

Sterling Hill  
Community Development District

Financial Statements  
(Unaudited)

February 28, 2014

Prepared by  
Rizzetta & Company, Inc.  
District Manager

**Sterling Hill Community Development District**

Balance Sheet

As of 2/28/2014

(In Whole Numbers)

	General Fund	Reserve Fund	Debt Service Fund	Total Governmental Funds	General Fixed Assets Account Group	General Long-Term Debt Account Group
<b>Assets</b>						
Cash In Bank	345,416	0	0	345,416	0	0
Investments	478,741	0	1,970,005	2,448,747	0	0
Investments - Reserves	0	663,864	0	663,864	0	0
Accounts Receivable	708,475	0	1,400,402	2,108,877	0	0
Allowance for Uncollectible Assessments	(385,330)	0	(1,235,566)	(1,620,896)	0	0
Prepaid Expenses	0	0	0	0	0	0
Due From Other Funds	0	0	0	0	0	0
Amount To Be Provided-Debt Service	0	0	0	0	0	19,020,000
Fixed Assets	0	0	0	0	26,018,507	0
<b>Total Assets</b>	<u>1,147,302</u>	<u>663,864</u>	<u>2,134,842</u>	<u>3,946,008</u>	<u>26,018,507</u>	<u>19,020,000</u>
<b>Liabilities</b>						
Accounts Payable	11,847	0	0	11,847	0	0
Accrued Expenses Payable	400	0	0	400	0	0
Due To Other Funds	0	0	0	0	0	0
Due To Others	0	0	0	0	0	0
Debt Service Obligations - Current	0	0	5,621,398	5,621,398	0	0
Revenue Bonds Payable-Long-term	0	0	0	0	0	19,020,000
<b>Total Liabilities</b>	<u>12,247</u>	<u>0</u>	<u>5,621,398</u>	<u>5,633,645</u>	<u>0</u>	<u>19,020,000</u>
<b>Fund Equity And Other Credits</b>						
Beginning Fund Balance	292,520	662,903	(3,705,551)	(2,750,128)	26,018,507	0
Net Change in Fund Balance	842,535	960	218,995	1,062,491	0	0
<b>Total Fund Equity And Other Credits</b>	<u>1,135,055</u>	<u>663,864</u>	<u>(3,486,556)</u>	<u>(1,687,637)</u>	<u>26,018,507</u>	<u>0</u>
<b>Total Liabilities And Fund Equity</b>	<u>1,147,302</u>	<u>663,864</u>	<u>2,134,842</u>	<u>3,946,008</u>	<u>26,018,507</u>	<u>19,020,000</u>

See Notes to Unaudited Financial Statements

**Sterling Hill Community Development District**  
Statement of Revenues and Expenditures  
001 - General Fund  
From 10/1/2013 Through 2/28/2014  
(In Whole Numbers)

