

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, 2010 including the forecasted estimate of comparative information for the year ending December 31, 2009 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 2008 is presented for comparative purposes only. Such information is taken from the audit report of the District for the year ended December 31, 2008 as prepared by Wagner, Burke & Barnes, LLP, dated May 28, 2009, 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 CPA

Greenwood Village, CO
November 20, 2009

**PLUM CREEK METROPOLITAN DISTRICT
SUMMARY
FORECASTED 2010 BUDGET AS ADOPTED
WITH 2008 ACTUAL AND 2009 ESTIMATED
For the Years Ended and Ending December 31,**

11/20/2009

	ACTUAL 2008	ESTIMATED 2009	ADOPTED 2010
BEGINNING FUND BALANCES	\$ 269,815	\$ 425,647	\$ 562,492
REVENUES			
Property taxes	469,065	491,300	452,900
Specific ownership taxes	40,130	37,392	31,700
Interest income	16,919	7,900	3,033
Escrow reimbursement	5,537	-	-
HB 1006 taxes	4,085	-	-
Total revenues	<u>535,736</u>	<u>536,592</u>	<u>487,633</u>
TRANSFERS IN	250,000	225,000	150,000
Total transfers in	<u>250,000</u>	<u>225,000</u>	<u>150,000</u>
Total funds available	<u>1,055,551</u>	<u>1,187,239</u>	<u>1,200,125</u>
EXPENDITURES			
General and administration			
Accounting	23,387	23,000	20,000
Audit	4,112	4,200	4,200
Contingency	-	5,000	4,100
County Treasurer's fees	3,877	4,014	3,700
Developer reimbursement	5,537	-	-
District management	10,006	10,000	10,000
Election	41	-	5,000
Insurance	2,072	2,112	3,000
Legal	14,866	18,000	18,000
Miscellaneous	434	1,148	2,000
Warranty expense	-	5,097	-
Operations and maintenance			
Engineering	-	7,000	-
Debt Service			
Bond interest	111,870	106,670	99,845
Bond principal	200,000	210,000	220,000
Contingency	-	-	6,912
County Treasurer's fees	3,552	3,356	3,093
Paying agent fees	150	150	150
Total expenditures	<u>379,904</u>	<u>399,747</u>	<u>400,000</u>
TRANSFERS OUT	250,000	225,000	150,000
Total transfers out	<u>250,000</u>	<u>225,000</u>	<u>150,000</u>
Total expenditures and transfers out requiring appropriation	<u>629,904</u>	<u>624,747</u>	<u>550,000</u>
ENDING FUND BALANCES	<u>\$ 425,647</u>	<u>\$ 562,492</u>	<u>\$ 650,125</u>
EMERGENCY RESERVE	<u>\$ 9,300</u>	<u>\$ 9,300</u>	<u>\$ 8,400</u>
TOTAL RESERVE	<u>\$ 9,300</u>	<u>\$ 9,300</u>	<u>\$ 8,400</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
PROPERTY TAX SUMMARY INFORMATION
For the Years Ended and Ending December 31,**

11/20/2009

	ACTUAL 2008	ESTIMATED 2009	ADOPTED 2010
ASSESSED VALUATION - DOUGLAS			
Residential	\$ 16,223,310	\$ 16,429,520	\$ 16,892,920
Commercial	-	-	180
Vacant land	4,207,550	4,769,340	2,836,230
Personal Property	159,000	137,850	87,800
State Assessed	26,350	26,350	36,720
	<u>20,616,210</u>	<u>21,363,060</u>	<u>19,853,850</u>
Adjustments	(186,760)	-	(158,574)
Certified Assessed Value	<u>\$ 20,429,450</u>	<u>\$ 21,363,060</u>	<u>\$ 19,695,276</u>
MILL LEVY			
GENERAL FUND	12.528	12.528	12.528
DEBT SERVICE FUND	10.472	10.472	10.472
Total Mill Levy	<u>23.000</u>	<u>23.000</u>	<u>23.000</u>
PROPERTY TAXES			
GENERAL FUND	\$ 255,940	\$ 267,636	\$ 246,742
DEBT SERVICE FUND	213,937	223,714	206,249
	<u>469,877</u>	<u>491,350</u>	<u>452,991</u>
Levied property taxes	469,877	491,350	452,991
Adjustments to actual/rounding	(812)	(50)	(91)
Budgeted Property Taxes	<u>\$ 469,065</u>	<u>\$ 491,300</u>	<u>\$ 452,900</u>
BUDGETED PROPERTY TAXES			
GENERAL FUND	\$ 255,500	\$ 267,600	\$ 246,690
DEBT SERVICE FUND	213,565	223,700	206,210
	<u>\$ 469,065</u>	<u>\$ 491,300</u>	<u>\$ 452,900</u>

