



Accountant's Report

Board of Directors
Rockinghorse Metropolitan District No. 2
Arapahoe County, Colorado

We have compiled the accompanying forecasted budget of revenue, expenditures, and funds available of the Rockinghorse Metropolitan District No. 2 for the General and Debt Service Funds for the year ending December 31, 2003, in accordance with attestation 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 funds available 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.

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 forecasted periods. Accordingly, this forecast is not designed for those who are not informed about such matters.

We are not independent with respect to Rockinghorse Metropolitan District No. 2.

Clifton Gunderson LLP

Greenwood Village, Colorado
January 28, 2002

ROCKINGHORSE METROPOLITAN DISTRICT No. 2
SUMMARY
FORECASTED 2003 BUDGET AS ADOPTED
For the Year Ending December 31,

1/28/03

Page 2

ADOPTED 2003

BEGINNING FUNDS AVAILABLE	\$	-
REVENUE		
Property taxes		-
Specific ownership tax		-
Investment income		-
System development fees		-
Developer advance		15,000
Bond proceeds		18,000,000
Total revenue		18,015,000
TRANSFERS IN		4,928,216
Total funds available		22,943,216
EXPENDITURES		
General		
Accounting		5,000
Audit		-
Bond issue costs		720,000
County Treasurer's fees		-
Director fees		-
Election costs		-
Insurance		1,000
Legal		9,000
Management		-
Repairs and maintenance		-
Repayment of Developer advance		-
Utilities		-
Miscellaneous		-
Contingency		-
Debt Service		
Paying agent fees		-
Bond principal		-
Bond interest		-
Letter of credit fees		-
Transfer to Rockinghorse Metro Distrcit No. 1		12,351,784
Total expenditures		13,086,784
TRANSFERS OUT		4,928,216
Total expenditures and transfers out requiring appropriation		18,015,000
ENDING FUNDS AVAILABLE	\$	4,928,216
Required Reserve	\$	4,928,216

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

ROCKINGHORSE METROPOLITAN DISTRICT No. 2
PROPERTY TAX SUMMARY INFORMATION
For the Year Ending December 31,

1/28/03

Page 3

ADOPTED
2003

ASSESSED VALUATION

Residential	\$	-
Commercial		-
State assessed		-
Vacant land		-
Personal property		-
		-
Adjustments		-
Certified Assessed Value	\$	-

MILL LEVY

General	0.000
Debt Service	0.000
Temporary Mill Levy Reduction (pursuant to C.R.S.39-5-121)	0.000
Refund and abatements	0.000
Total mill levy	0.000

PROPERTY TAXES

General	\$	-
Debt Service		-
Temporary Mill Levy Reduction		-
Refund and abatements		-
Levied property taxes		-
Adjustments to actual/rounding		-
Refunds and abatements		-
Budgeted property taxes	\$	-

BUDGETED PROPERTY TAXES

General	\$	-
Debt Service	\$	-
	\$	-

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

ROCKINGHORSE METROPOLITAN DISTRICT No. 2
GENERAL FUND
FORECASTED 2003 BUDGET AS ADOPTED
For the Year Ending December 31,

1/28/03

Page 4

ADOPTED 2003

BEGINNING FUNDS AVAILABLE	\$	-
REVENUE		
Property taxes		-
Specific ownership tax		-
Investment income		-
System development fees		-
Developer advance		15,000
Bond proceeds		18,000,000
Total revenue		18,015,000
TRANSFERS IN		
Debt Service Fund		-
Total transfers in		-
Total funds available		18,015,000
EXPENDITURES		
Accounting		5,000
Audit		-
Bond issue costs		720,000
County Treasurer's fees		-
Director fees		-
Dues		-
Insurance		1,000
Legal		9,000
Repairs and maintenance		-
Organizational costs		-
Utilities		-
Miscellaneous		-
Transfer to Rockinghorse Metro District No. 1		12,351,784
Total expenditures		13,086,784
TRANSFERS OUT		
Debt Service Fund		4,928,216
Total transfers out		4,928,216
Total expenditures and transfers out requiring appropriation		18,015,000
ENDING FUNDS AVAILABLE	\$	-
EMERGENCY RESERVE	\$	-

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

ROCKINGHORSE METROPOLITAN DISTRICT No. 2
DEBT SERVICE FUND
FORECASTED 2003 BUDGET AS ADOPTED
For the Year Ending December 31,

1/28/03

Page 5

ADOPTED 2003

BEGINNING FUNDS AVAILABLE	\$	-
REVENUE		
Property taxes		-
Investment income		-
System development fees		-
Bond proceeds		-
Total revenue		-
TRANSFERS IN		
General Fund		4,928,216
Total transfers in		4,928,216
Total funds available		4,928,216
EXPENDITURES		
Bond issue costs		-
County Treasurer's fees		-
Paying agent fees		-
Bond principal		-
Bond interest		-
Letter of credit fees		-
Miscellaneous		-
Contingency		-
Total expenditures		-
TRANSFERS OUT		
Capital Projects Fund		-
General Fund		-
Total transfers out		-
Total expenditures and transfers out requiring appropriation		-
ENDING FUNDS AVAILABLE	\$	4,928,216
Required Reserve	\$	4,928,216

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

ROCKINGHORSE METROPOLITAN DISTRICT NO. 2
2003 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The District was organized by court order dated May 28, 2002 to provide financing for the design, acquisition, construction and installation of essential public-purpose facilities such as water, streets, traffic and safety controls, parks, open space and recreation, and sewer and drainage facilities, and the operation and maintenance of the District. The District's service area is located entirely in Arapahoe County, Colorado. Under the Service Plan, the District is intended to be the Taxing District related to Rockinghorse Metropolitan District No. 1 as the Operating District. The District had no financial activity during 2002.

The District prepares its budget on the modified accrual basis of accounting, except that Developer Advances are recorded as revenue and the repayment of Developer Advances are recorded as expenditures; whereas the financial statement presentation, in accordance with generally accepted accounting principles (GAAP), records these transactions as fund liabilities and does not affect the operating statement. Consequently the terminology of "Funds Available" is used in the budget to distinguish the difference from GAAP accounting for Fund Balance. Funds Available represents each fund's current assets less its current liabilities except for the developer advance fund liability.

Revenue

Developer Advances

The District is in the development stage. As such, the operating, administrative, and infrastructure improvements for 2003 are to be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer.

**ROCKINGHORSE METROPOLITAN DISTRICT NO. 2
2003 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

(Continued)

Expenditures

Administrative Expenditures

Administrative expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as legal, accounting, managerial, insurance, meeting expense, and other administrative expenses through the end of dissolution.

Reserves

Emergency Reserve

The District will provide for an emergency reserve fund equal to at least 3% of fiscal year spending, as defined under TABOR when actual revenue is received.

Debt and Leases

The District has no debt, operating or capital leases.

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