	Annual Budget	YTD Budget	YTD Actual	YTD Variance	Percent Annual Budget Remaining
<b>Revenues</b>					
Interest Earnings					
Interest Earnings	0	0	190	190	0.00%
Special Assessments					
Tax Roll	1,116,078	1,116,078	1,144,620	28,542	(2.55)%
Off Roll	127,595	127,595	127,530	(65)	0.05%
Other Miscellaneous Revenues					
Miscellaneous	0	0	8,245	8,245	0.00%
<b>Total Revenues</b>	<u>1,243,673</u>	<u>1,243,673</u>	<u>1,280,585</u>	<u>36,912</u>	<u>(2.97)%</u>
<b>Expenditures</b>					
Legislative					
Supervisor Fees	12,000	5,000	5,000	0	58.33%
Financial & Administrative					
Administrative Services	8,400	3,500	3,500	0	58.33%
District Management	32,000	13,333	13,333	0	58.33%
District Engineer	12,000	5,000	2,163	2,837	81.97%
Disclosure Report	6,000	6,000	2,000	4,000	66.66%
Trustees Fees	14,300	5,958	0	5,958	100.00%
Financial Consulting Services	8,000	6,250	6,250	0	21.87%
Accounting Services	17,000	7,083	7,083	0	58.33%
Auditing Services	5,000	0	0	0	100.00%
Arbitrage Rebate Calculation	650	650	650	0	0.00%
Public Officials Liability Insurance	11,143	11,143	10,130	1,013	9.09%
Legal Advertising	750	313	179	133	76.11%
Dues, Licenses & Fees	1,000	175	221	(46)	77.90%
Legal Counsel					
District Counsel	15,000	6,250	4,018	2,232	73.21%
Foreclosure Expenses	10,000	4,167	17,473	(13,306)	(74.72)%
Law Enforcement					
Deputy	45,000	18,750	21,157	(2,407)	52.98%
Security Operations					
Security Camera Maintenance	9,884	4,118	2,891	1,227	70.74%
Electric Utility Services					
Utility Services	52,964	22,068	20,438	1,631	61.41%
Street Lights	66,303	27,626	27,131	495	59.08%
Garbage/Solid Waste Control Services					
Garbage - Recreational Facility	4,896	2,040	2,097	(57)	57.16%

**Sterling Hill Community Development District**

Statement of Revenues and Expenditures

001 - General Fund

From 10/1/2013 Through 2/28/2014

(In Whole Numbers)

	Annual Budget	YTD Budget	YTD Actual	YTD Variance	Percent Annual Budget Remaining
Water-Sewer Combination Services					
Utility Services	7,315	3,048	2,317	731	68.33%
Stormwater Control					
Dry Retention Pond Repair	25,000	10,417	0	10,417	100.00%
Other Physical Environment					
General Liability Insurance	8,490	8,490	6,421	2,069	24.37%
Property Insurance	16,080	16,080	16,663	(583)	(3.62)%
Entry & Walls Maintenance	20,000	8,333	2,350	5,983	88.25%
Landscape Maintenance	107,103	44,626	40,379	4,247	62.29%
Irrigation Repairs	25,000	10,417	8,995	1,422	64.02%
Landscape - Mulch	60,876	25,365	30,438	(5,073)	50.00%
Landscape	33,603	14,001	7,507	6,494	77.65%
Misc.-Fertilizer/Pesticide					
Landscape Replacement Plants, Shrubs, Trees	26,500	11,042	455	10,587	98.28%
Sod Replacement	10,000	4,167	486	3,681	95.14%
Holiday Decorations	3,000	2,300	1,654	646	44.86%
Miscellaneous Expense	5,000	2,083	1,111	972	77.77%
Road & Street Facilities					
Gate Phone	9,800	4,083	5,040	(956)	48.57%
Gate Facility Maintenance	69,962	29,151	7,078	22,072	89.88%
Sidewalk Repair & Maintenance	4,420	1,842	3,100	(1,258)	29.86%
Street Light/Decorative Light Maintenance	5,000	2,083	1,360	723	72.80%
Street Sign Repairs & Replacement	500	208	0	208	100.00%
Parks & Recreation					
Management Contract	220,992	92,080	92,080	0	58.33%
Facility Maintenance & Repair	29,700	12,375	8,362	4,013	71.84%
Telephone, Fax, Internet	7,500	3,125	2,954	171	60.61%
Office Supplies	3,000	1,250	1,024	226	65.85%
Furniture	5,000	2,083	65	2,018	98.70%
Repair/Replacement-Pool/CH					
Pool/Water Park/Fountain Maint	7,500	3,125	8,555	(5,430)	(14.06)%
Lighting Replacement	1,000	417	0	417	100.00%
Vehicle Maintenance	1,500	625	251	374	83.27%
Athletic/Park Court/Field Repairs	1,500	625	0	625	100.00%
Clubhouse Miscellaneous Expense	4,000	1,667	245	1,421	93.86%
Special Events					