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**PLUM CREEK METROPOLITAN DISTRICT
GENERAL FUND
FORECASTED 2010 BUDGET AS ADOPTED
WITH 2008 ACTUAL AND 2009 ESTIMATED
For the Years Ended and Ending December 31,**

11/20/2009

	ACTUAL 2008	ESTIMATED 2009	ADOPTED 2010
BEGINNING FUND BALANCES	\$ 88,096	\$ 81,751	\$ 85,072
REVENUES			
Property taxes	255,500	267,600	246,690
Specific ownership taxes	40,130	37,392	31,700
Interest income	6,820	2,900	514
Escrow reimbursement	5,537	-	-
Total revenues	<u>307,987</u>	<u>307,892</u>	<u>278,904</u>
Total funds available	<u>396,083</u>	<u>389,643</u>	<u>363,976</u>
EXPENDITURES			
General and administration			
Accounting	23,387	23,000	20,000
Audit	4,112	4,200	4,200
Contingency	-	5,000	4,100
County Treasurer's fees	3,877	4,014	3,700
Developer reimbursement	5,537	-	-
District management	10,006	10,000	10,000
Election	41	-	5,000
Insurance	2,072	2,112	3,000
Legal	14,866	18,000	18,000
Miscellaneous	434	1,148	2,000
Warranty expense	-	5,097	-
Operations and maintenance			
Engineering	-	7,000	-
Total expenditures	<u>64,332</u>	<u>79,571</u>	<u>70,000</u>
TRANSFERS OUT			
DEBT SERVICE FUND	250,000	225,000	150,000
Total transfers out	<u>250,000</u>	<u>225,000</u>	<u>150,000</u>
Total expenditures and transfers out requiring appropriation	<u>314,332</u>	<u>304,571</u>	<u>220,000</u>
ENDING FUND BALANCES	<u>\$ 81,751</u>	<u>\$ 85,072</u>	<u>\$ 143,976</u>
EMERGENCY RESERVE	<u>\$ 9,300</u>	<u>\$ 9,300</u>	<u>\$ 8,400</u>
TOTAL RESERVE	<u>\$ 9,300</u>	<u>\$ 9,300</u>	<u>\$ 8,400</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
DEBT SERVICE FUND
FORECASTED 2010 BUDGET AS ADOPTED
WITH 2008 ACTUAL AND 2009 ESTIMATED
For the Years Ended and Ending December 31,**

11/20/2009

	ACTUAL 2008	ESTIMATED 2009	ADOPTED 2010
BEGINNING FUND BALANCES	\$ 181,719	\$ 343,896	\$ 477,420
REVENUES			
Property taxes	213,565	223,700	206,210
Interest income	10,099	5,000	2,519
HB 1006 taxes	4,085	-	-
Total revenues	<u>227,749</u>	<u>228,700</u>	<u>208,729</u>
TRANSFERS IN			
GENERAL FUND	250,000	225,000	150,000
Total transfers in	<u>250,000</u>	<u>225,000</u>	<u>150,000</u>
Total funds available	<u>659,468</u>	<u>797,596</u>	<u>836,149</u>
EXPENDITURES			
Debt Service			
Bond interest	111,870	106,670	99,845
Bond principal	200,000	210,000	220,000
Contingency	-	-	6,912
County Treasurer's fees	3,552	3,356	3,093
Paying agent fees	150	150	150
Total expenditures	<u>315,572</u>	<u>320,176</u>	<u>330,000</u>
Total expenditures and transfers out requiring appropriation	<u>315,572</u>	<u>320,176</u>	<u>330,000</u>
ENDING FUND BALANCES	<u>\$ 343,896</u>	<u>\$ 477,420</u>	<u>\$ 506,149</u>
TOTAL RESERVE	<u>\$ -</u>	<u>\$ -</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
2010 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 7% of the property taxes collected.

Interest

Interest earned on projected funds available has been estimated using a rate of approximately 0.5%.

**PLUM CREEK METROPOLITAN DISTRICT
2010 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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.

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 2010, as defined under TABOR.

This information is an integral part of the forecasted budget.

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

\$3,590,000 General Obligation Refunding Bonds Series 2003 Dated September 1, 2003 Interest Rate 1.1%-4.35%			
<u>Year Ended December 31,</u>	<u>Principal Due December 1</u>	<u>Interest Due June 1 and December 1</u>	<u>Total</u>
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>\$ 2,440,000</u>	<u>\$ 542,150</u>	<u>\$ 2,982,150</u>

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