

Highland Meadows  
Community Development District

Financial Statements  
(Unaudited)

January 31, 2014

Prepared by  
Rizzetta & Company, Inc.  
District Manager

## Highland Meadows Community Development District

### Balance Sheet

As of 1/31/2014

(In Whole Numbers)

|  | General Fund   | Debt Service Fund | Capital Projects Fund | Total Governmental Funds | General Fixed Assets Account Group | General Long-Term Debt Account Group |
|--|----------------|-------------------|-----------------------|--------------------------|------------------------------------|--------------------------------------|
| <b>Assets</b>                                |                |                   |                       |                          |                                    |                                      |
| Cash   | 210,661        | 0                 | 0                     | 210,661                  | 0                                  | 0                                    |
| Investments                                  | 0              | 476,539           | 26                    | 476,565                  | 0                                  | 0                                    |
| Accounts Receivable                          | 60,358         | 680,295           | 0                     | 740,652                  | 0                                  | 0                                    |
| Allowance for Doubtful Accounts              | 0              | (617,738)         | 0                     | (617,738)                | 0                                  | 0                                    |
| Prepaid Items                                | 409            | 0                 | 0                     | 409                      | 0                                  | 0                                    |
| Deposits                                     | 2,135          | 0                 | 0                     | 2,135                    | 0                                  | 0                                    |
| Due From Other Funds                         | 0              | 0                 | 0                     | 0                        | 0                                  | 0                                    |
| Due From Bondholders                         | 0              | 138,473           | 0                     | 138,473                  | 0                                  | 0                                    |
| Amount Available In Debt Service Fund        | 0              | 0                 | 0                     | 0                        | 0                                  | 0                                    |
| Amount To Be Provided for Debt Service       | 0              | 0                 | 0                     | 0                        | 0                                  | 2,820,000                            |
| Fixed Assets                                 | 0              | 0                 | 0                     | 0                        | 8,838,581                          | 0                                    |
| <b>Total Assets</b>                          | <u>273,562</u> | <u>677,568</u>    | <u>26</u>             | <u>951,156</u>           | <u>8,838,581</u>                   | <u>2,820,000</u>                     |
| <b>Liabilities</b>                           |                |                   |                       |                          |                                    |                                      |
| Accounts Payable                             | 2,160          | 0                 | 0                     | 2,160                    | 0                                  | 0                                    |
| Accrued Expenses Payable                     | 1,300          | 0                 | 0                     | 1,300                    | 0                                  | 0                                    |
| Deferred Revenue                             | 0              | 0                 | 0                     | 0                        | 0                                  | 0                                    |
| Due To Other Funds                           | 0              | 0                 | 0                     | 0                        | 0                                  | 0                                    |
| Debt Service Obligations--Current            | 0              | 897,950           | 0                     | 897,950                  | 0                                  | 0                                    |
| Revenue Bonds Payable--Long Term             | 0              | 0                 | 0                     | 0                        | 0                                  | 2,820,000                            |
| <b>Total Liabilities</b>                     | <u>3,460</u>   | <u>897,950</u>    | <u>0</u>              | <u>901,410</u>           | <u>0</u>                           | <u>2,820,000</u>                     |
| <b>Fund Equity &amp; Other Credits</b>       |                |                   |                       |                          |                                    |                                      |
| Beginning Fund Balance                       | 187,844        | (222,907)         | 26                    | (35,038)                 | 8,838,581                          | 0                                    |
| Net Change in Fund Balance                   | 82,259         | 2,525             | 0                     | 84,784                   | 0                                  | 0                                    |
| <b>Total Fund Equity &amp; Other Credits</b> | <u>270,102</u> | <u>(220,382)</u>  | <u>26</u>             | <u>49,746</u>            | <u>8,838,581</u>                   | <u>0</u>                             |
| <b>Total Liabilities &amp; Fund Equity</b>   | <u>273,562</u> | <u>677,568</u>    | <u>26</u>             | <u>951,156</u>           | <u>8,838,581</u>                   | <u>2,820,000</u>                     |