See Notes to Unaudited Financial Statements

**Sterling Hill Community Development District**  
Statement of Revenues and Expenditures  
001 - General Fund  
From 10/1/2013 Through 2/28/2014  
(In Whole Numbers)

	Annual Budget	YTD Budget	YTD Actual	YTD Variance	Percent Annual Budget Remaining
Special Events	1,000	417	0	417	100.00%
Contingency					
Capital Outlay	66,000	27,500	43,446	(15,946)	34.17%
Total Expenditures	<u>1,118,631</u>	<u>492,450</u>	<u>438,050</u>	<u>54,400</u>	<u>60.84%</u>
Excess Of Revenues Over (Under) Expenditures	125,042	751,223	842,535	91,312	(573.80)%
Other Financing Sources (Uses)					
Transfer of Asset Repl. Reserve	(95,382)	(95,382)	0	95,382	100.00%
Transfer of Road Reserve	(29,660)	(29,660)	0	29,660	100.00%
Total Other Financing Sources (Uses)	<u>(125,042)</u>	<u>(125,042)</u>	<u>0</u>	<u>125,042</u>	<u>100.00%</u>
Exc. of Rev/Other Sources Over Expend/Other Uses	0	626,181	842,535	216,354	0.00%
Fund Balance, Beginning of Period	0	0	292,520	292,520	0.00%
Fund Balance, End of Period	<u>0</u>	<u>626,181</u>	<u>1,135,055</u>	<u>508,874</u>	<u>0.00%</u>

**Sterling Hill Community Development District**  
Statement of Revenues and Expenditures  
Reserve Fund - 005  
From 10/1/2013 Through 2/28/2014  
(In Whole Numbers)

	Annual Budget	Current Period Actual	Budget To Actual Variance	Budget Percent Remaining
<b>Revenues</b>				
Interest Earnings				
Interest Earnings	0	960	960	0.00%
<b>Total Revenues</b>	<b>0</b>	<b>960</b>	<b>960</b>	<b>0.00%</b>
<b>Expenditures</b>				
Contingency				
Road Reserve	95,382	0	95,382	100.00%
Asset Replacement Reserve	29,660	0	29,660	100.00%
<b>Total Expenditures</b>	<b>125,042</b>	<b>0</b>	<b>125,042</b>	<b>100.00%</b>
<b>Excess Of Revenues Over (Under) Expenditures</b>	<b>(125,042)</b>	<b>960</b>	<b>126,002</b>	<b>(100.76)%</b>
<b>Other Financing Sources (Uses)</b>				
Transfer of Asset Repl. Reserve	95,382	0	(95,382)	(100.00)%
Transfer of Road Reserve	29,660	0	(29,660)	(100.00)%
<b>Total Other Financing Sources (Uses)</b>	<b>125,042</b>	<b>0</b>	<b>(125,042)</b>	<b>(100.00)%</b>
<b>Exc. of Rev/Other Sources Over Expend/Other Uses</b>	<b>0</b>	<b>960</b>	<b>960</b>	<b>0.00%</b>
<b>Fund Balance, Beginning of Period</b>	<b>0</b>	<b>662,903</b>	<b>662,903</b>	<b>0.00%</b>
<b>Fund Balance, End of Period</b>	<b>0</b>	<b>663,864</b>	<b>663,864</b>	<b>0.00%</b>

**Sterling Hill Community Development District**  
Statement of Revenues and Expenditures  
Debt Service Fund--Series 2003 - 200  
From 10/1/2013 Through 2/28/2014  
(In Whole Numbers)

