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Emeritus

June 8, 2016

VIA HAND DELIVERY

Town Council of the Town of Castle Rock
c/o Sally Misare, Town Clerk
100 N. Wilcox Street
Castle Rock, CO 80104

Re: Plum Creek Metropolitan District
2015 Annual Report

Dear Sally:

Submitted herewith pursuant to the provisions of Section 32-1-207(3)(c), C.R.S. and Section 11.02.040 of the Castle Rock Municipal Code is the annual report for Plum Creek Metropolitan District for the period ending December 31, 2015. By copy of this letter, copies of the annual report are being sent to the Douglas County Board of Commissioners, the Colorado Division of Local Government, and the State Auditor, and are being deposited with the Douglas County Clerk and Recorder, as required by statute. Further, a copy of the annual report shall be made available to any interested party, pursuant to Section 32-1-204(1), C.R.S.

Yours truly,

FOLKESTAD FAZEKAS BARRICK & PATOILE, P.C.

James B. Folkestad

cc (with enclosures): via U.S. Mail

Director of Finance, Town of Castle Rock, 100 N. Wilcox St., Castle Rock, CO 80104
Douglas County Board of Commissioners, 100 Third Street, Castle Rock, CO 80104
State Auditor, 200 E. 14th Ave., Denver, CO 80203-2211

cc (with enclosures), electronically:
Douglas County Clerk and Recorder
David Littler, President of Plum Creek Metropolitan District

cc of Report via ePortal to District account:
Division of Local Government

office. 303.688.3045 • fax. 303.688.3189

18 South Wilcox Street, Suite 200

Castle Rock, Colorado 80104-1909

ffcolorado.com

**ANNUAL REPORT
PLUM CREEK METROPOLITAN DISTRICT
DOUGLAS COUNTY, COLORADO
REPORTING PERIOD ENDING
DECEMBER 31, 2015**

Pursuant to Section 32-1-207(3)(c), C.R.S., Special District Act, and Ordinance No. 92-15 adopted by the Town Council of the Town of Castle Rock, Colorado, which became effective October 1, 1992, the following report is submitted by the District Manager and Board of Directors of Plum Creek Metropolitan District to the Town Council of the Town of Castle Rock.

The following information concerns the activity and financial events of the District during the year 2015:

1. Progress in implementing service plan.

An Amended Service Plan for the District was approved by the Town of Castle Rock on July 23, 1998 (the "Service Plan"). The District completed all sanitary sewer, collector road, drainage improvements, storm sewer and storm detention ponds, and water mains contemplated pursuant to the Service Plan in 2007, and such public improvements were dedicated to the Town of Castle Rock on April 24, 2007.

2. 2015 Audit.

The audited financial statements of the District for the report year, including a statement of financial condition as of December 31, 2015, and a statement of operations for the reporting period, have been prepared by Wagner Barnes & Griggs, PC, the auditors for the District. A copy of the audited financial statements for the year ended December 31, 2015, is attached to this report.

3. Capital expenditures and capital improvements.

Capital expenditures and capital improvements are shown in the enclosed audited financial statements for 2015 prepared by Wagner Barnes & Griggs, PC.

4. Capital improvements/projects proposed to be undertaken in 5 years following 2015.

None. All public improvements authorized under the Service Plan were completed in 2007.

5. Financial obligations and assessed valuation.

The financial obligations of the District at the end of the report year, including the amount of indebtedness paid or retired during the report year, the amount of outstanding indebtedness, and the amount and terms of any new District indebtedness or long-term obligations issued during the report year are reflected in the audited financial statements.

The gross total assessed valuation of all taxable properties within the District as of December 2015 was \$24,946,810.

The District is being dissolved effective December 31, 2015. The District will not be certifying a mill levy for the year 2016.

6. Budget for 2016.

The District is being dissolved effective December 31, 2015. There will not be a budget for 2016.

7. Residential/commercial development which occurred within District from January 1, 2015 through November 30, 2015.

Commercial development:

There were no certificates of occupancy issued for new commercial buildings within the District.

Residential development:

There were 13 certificates of occupancy issued for single family detached homes in Plum Creek, and 19 certificates of occupancy issued for single family detached homes in Plum Creek South from January 1, 2015 through November 30, 2015. There were no certificates of occupancy issued for single family attached or multifamily homes in either Plum Creek or Plum Creek South from January 1, 2015 through November 30, 2015.