See Notes to Unaudited Financial Statements

## Highland Meadows Community Development District

### Statement of Revenues and Expenditures

#### General Fund - 001

From 10/1/2013 Through 1/31/2014

(In Whole Numbers)

|  | Annual<br>Budget | YTD Budget     | YTD Actual     | YTD<br>Variance | Percent<br>Annual<br>Budget<br>Remaining |
|--|------------------|----------------|----------------|-----------------|--|
| <b>Revenues</b>                          |                  |                |                |                 |  |
| Special Assessments                      |                  |                |                |                 |  |
| Tax Roll                                 | 65,408           | 65,408         | 65,463         | 56              | 0.08%                                    |
| Off Roll                                 | 65,407           | 65,407         | 65,408         | 0               | 0.00%                                    |
| <b>Total Revenues</b>                    | <b>130,815</b>   | <b>130,815</b> | <b>130,871</b> | <b>56</b>       | <b>0.04%</b>                             |
| <b>Expenditures</b>                      |                  |                |                |                 |  |
| Legislative                              |                  |                |                |                 |  |
| Supervisor Fees                          | 3,000            | 1,000          | 2,600          | (1,600)         | 13.33%                                   |
| Financial & Administrative               |                  |                |                |                 |  |
| District Manager                         | 25,000           | 8,333          | 8,333          | 0               | 66.66%                                   |
| District Engineer                        | 1,500            | 500            | 250            | 250             | 83.33%                                   |
| Disclosure Report                        | 2,400            | 800            | 0              | 800             | 100.00%                                  |
| Trustees Fees                            | 3,800            | 3,800          | 0              | 3,800           | 100.00%                                  |
| Auditing Services                        | 4,500            | 1,500          | 0              | 1,500           | 100.00%                                  |
| Public Officials Liability Insurance     | 1,550            | 1,550          | 6,483          | (4,933)         | (318.27)%                                |
| Legal Advertising                        | 800              | 267            | 791            | (525)           | 1.06%                                    |
| Bank Fees                                | 180              | 60             | 0              | 60              | 100.00%                                  |
| Dues, Licenses & Fees                    | 185              | 185            | 175            | 10              | 5.40%                                    |
| Miscellaneous Fees - Recording Secretary | 5,000            | 1,667          | 32             | 1,635           | 99.36%                                   |
| Website Fees & Maintenance - Technology  | 750              | 250            | 0              | 250             | 100.00%                                  |
| Legal Counsel                            |                  |                |                |                 |  |
| District Counsel                         | 10,000           | 3,333          | 2,687          | 647             | 73.13%                                   |
| Electric Utility Services                |                  |                |                |                 |  |
| Utility Services                         | 750              | 250            | 170            | 80              | 77.32%                                   |
| Street Lights                            | 9,600            | 3,200          | 3,029          | 171             | 68.45%                                   |
| Water-Sewer Combination Services         |                  |                |                |                 |  |
| Utility Services                         | 16,000           | 5,333          | 3,499          | 1,835           | 78.13%                                   |
| Stormwater Control                       |                  |                |                |                 |  |
| Aquatic Maintenance                      | 2,100            | 700            | 0              | 700             | 100.00%                                  |
| Other Physical Environment               |                  |                |                |                 |  |
| Property Insurance                       | 3,200            | 3,200          | 334            | 2,866           | 89.55%                                   |
| Entry & Walls Maintenance                | 5,000            | 1,667          | 7,800          | (6,133)         | (56.00)%                                 |
| Landscape Maintenance                    | 15,000           | 5,000          | 9,300          | (4,300)         | 38.00%                                   |
| Landscape Miscellaneous                  | 20,000           | 6,667          | 3,129          | 3,537           | 84.35%                                   |
| Equipment Lease                          | 1,000            | 333            | 0              | 333             | 100.00%                                  |
| Telephone, Fax, Internet                 | 200              | 67             | 0              | 67              | 100.00%                                  |
| Contingency                              |                  |                |                |                 |  |
| Miscellaneous Fees                       | 2,300            | 767            | 0              | 767             | 100.00%                                  |
| <b>Total Expenditures</b>                | <b>133,815</b>   | <b>50,428</b>  | <b>48,613</b>  | <b>1,816</b>    | <b>63.67%</b>                            |