	Annual Budget	Current Period Actual	Budget To Actual Variance	Budget Percent Remaining
<b>Revenues</b>				
Interest Earnings				
Interest Earnings	0	88	88	0.00%
Special Assessments				
Tax Roll	918,415	798,578	(119,836)	(13.04)%
<b>Total Revenues</b>	<u>918,415</u>	<u>798,667</u>	<u>(119,748)</u>	<u>(13.04)%</u>
<b>Expenditures</b>				
Financial & Administrative				
Trustees Fees	0	12,006	(12,006)	0.00%
Legal Counsel				
Bond Counsel	0	4,871	(4,871)	0.00%
Debt Service				
Interest	673,415	451,508	221,907	32.95%
Principal	245,000	0	245,000	100.00%
Other Physical Environment				
General Liability Insurance	0	330	(330)	0.00%
<b>Total Expenditures</b>	<u>918,415</u>	<u>468,715</u>	<u>449,700</u>	<u>48.96%</u>
<b>Excess Of Revenues Over (Under) Expenditures</b>	<u>0</u>	<u>329,952</u>	<u>329,952</u>	<u>0.00%</u>
<b>Exc. of Rev/Other Sources Over Expend/Other Uses</b>	<u>0</u>	<u>329,952</u>	<u>329,952</u>	<u>0.00%</u>
<b>Fund Balance, Beginning of Period</b>	<u>0</u>	<u>(2,735,008)</u>	<u>(2,735,008)</u>	<u>0.00%</u>
<b>Fund Balance, End of Period</b>	<u><u>0</u></u>	<u><u>(2,405,056)</u></u>	<u><u>(2,405,056)</u></u>	<u><u>0.00%</u></u>

**Sterling Hill Community Development District**  
Statement of Revenues and Expenditures  
Debt Service Fund--Series 2006 - 201  
From 10/1/2013 Through 2/28/2014  
(In Whole Numbers)

	Annual Budget	Current Period Actual	Budget To Actual Variance	Budget Percent Remaining
<b>Revenues</b>				
Interest Earnings				
Interest Earnings	0	6	6	0.00%
Special Assessments				
Tax Roll	4,971	4,971	0	0.00%
Total Revenues	<u>4,971</u>	<u>4,977</u>	<u>6</u>	<u>0.12%</u>
<b>Expenditures</b>				
Financial & Administrative				
Trustees Fees	0	5,993	(5,993)	0.00%
Legal Counsel				
Bond Counsel	0	2,043	(2,043)	0.00%
Debt Service				
Interest	4,971	107,898	(102,927)	(2,070.67)%
Total Expenditures	<u>4,971</u>	<u>115,933</u>	<u>(110,962)</u>	<u>(2,232.32)%</u>
Excess Of Revenues Over (Under) Expenditures	<u>0</u>	<u>(110,956)</u>	<u>(110,956)</u>	<u>0.00%</u>
Exc. of Rev/Other Sources Over Expend/Other Uses	<u>0</u>	<u>(110,956)</u>	<u>(110,956)</u>	<u>0.00%</u>
Fund Balance, Beginning of Period	0	(970,543)	(970,543)	0.00%
Fund Balance, End of Period	<u>0</u>	<u>(1,081,500)</u>	<u>(1,081,500)</u>	<u>0.00%</u>



**Sterling Hill CDD**  
**Investment Summary**  
**February 28, 2014**

<u>Account</u>	<u>Investment</u>	<u>Balance as of</u> <u>February 28, 2014</u>
State Board of Administration	Local Government Investment Pool	\$ 6,117
State Board of Administration	Local Government Investment Pool B	1,190
SunTrust	Business Money Market	248,816
The Bank of Tampa	Business Money Market	222,618
	<b>Total General Fund Investments</b>	<b>\$ 478,741</b>
The Bank of Tampa ICS Road Reserve		
Bank of China, New York, NY	Business Money Market	\$ 245,051
Western Alliance Bank	Business Money Market	245,064
Morton Community Bank	Business Money Market	90,683
United Bank	Business Money Market	3
The Bank of Tampa ICS Asset Replacement Reserve		
Morton Community Bank	Business Money Market	83,061
United Bank	Business Money Market	2
	<b>Total Reserve Fund Investments</b>	<b>\$ 663,864</b>
US Bank Series 2003 Reserve A	US Bank Managed Money Market Account	\$ 576,048
US Bank Series 2003 Reserve B	US Bank Managed Money Market Account	44,202
US Bank Series 2003 Prepayment B	US Bank Managed Money Market Account	409,797
US Bank Series 2003 Revenue	US Bank Managed Money Market Account	904,035
US Bank Series 2003 Prepayment A	US Bank Managed Money Market Account	3,530
US Bank Series 2003 Principal	US Bank Managed Money Market Account	23
US Bank Series 2006 Prepayment B	US Bank Managed Money Market Account	11
US Bank Series 2006 Reserve A	US Bank Managed Money Market Account	93
US Bank Series 2006 Revenue	US Bank Managed Money Market Account	32,266
	<b>Total Debt Service Fund Investments</b>	<b>\$ 1,970,005</b>