8. Fees, charges and assessments. The District had not imposed any fees, charges or assessments as of January 1 of the report year.

9. Certification re: Section 11.02.060. No action, event or condition enumerated in Section 11.02.060 of the Town of Castle Rock Municipal Code, constituting a material modification to the District service plan, as addressed by the Amended Service Plan approved July 23, 1998, occurred in the report year.

10. Names, addresses, telephone numbers, meetings. There is one vacant seat on the Board. The names, business addresses, and telephone numbers of each member of the Board of Directors, the president, and the District counsel are as follows:

David W. Littler	President
Plum Creek Metropolitan District	
2161 Kahala Cir.	
Castle Rock, CO 80104	
303-663-4680	

James K. Ellington
Plum Creek Metropolitan District
2125 Kahala Circle
Castle Rock, CO 80104
303-660-4499

Vice-President

Curtis A. Maddock Jr.
Plum Creek Metropolitan District
2000 June Court
Castle Rock, CO 80104
303-663-4748

Assistant Secretary

Boyd Gordon
2081 Kahala Circle
Castle Rock, CO 80104
303-814-2443

Secretary/Treasurer

James B. Folkestad, Esq.
Folkestad Fazekas Barrick & Patoile, P.C.
18 S. Wilcox Street, Suite 200
Castle Rock, CO 80104
303-688-3045

Legal Counsel

David Peak and Shannon Torgerson
CliftonLarsonAllen LLP
8390 E. Crescent Parkway, Suite 500
Greenwood Village, CO 80111-2814
303-779-4525

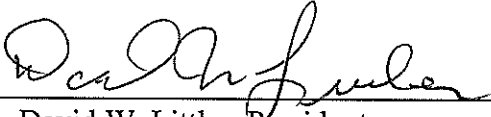
District Managers

Regular meetings were scheduled in 2015 for the 2nd Monday of the months of March, July, September, and November, commencing at 4:00 p.m., at the office of Folkestad Fazekas Barrick & Patoile, P.C., located at 18 S. Wilcox Street, Suite 200, Castle Rock, Colorado, 80104.


Pursuant to Section 32-1-207(3)(c), C.R.S., a copy of this report will be filed with the Town Council of the Town of Castle Rock, the Douglas County Board of Commissioners, the Division of Local Government, and the State Auditor, as well as being deposited with the Douglas County Clerk and Recorder and made available to any interested party as defined in Section 32-1-204(1), C.R.S.

DATE: Effective as of December 31, 2015.

PLUM CREEK METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado

By: 
David W. Littler, President

ATTEST:

By: 
Boyd C. Gordon, Secretary

SEAL

**2015 Audited Financial Statements
Plum Creek Metropolitan District**

PLUM CREEK METROPOLITAN DISTRICT
Douglas County, Colorado

FINANCIAL STATEMENTS
December 31, 2015

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Certified Public Accountants and Business Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Plum Creek Metropolitan District
Douglas County, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of Plum Creek Metropolitan District (the District) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 Plum Creek Metropolitan District, as of December 31, 2015, and the respective changes in financial position thereof, and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

I

Wagner Barnes & Griggs, PC

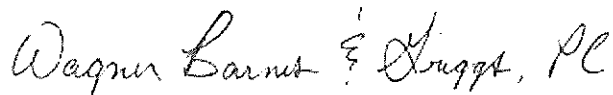
Other Matters

Required Supplementary Information

Management has omitted 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 statement in an appropriate operation, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of legal compliance and additional analysis and is not a required part of the basic financial statements. The supplementary 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 information has 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

A handwritten signature in cursive script that reads "Wagner Barnett & Suggs, PC".