**Highland Meadows Community Development District**

Statement of Revenues and Expenditures

General Fund - 001

From 10/1/2013 Through 1/31/2014

(In Whole Numbers)

|   | Annual<br>Budget | YTD Budget    | YTD Actual     | YTD<br>Variance | Percent<br>Annual<br>Budget<br>Remaining |
|---|------------------|---------------|----------------|-----------------|--|
| Excess Revenues Over/Under<br>Expenditures            | (3,000)          | 80,387        | 82,259         | 1,872           | (2,841.95)%                              |
| Other Financing Sources (Uses)<br>Prior Year          | 3,000            | 3,000         | 0              | (3,000)         | (100.00)%                                |
| Exc. of Rev./Other Sources Over<br>Expend./Other Uses | 0                | 83,387        | 82,259         | (1,128)         | 0.00%                                    |
| Fund Balance, Beginning of Period                     | 0                | 0             | 187,844        | 187,844         | 0.00%                                    |
| Fund Balance, End of Period                           | <u>0</u>         | <u>83,387</u> | <u>270,102</u> | <u>186,716</u>  | <u>0.00%</u>                             |

**Highland Meadows Community Development District**

Statement of Revenues and Expenditures

Debt Service Fund - 200

From 10/1/2013 Through 1/31/2014

(In Whole Numbers)

|   | Annual Budget  | Current Period<br>Actual | Budget to<br>Actual<br>Variance | Budget<br>Percent<br>Remaining |
|---|----------------|--------------------------|---------------------------------|--------------------------------|
| <b>Revenues</b>                                   |                |                          |                                 |                                |
| Special Assessments                               |                |                          |                                 |                                |
| Tax Roll  | 87,984         | 87,984                   | 0                               | 0.00%                          |
| Off Roll  | 109,063        | 0                        | (109,063)                       | (100.00)%                      |
| Interest Earnings                                 |                |                          |                                 |                                |
| Interest Earnings                                 | 0              | 19                       | 19                              | 0.00%                          |
| <b>Total Revenues</b>                             | <u>197,047</u> | <u>88,003</u>            | <u>(109,044)</u>                | <u>(55.34)%</u>                |
| <b>Expenditures</b>                               |                |                          |                                 |                                |
| Financial & Administrative                        |                |                          |                                 |                                |
| Trustees Fees                                     | 0              | 7,225                    | (7,225)                         | 0.00%                          |
| Legal Counsel                                     |                |                          |                                 |                                |
| Legal Counsel                                     | 0              | 703                      | (703)                           | 0.00%                          |
| Debt Service Payments                             |                |                          |                                 |                                |
| Interest Payments                                 | 137,047        | 77,550                   | 59,497                          | 43.41%                         |
| Principal Payments                                | 60,000         | 0                        | 60,000                          | 100.00%                        |
| <b>Total Expenditures</b>                         | <u>197,047</u> | <u>85,478</u>            | <u>111,569</u>                  | <u>56.62%</u>                  |
| Excess of Revenues Over (Under) Expenditures      | <u>0</u>       | <u>2,525</u>             | <u>2,525</u>                    | <u>0.00%</u>                   |
| Exc of Rev./Other Sources Over Expend./Other Uses | <u>0</u>       | <u>2,525</u>             | <u>2,525</u>                    | <u>0.00%</u>                   |
| Fund Balance, Beginning of Period                 | 0              | (222,907)                | (222,907)                       | 0.00%                          |
| Fund Balance, End of Period                       | <u>0</u>       | <u>(220,382)</u>         | <u>(220,382)</u>                | <u>0.00%</u>                   |

**Highland Meadows Community Development District**

Statement of Revenues and Expenditures

Capital Projects Fund - 300

From 10/1/2013 Through 1/31/2014

(In Whole Numbers)

|                                   | Annual Budget | Current Period Actual | Budget to Actual Variance | Budget Percent Remaining |
|-----------------------------------|---------------|-----------------------|---------------------------|--------------------------|
| Fund Balance, Beginning of Period | 0             | 26                    | 26                        | 0.00%                    |
| Fund Balance, End of Period       | <u>0</u>      | <u>26</u>             | <u>26</u>                 | <u>0.00%</u>             |