**Sterling Hill Community Development District**

Summary A/R Ledger - AR External 1

001 - General Fund

From 2/1/2014 Through 2/28/2014

<u>Invoice Date</u>	<u>Customer Name</u>	<u>Invoice Number</u>	<u>Current Balance</u>
10/1/2011	Hernando County Tax Collector	FY11-12	258,630.98
10/1/2012	Hernando County Tax Collector	FY 12-13	126,699.28
10/1/2013	Hernando County Tax Collector	FY13-14	228,755.23
11/18/2013	Sterling Hills 2, Inc.	655-14-03	5,278.05
11/18/2013	Sterling Hills, Inc.	655-14-01	89,111.61
		Total 001 - General Fund	708,475.15

**Sterling Hill Community Development District**

Summary A/R Ledger - AR External 1

200 - Debt Service Fund--Series 2003

From 2/1/2014 Through 2/28/2014

<u>Invoice Date</u>	<u>Customer Name</u>	<u>Invoice Number</u>	<u>Current Balance</u>
3/24/2008	Lennar Homes	SAI0308-6	610.01
10/1/2008	Brown Investment Group	SAI1008-8	44,378.88
10/1/2008	Richard & Jill Bozek	SAI1008-10	693.42
3/19/2009	Brown Investment Group	SAI0309-2	44,378.88
3/19/2009	Pasco Sawgrass Creek, LLC	SAI309-13	27,194.62
10/1/2009	Avatar Properties, Inc.	SAI-SH.A-05.10	3,253.29
10/1/2009	Avatar Properties, Inc.	SAI-SH.A-11.09	3,253.29
10/1/2009	Brown Investment Group	SAI-SH.B-11.09	63,669.57
10/1/2009	Brown Investment Group	SAI-SH.B-5.10	63,669.57
10/1/2009	Hernando Developers LLC/DEVCO	ORA-SH-09.10	876.76
10/1/2009	Pasco Sawgrass Creek, LLC	SAI-SH.PSC-05.10	27,194.62
10/1/2009	Pasco Sawgrass Creek, LLC	SAI-SH.PSC-11.09	27,194.62
10/1/2009	Richard & Jill Bozek	SAI-SH.B-05.10	693.42
10/1/2009	Richard & Jill Bozek	SAI-SH.BR-11.09	693.42
10/1/2010	Brown Investment Group	655-11-03	207,814.30
10/1/2010	Pasco Sawgrass Creek, LLC	655-11-04	88,762.66
10/1/2011	Brown Investment Group	655-12-03	207,814.30
10/1/2011	Hernando County Tax Collector	FY11-12	2,629.34
10/1/2011	Pasco Sawgrass Creek, LLC	655-12-04	88,762.66
10/1/2013	Hernando County Tax Collector	FY13-14	163,816.66
		Total 200 - Debt Service Fund--Series 2003	1,067,354.29

**Sterling Hill Community Development District**

Summary A/R Ledger - AR External 1

201 - Debt Service Fund--Series 2006

From 2/1/2014 Through 2/28/2014

<u>Invoice Date</u>	<u>Customer Name</u>	<u>Invoice Number</u>	<u>Current Balance</u>
10/1/2008	Hernando Developers, LLC/DEVCO	DB1008-1	159,534.00
10/1/2009	Hernando Developers LLC/DEVCO	ORA-SH-09.10	172,494.00
10/1/2013	Hernando County Tax Collector	FY13-14	1,019.66
		Total 201 - Debt Service Fund--Series 2006	333,047.66
Report Balance			2,108,877.10