Lakewood, Colorado
March 21, 2016

BASIC FINANCIAL STATEMENTS

**PLUM CREEK METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
December 31, 2015**

	<u>Governmental Activities</u>
ASSETS	
Receivable - County Treasurer	<u>\$ 2,929</u>
Total assets	<u>2,929</u>
LIABILITIES	
Payable to Town of Castle Rock	<u>2,929</u>
Total liabilities	<u>2,929</u>
DEFERRED INFLOWS OF RESOURCES	
Total deferred inflows of resources	<u>-</u>
NET POSITION	
Unrestricted	<u>-</u>
Total net position	<u><u>\$ -</u></u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

PLUM CREEK METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
Year Ended December 31, 2015

<u>Functions/Programs</u>	Expenses	Charges for Services	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
			Operating Grants and Contributions	Capital Grants and Contributions		
Primary government:						
Government activities:						
General government	\$ 122,277	\$ -	\$ -	\$ -		\$ (122,277)
Interest and related costs on long-term debt	24,167	-	-	-		(24,167)
	\$ 146,444	\$ -	\$ -	\$ -		(146,444)
General revenues:						
Property taxes					317,067	
Specific ownership taxes					32,722	
Net investment income					75	
Total general revenues					349,864	
Change in net position					203,420	
Net position - Beginning					(203,420)	
Net position - Ending					\$ -	

These financial statements should be read only in connection with the accompanying notes to financial statements.

**PLUM CREEK METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2015**

	General	Debt Service	Total Governmental Funds
ASSETS			
Receivable - County Treasurer	\$ 2,929	\$ -	\$ 2,929
TOTAL ASSETS	\$ 2,929	\$ -	\$ 2,929
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Payable to Town of Castle Rock	\$ 2,929	\$ -	\$ 2,929
Total liabilities	2,929	-	2,929
-			
DEFERRED INFLOWS OF RESOURCES			
Total deferred inflows of resources	-	-	-
FUND BALANCES			
Unassigned	-	-	-
Total fund balances	-	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 2,929	\$ -	-
Net position of governmental activities			\$ -

There are no reconciling items between the balance sheet and the statement of net position.

These financial statements should be read only in connection with the accompanying notes to financial statements.

PLUM CREEK METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2015

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
REVENUES			
Property taxes	\$ 126,636	\$ 190,431	\$ 317,067
Specific ownership taxes	32,722	-	32,722
Net investment income	23	52	75
Total revenues	<u>159,381</u>	<u>190,483</u>	<u>349,864</u>
EXPENDITURES			
Current			
Accounting	38,338	-	38,338
Audit	8,900	-	8,900
County Treasurer's fees	1,901	2,858	4,759
Interest expense due to tax abatements	39	113	152
District management	11,431	-	11,431
Dues and membership	366	-	366
Insurance and bonds	2,803	-	2,803
Legal	28,265	-	28,265
Miscellaneous	591	-	591
Town of Castle Rock	29,643	-	29,643
Debt service			
Bond principal	-	1,005,309	1,005,309
Interest expense - Bonds	-	11,787	11,787
Total expenditures	<u>122,277</u>	<u>1,020,067</u>	<u>1,142,344</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>37,104</u>	<u>(829,584)</u>	<u>(792,480)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in (out)	<u>(214,302)</u>	<u>214,302</u>	<u>-</u>
Total other financing sources (uses)	<u>(214,302)</u>	<u>214,302</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(177,198)</u>	<u>(615,282)</u>	<u>(792,480)</u>
FUND BALANCES - BEGINNING OF YEAR	<u>177,198</u>	<u>615,282</u>	<u>792,480</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**PLUM CREEK METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2015**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - Total governmental funds	\$ (792,480)
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of these differences in the treatment of long-term debt is as follows:

Current year bond principal payment	1,005,309
Current year amortization of bond refunding costs	(11,586)

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 on bonds - Change in liability	<u>2,177</u>
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Changes in net position of governmental activities	<u><u>\$ 203,420</u></u>
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These financial statements should be read only in connection with
the accompanying notes to financial statements.

