interest Rate 1.1%-4.35%</b>			
<u>Year Ended December 31,</u>	<u>Principal Due December 1</u>	<u>Interest Due June 1 and December 1</u>	<u>Total</u>
2009	\$ 210,000	\$ 106,670	\$ 316,670
2010	220,000	99,845	319,845
2011	230,000	91,595	321,595
2012	245,000	82,395	327,395
2013	255,000	72,595	327,595
2014	270,000	62,395	332,395
2015	280,000	51,460	331,460
2016	300,000	39,980	339,980
2017	310,000	27,530	337,530
2018	330,000	14,355	344,355
	<u>\$ 2,650,000</u>	<u>\$ 648,820</u>	<u>\$ 3,298,820</u>

This financial information should be read only in connection with the accompanying accountant's report and summary of significant assumptions.