**Sterling Hill Community Development District**

Summary A/P Ledger

001 - General Fund

From 2/1/2014 Through 2/28/2014

Vendor Name	Invoice Date	Invoice Number	Invoice Description	Current Balance
Brian Schneider	2/24/2014	BS 022414	Off Duty Deputy 02/24/14	72.00
Derek Origon	2/24/2014	DO 022414	Off Duty Deputy 02/24/14	96.00
Edward J. Ciccone	2/25/2014	EC 022514	Off Duty Deputy 02/25/14	96.00
Fitness Logic, Inc.	2/28/2014	52596	Replace Cables/Bungee 02/14	310.00
Florida Department of Revenue	2/28/2014	Sales Tax 02/14	Sales & Use Tax 02/14	95.98
Hernando County Utilities	2/24/2014	SS00001-00 02/14	North Clubhouse Water Bill 02/14	239.50
Hernando County Utilities	2/24/2014	SS00013 - 00 02/14	South Clubhouse Water Bill 02/14	86.66
LLS Tax Solutions, Inc.	2/13/2014	000452	Arbitrage Rebate Calculation Series 2003A/2003B PE 09/30/13	650.00
McCullough Water Services	2/28/2014	18006 02/14	Water Rental and Delivery 02/14	29.41
McCullough Water Services	2/28/2014	18007 02/14	Water Rental and Delivery 02/14	21.43
Outsmart Pest Management, Inc.	2/26/2014	7432	North Clubhouse Pest Control Treatment 02/14	45.00
Outsmart Pest Management, Inc.	2/26/2014	7433	South Clubhouse Pest Control Treatment 02/14	45.00
Richard Purchase	2/28/2014	RP 022814	Off Duty Deputy 02/28/14	72.00
Stephen Pritz	2/28/2014	SP 022814	Off Duty Deputy 02/28/14	96.00
Tony Aguiar	2/26/2014	TA 022614	Off Duty Deputy 02/26/14	96.00
William Cooper	2/27/2014	WC 022714	Off Duty Deputy 02/27/14	96.00
William Power	2/28/2014	WP 022814	Off Duty Deputy 02/28/14	96.00
Withlacoochee River Electric Cooperative, Inc.	2/24/2014	Electric Summary Billing 02/14B	Withlacoochee Electric Summary Billing 02/14	9,604.26
			Total 001 - General Fund	11,847.24
Report Balance				11,847.24

**Sterling Hill Community Development District**  
**Notes to Unaudited Financial Statements**  
**February 28, 2014**

**Balance Sheet**

1. Trust statement activity has been recorded through 2/28/14.
2. See EMMA (Electronic Municipal Market Access) at <http://www.emma.msrb.org> for Municipal Disclosures and Market Data.
3. \$663,864 of the General Fund Balance is reserved for future Capital Expenditures as appropriated from the General Fund Budget and is reflected in the Reserve Fund. Current YTD funding is \$0.
4. Debt Service Obligations - Current, represents a scheduled Series 2003 Debt Service payment that was not made Nov 2010 and scheduled Series 2006 Debt Service payments that were not made May 2010 – Nov 2013.
5. The District utilized funds from the Debt Service Reserve Fund for the May 2009-May 2010 Series 2006 Bond payments and the Nov 2012 Series 2003 Bond payment.

**Summary A/R Ledger**

6. 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.
7. Payment for Invoice #FY13-14 totaling \$76,288.55 was received in March 2014.
8. Payment for Invoice #665-14-01 totaling \$7,732.32 was received in March 2014.
9. Payment for Invoice #DB1008-1 totaling \$7,452.00 was received in March 2014.
10. Payment for Invoice #ORA-SH-09.10 totaling \$8,358.96 was received in March 2014.