**PLUM CREEK METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2015**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 135,921	\$ 133,993	\$ 126,636	\$ (7,357)
Specific ownership taxes	28,927	31,996	32,722	726
Net investment income	360	1,000	23	(977)
Total revenues	<u>165,208</u>	<u>166,989</u>	<u>159,381</u>	<u>(7,608)</u>
EXPENDITURES				
Current				
Accounting	35,000	35,000	38,338	(3,338)
Audit	8,600	8,800	8,900	(100)
County Treasurer's fees	2,039	2,010	1,901	109
Interest expense due to tax abatements	-	-	39	(39)
District management	20,000	15,000	11,431	3,569
Dues and membership	600	366	366	-
Insurance and bonds	3,000	2,803	2,803	-
Legal	27,500	32,500	28,265	4,235
Miscellaneous	1,500	700	591	109
Publications and notices	-	3,000	-	3,000
Town of Castle Rock	-	40,917	29,643	11,274
Contingency	7,786	-	-	-
Total expenditures	<u>106,025</u>	<u>141,096</u>	<u>122,277</u>	<u>18,819</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>59,183</u>	<u>25,893</u>	<u>37,104</u>	<u>11,211</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers out	<u>(225,000)</u>	<u>(203,091)</u>	<u>(214,302)</u>	<u>(11,211)</u>
Total other financing sources (uses)	<u>(225,000)</u>	<u>(203,091)</u>	<u>(214,302)</u>	<u>(11,211)</u>
NET CHANGE IN FUND BALANCE	(165,817)	(177,198)	(177,198)	-
FUND BALANCES - BEGINNING OF YEAR	<u>165,817</u>	<u>177,198</u>	<u>177,198</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

PLUM CREEK METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 1 - DEFINITION OF REPORTING ENTITY

Plum Creek Metropolitan District (District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the District Court for the Town of Castle Rock (Town) on August 14, 1985, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in Douglas County, Colorado and is entirely within the Town of Castle Rock. The District was established to finance the construction of water, irrigation and landscaping, sewer, storm drainage, park and recreation facilities, street improvements, traffic and safety control devices and transportation services and erosion abatement.

An amended service plan and associated Master Intergovernmental Agreement (IGA) which supercedes the prior service plan and IGA entirely was approved by the Town of Castle Rock on July 23, 1998. The service plan and IGA restricts the District as follows:

- Must initiate dissolution of the District at such time as debt is repaid and all facilities have been completed and conveyed to the Town.

On October 28, 2015, the District filed a Petition for Dissolution with the District Court, Douglas County, Colorado. The petition was granted and the Order of Dissolution was filed on December 30, 2015. As of December 31, 2015, the District is dissolved.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

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

The District is not financially accountable for any other entity, nor is the District a component unit of any other primary governmental entity, including the Town of Castle Rock.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

PLUM CREEK METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a 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. Major individual governmental funds are reported as separate columns in the fund financial statements.

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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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 collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current period. The major sources of revenue subject to accrual are property taxes and interest. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

General Fund - The General Fund is the primary operating fund of the District. It accounts for all financial resources, except those required to be accounted for in other funds.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of the governmental funds.

PLUM CREEK METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District amended its annual budget for the year ended December 31, 2015.

Property Taxes

Property taxes are levied by the District Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and July. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position may report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government has no items that qualify for reporting in this category.

In addition to liabilities, the statement of net position may report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one item that qualifies for reporting in this category. Accordingly, the item, *property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amounts become available.

PLUM CREEK METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity

Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the government's practice to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned.

Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

- *Nonspendable fund balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.
- *Restricted fund balance* – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.
- *Committed fund balance* – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.
- *Assigned fund balance* – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.
- *Unassigned fund balance* – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balances is available for use when an expenditure is incurred, it is the District's practice to use the most restrictive classification first.

PLUM CREEK METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 3 - CASH DEPOSITS AND INVESTMENTS

Deposits with Financial Institutions

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 regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2015, the District's cash deposits had a bank balance of \$6,220 and a carrying balance of \$-0-.

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

**PLUM CREEK METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities and securities of the World Bank
- . Certain international agency securities
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- . Local government investment pools

At December 31, 2015, the District had no investments.

NOTE 4 - LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2015:

	<u>Balance at December 31, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at December 31, 2015</u>	<u>Due Within One Year</u>
2012 General Obligation Refunding Bonds	\$ 1,005,309	\$ -	\$ 1,005,309	\$ -	\$ -

\$1,700,000 General Obligation Refunding Bonds, dated January 18, 2012, with interest of 2.60%, consisting of current interest bonds due annually through 2018. The bonds are subject to redemption prior to maturity, at the option of the District, with not less than 30 days written notice. The prepayment fee will be equal to 3% of the amount prepaid in the first year, 2% of the amount prepaid in the second year, and 1% of the amount prepaid in the third year. There shall be no prepayment fee for amounts paid in year four and thereafter.

On August 6, 2015, all outstanding indebtedness was paid in full.

