

VALUE ENHANCEMENT GROUP, INC.

CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS DEVELOPMENT SPECIALISTS

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HORIZON DRIVE BUSINESS IMPROVEMENT DISTRICT

Financial Statements and
Accountants' Compilation Report
For the Year Ended December 31, 2007

Value Enhancement Group, Inc.

Value Enhancement Group, Inc. is committed to providing a total business and financial management service to our clients and associates, giving them the opportunity to identify, develop and achieve their goals.

HORIZON DRIVE BUSINESS IMPROVEMENT DISTRICT

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Board of Directors
Horizon Drive Business Improvement District
Grand Junction, CO

We have compiled the accompanying statement of net assets of Horizon Drive Business Improvement District as of December 31, 2007, and the related statements of revenue, expenses and changes in fund net assets, and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Value Enhancement Group, Inc.

Value Enhancement Group, Inc.
March 20, 2008

Value Enhancement Group, Inc.

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HORIZON DRIVE BUSINESS IMPROVEMENT DISTRICT
STATEMENT OF NET ASSETS
As of December 31, 2007

ASSETS

CURRENT ASSETS

Cash in banks \$ 368,336

TOTAL ASSETS \$ 368,336

NET ASSETS

Unrestricted \$ 197,336

Restricted 171,000

TOTAL NET ASSETS \$ 368,336

See accompanying notes to financial statements and accountants' report.

HORIZON DRIVE BUSINESS IMPROVEMENT DISTRICT
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET ASSETS
For the Year Ended December 31, 2007

OPERATING REVENUE	\$ 189,847
OPERATING EXPENSES	
Accounting fees	1,050
I-70 Horizon Drive Interchange Landscape Improvements Project contribution	57,000
Legal fees	1,974
Meals	317
Post office box	92
Professional services	67,866
Travel & lodging	275
Total Operating Expense	<u>128,574</u>
Net Income from Operations	61,273
NON-OPERATING REVENUE	
Interest income	<u>10,370</u>
NET INCOME	71,643
Total Fund Net Assets - Beginning	<u>296,693</u>
Total Fund Net Assets - Ending	<u>\$ 368,336</u>

See accompanying notes to financial statements and accountants' report.

HORIZON DRIVE BUSINESS IMPROVEMENT DISTRICT
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2007

INCREASE IN CASH & CASH EQUIVALENTS	
CASH FLOW FROM OPERATING ACTIVITIES	
Cash received	\$ 189,847
Cash payments	<u>(128,574)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	61,273
CASH FLOW FROM INVESTING ACTIVITIES	
Interest income	<u>10,370</u>
NET INCREASE IN CASH & CASH EQUIVALENTS	71,643
CASH - Beginning of year	<u>296,693</u>
CASH - End of year	<u><u>\$ 368,336</u></u>

See accompanying notes to financial statements and accountants' report.

HORIZON DRIVE BUSINESS IMPROVEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

HISTORY AND ACTIVITY

The Horizon Drive Business Improvement District operates as a special district formed in 2005. The purpose of the district is to improve and maintain the Horizon Drive corridor.

The accounting policies of the Horizon Drive Business Improvement District conform to generally accepted accounting principles. The following is a summary of such significant policies.

BASIS OF PRESENTATION – FUND ACCOUNTING

The operations of the District are accounted for as an enterprise fund. Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body had decided that periodic determination of revenues earned, expenses incurred, an/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

BASIS OF ACCOUNTING

The District uses the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when incurred. Operating revenues and expenses generally result from providing services in connection with the District's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

USE OF ESTIMATES

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

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; 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 is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits.

HORIZON DRIVE BUSINESS IMPROVEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007

NOTE 2 – CASH AND INVESTMENTS - continued

Deposits are categorized to give an indication of risk assumed by the government at the end of the year. Category 1 includes deposits that are insured, Category 2 includes collateralized deposits held by the pledging institution's department or agent in the District's name, and Category 3 included uncollateralized, uninsured deposits. At year end, the balance of the District's deposits were \$381,403, of which \$100,000 was covered by federal depository insurance and \$281,403 was collateralized under PDPA.

NOTE 3 – RESTRICTED NET ASSETS

The District and the City of Grand Junction have a memorandum of agreement where the District is obligated to pay \$57,000 a year for the renovation of the I-70 and Horizon Drive interchange, the funds were due starting on July 1, 2006 annually thereafter through 2010. The remaining balance of \$171,000 is reported as restricted net assets on the statement of net assets.