**Highland Meadows CDD**  
**Investment Summary**  
**January 31, 2014**

| <u>Account</u>                               | <u>Investment</u>                             | <u>Balance as of</u><br><u>January 31, 2014</u> |
|--|---|---|
| US Bank Series 2006 Interest A               | US Bank Money Market Account - Managed        | \$ 10   |
| US Bank Series 2006 Reserve A                | US Bank Money Market Account - Managed        | 33,608  |
| US Bank Series 2006 Revenue A                | US Bank Money Market Account - Managed        | 442,921   |
|  | <b>Total Debt Service Fund Investments</b>    | <b><u>\$ 476,539</u></b>                        |
| US Bank Series 2006 Acquisition/Construction | US Bank Money Market Account - Managed        | \$ 26   |
|  | <b>Total Capital Project Fund Investments</b> | <b><u>\$ 26</u></b>                             |

**Highland Meadows Community Development District**

Summary A/R Ledger

From 1/1/2014 Through 1/31/2014

| <u>Invoice Date</u> | <u>Customer Name</u>               | <u>Invoice Number</u> | <u>Current Balance</u>   |
|---------------------|------------------------------------|-----------------------|--------------------------|
| 10/27/2009          | Highland Meadows CDD Holdings, Inc | HM10272009-R          | 36,660.00                |
| 10/8/2010           | Highland Meadows CDD Holdings, Inc | HM10082010A-R         | 3,666.00                 |
| 10/8/2010           | Highland Meadows CDD Holdings, Inc | HM10082010C-R         | 36,660.00                |
| 10/31/2011          | Highland Meadows CDD Holdings, Inc | 10312011              | 540,752.20               |
| 10/1/2013           | Highland Meadows CDD Holdings, Inc | 605-14-01             | 11,937.77                |
| 10/1/2013           | Joe G. Tedder, Tax Collector       | FY13-14               | 109,061.15               |
| 10/15/2013          | Highland Holdings Inc              | 605-14-02             | <u>1,915.10</u>          |
| Report Balance      |                                    |                       | <u><u>740,652.22</u></u> |



**Highland Meadows Community Development District**

Summary A/P Ledger

001 - General Fund

From 1/1/2014 Through 1/31/2014

| <u>Vendor Name</u>     | <u>Invoice Date</u> | <u>Invoice Number</u> | <u>Invoice/Credit Description</u> | <u>Current Balance</u> |
|------------------------|---------------------|-----------------------|-----------------------------------|------------------------|
| Duke Energy            | 1/22/2014           | 09617 89471 01/14     | 0 County Road 547 N Lite 01/14    | 303.99                 |
| Duke Energy            | 1/22/2014           | 41513 18262 01/14     | 0 County Road 547 N Lite 01/14    | 463.34                 |
| Hopping Green and Sams | 1/21/2014           | 74221                 | Legal Services 12/13              | <u>1,392.25</u>        |
|                        |                     |                       | Total 001 - General Fund          | <u>2,159.58</u>        |
| Report Balance         |                     |                       |                                   | <u><u>2,159.58</u></u> |

**Highland Meadows Community Development District**  
**Notes to Unaudited Financial Statements**  
**January 31, 2014**

**Balance Sheet**

1. Trust statement activity has been recorded through 1/31/14.
2. See EMMA (Electronic Municipal Market Access) at <http://www.emma.msrb.org> for Municipal Disclosures and Market Data.
3. Debt Service Obligations-Current, represents scheduled Series 2006A Debt Service payments that were not made Nov 2009 - Nov 2013.

**Statement of Revenue and Expenditures – Debt Service Fund**

4. The scheduled Series 2006 Debt Service payments that were not made have been accrued, and are reflected in the accompanying Balance Sheet.

**Summary A/R Ledger**

5. Payment terms for landowner assessments are (a) defined in the FY13-14 Assessment Resolution adopted by the Board of Supervisors, (b) pursuant to Florida Statutes, Chapter 197 for assessments levied via the county tax roll.
6. Payment for Invoice FY13-14 in the amount of \$109,456.83 was received in February 2014.
7. Payment for Invoice #605-14-01 in the amount of \$547.64 was received in February 2014.
8. Payment for Invoice #605-14-02 in the amount of \$441.96 was received in February 2014.