**PLUM CREEK METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE 5 - RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, the District may be exposed to various risks of loss related to thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District was a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2015. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property and public officials' liability. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 6 - 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, revenue and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

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 interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

On May 7, 1996, voters within the District approved the following measures:

An annual operations property tax increase of \$72,000, commencing in 1996,

A 1996 revenue and spending increase of \$360,000, and

Effective 1996 and thereafter, the collection and spending of all District revenue.

**PLUM CREEK METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2015**

NOTE 6 - TAX, SPENDING AND DEBT LIMITATIONS (CONTINUED)

The voters' approvals are to be considered without regard to any spending, revenue raising or other limitations contained within TABOR or the 5.5% property tax limitation contained within Colorado revised statutes.

Due to the dissolution of the District, no Emergency Reserve is required.

NOTE 7 - INTERFUND AND OPERATING TRANSFERS

The transfer of \$214,302 from the General Fund to the Debt Service Fund was to transfer excess monies in the General Fund to be used to make the final debt payment.

NOTE 8 – DISSOLUTION OF DISTRICT

On August 4, 2015, the Town of Castle Rock Town Council adopted a resolution consenting to dissolve the District. On September 14, 2015, the Board approved the adoption of a resolution to file a Petition for Dissolution of the District with the Douglas County District Court. The Petition was filed with the Douglas County District Court on October 28, 2015. The Petition was granted and the Order of Dissolution was filed on December 30, 2015.

On December 29, 2015, the District signed an Agreement with the Town of Castle Rock (Town) stating that any remaining funds would be paid to the Town upon dissolution. These funds are to be held in escrow by the Town should any taxpayer be granted an abatement or refund of taxes on or before December 31, 2017.

This information is an integral part of the accompanying financial statements.

SUPPLEMENTARY INFORMATION

**PLUM CREEK METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2015**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Property taxes	\$ 204,393	\$ 190,431	\$ (13,962)
Net investment income	1,200	52	(1,148)
Total revenues	<u>205,593</u>	<u>190,483</u>	<u>(15,110)</u>
EXPENDITURES			
Current			
County Treasurer's fees	3,947	2,858	1,089
Interest expense due to tax abatements	-	113	(113)
Contingency	8,936	-	8,936
Debt service			
Bond principal	1,005,309	1,005,309	-
Interest expense - Bonds	26,138	11,787	14,351
Paying agent fees	1,000	-	1,000
Total expenditures	<u>1,045,330</u>	<u>1,020,067</u>	<u>25,263</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(839,737)</u>	<u>(829,584)</u>	<u>10,153</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	225,000	214,302	(10,698)
Total other financing sources (uses)	<u>225,000</u>	<u>214,302</u>	<u>(10,698)</u>
NET CHANGE IN FUND BALANCE	(614,737)	(615,282)	(545)
FUND BALANCES - BEGINNING OF YEAR	<u>614,737</u>	<u>615,282</u>	<u>545</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**PLUM CREEK METROPOLITAN DISTRICT
SUMMARY OF ASSESSED VALUATION, MILL LEVY
AND PROPERTY TAXES COLLECTED
December 31, 2015**

<u>Year Ended December 31,</u>	<u>Prior Year Assessed Valuation for Current Year Property Tax Levy</u>	<u>Mill Levy</u>		<u>Total Property Tax</u>		<u>Percent Collected to Levied</u>
		<u>General</u>	<u>Debt Service</u>	<u>Levied</u>	<u>Collected</u>	
2011	\$ 19,882,880	12.528	10.472	\$ 457,306	\$ 452,248	98.89%
2012	\$ 17,334,550	12.528	10.472	\$ 398,694	\$ 397,874	99.79%
2013	\$ 17,910,830	12.528	10.472	\$ 411,949	\$ 410,085	99.55%
2014	\$ 18,954,150	12.528	10.472	\$ 435,946	\$ 435,799	99.97%
2015	\$ 20,439,280	6.650	10.000	\$ 340,314	\$ 317,067	93.17%
Estimated for year ending December 31, 2016	\$ 24,946,810	0.000	0.000	\$ -		

Property taxes collected in any one year may include collection of delinquent property taxes assessed in prior years. Information received from the County Treasurer does not permit identification of specific year of assessment.