

Sterling Hill
Community Development District

Financial Statements
(Unaudited)

December 31, 2014

Prepared by
Rizzetta & Company, Inc.
District Manager

Sterling Hill Community Development District

Balance Sheet
As of 12/31/2014
(In Whole Numbers)

	General Fund	Reserve Fund	Debt Service Fund	Total Governmental Funds	General Fixed Assets Account Group	General Long-Term Debt Account Group
Assets						
Cash In Bank	1,453,520	0	0	1,453,520	0	0
Investments	129,019	0	1,531,820	1,660,839	0	0
Investments - Reserves	0	791,162	0	791,162	0	0
Accounts Receivable	828,368	0	1,466,818	2,295,186	0	0
Allowance for Uncollectible Assessments	(385,330)	0	(1,219,755)	(1,605,085)	0	0
Prepaid Expenses	0	0	0	0	0	0
Due From Other Funds	31,248	0	608,851	640,100	0	0
Amount To Be Provided-Debt Service	0	0	0	0	0	18,775,000
Fixed Assets	0	0	0	0	26,030,464	0
Total Assets	<u>2,056,825</u>	<u>791,162</u>	<u>2,387,734</u>	<u>5,235,722</u>	<u>26,030,464</u>	<u>18,775,000</u>
Liabilities						
Accounts Payable	15,189	0	0	15,189	0	0
Accrued Expenses Payable	1,700	0	0	1,700	0	0
Due To Other Funds	608,851	31,248	0	640,100	0	0
Due To Others	0	0	0	0	0	0
Debt Service Obligations - Current	0	0	5,899,722	5,899,722	0	0
Revenue Bonds Payable-Long-term	0	0	0	0	0	18,775,000
Total Liabilities	<u>625,741</u>	<u>31,248</u>	<u>5,899,722</u>	<u>6,556,711</u>	<u>0</u>	<u>18,775,000</u>
Fund Equity And Other Credits						
Beginning Fund Balance	475,461	759,217	(4,002,314)	(2,767,636)	26,030,464	0
Net Change in Fund Balance	955,623	698	490,326	1,446,647	0	0
Total Fund Equity And Other Credits	<u>1,431,084</u>	<u>759,914</u>	<u>(3,511,988)</u>	<u>(1,320,989)</u>	<u>26,030,464</u>	<u>0</u>
Total Liabilities And Fund Equity	<u>2,056,825</u>	<u>791,162</u>	<u>2,387,734</u>	<u>5,235,722</u>	<u>26,030,464</u>	<u>18,775,000</u>

See Notes to Unaudited Financial Statements

Sterling Hill Community Development District

Statement of Revenues and Expenditures

001 - General Fund

From 10/1/2014 Through 12/31/2014

(In Whole Numbers)

	Annual Budget	YTD Budget	YTD Actual	YTD Variance	Percent Annual Budget Remaining
Revenues					
Interest Earnings					
Interest Earnings	0	0	72	72	0.00%
Special Assessments					
Tax Roll	1,128,790	1,128,790	1,157,056	28,266	(2.50)%
Off Roll	102,882	102,882	101,953	(929)	0.90%
Other Miscellaneous Revenues					
Miscellaneous	0	0	2,209	2,209	0.00%
Total Revenues	<u>1,231,672</u>	<u>1,231,672</u>	<u>1,261,290</u>	<u>29,618</u>	<u>(2.40)%</u>
Expenditures					
Legislative					
Supervisor Fees	13,000	3,250	3,000	250	76.92%
Financial & Administrative					
Administrative Services	8,400	2,100	2,100	0	75.00%
District Management	32,000	8,000	8,000	0	75.00%
District Engineer	10,000	2,500	6,948	(4,448)	30.51%
Disclosure Report	6,000	1,500	0	1,500	100.00%
Trustees Fees	14,300	14,300	0	14,300	100.00%
Financial Consulting Services	8,000	5,750	5,750	0	28.12%
Accounting Services	17,000	4,250	4,250	0	75.00%
Auditing Services	4,000	0	0	0	100.00%
Arbitrage Rebate Calculation	650	163	650	(487)	0.00%
Public Officials Liability	11,143	11,143	10,564	579	5.19%
Insurance					
Legal Advertising	750	188	221	(33)	70.57%
Dues, Licenses & Fees	925	925	71	854	92.32%
Legal Counsel					
District Counsel	12,000	3,000	2,378	622	80.17%
Foreclosure Expenses	25,000	6,250	3,248	3,002	87.00%
Law Enforcement					
Deputy	15,000	3,750	4,415	(665)	70.56%
Security Operations					
Security System Monitoring & Maintenance	10,000	2,500	1,521	979	84.79%
Electric Utility Services					
Utility Services	50,982	12,746	9,595	3,150	81.17%
Street Lights	68,018	17,005	16,797	208	75.30%
Garbage/Solid Waste Control Services					

Sterling Hill Community Development District

Statement of Revenues and Expenditures

001 - General Fund

From 10/1/2014 Through 12/31/2014

(In Whole Numbers)

	Annual Budget	YTD Budget	YTD Actual	YTD Variance	Percent Annual Budget Remaining
Garbage - Recreational Facility	5,165	1,291	1,311	(19)	74.62%
Water-Sewer Combination Services					
Utility Services	5,367	1,342	1,236	106	76.97%
Stormwater Control					
Dry Retention Pond Repair	15,000	3,750	0	3,750	100.00%
Other Physical Environment					
General Liability Insurance	7,397	7,397	72	7,325	99.02%
Property Insurance	18,330	18,330	16,524	1,806	9.85%
Entry & Walls Maintenance	10,000	2,500	4,350	(1,850)	56.50%
Landscape Maintenance	97,881	24,470	25,419	(949)	74.03%
Irrigation Repairs	25,241	6,310	7,828	(1,517)	68.98%
Landscape - Mulch	60,876	15,219	49,588	(34,369)	18.54%
Landscape - Annual Color Rotation	1,820	455	0	455	100.00%
Landscape Misc.-Fertilizer/Pesticide	23,839	5,960	7,822	(1,862)	67.18%
Landscape Replacement Plants, Shrubs, Trees	30,000	7,500	8,115	(615)	72.95%
Sod Replacement	6,000	1,500	0	1,500	100.00%
Landscape Mainrenance - Inspections	6,000	1,500	1,500	0	75.00%
Holiday Decorations	5,000	5,000	421	4,579	91.57%
Miscellaneous Expense	5,000	1,250	0	1,250	100.00%
Road & Street Facilities					
Gate Phone	13,000	3,250	4,831	(1,581)	62.83%
Gate Facility Maintenance	40,000	10,000	553	9,447	98.61%
Sidewalk Repair & Maintenance	6,000	1,500	7,662	(6,162)	(27.70)%
Street Light/Decorative Light Maintenance	15,000	3,750	0	3,750	100.00%
Street Sign Repairs & Replacement	500	125	572	(447)	(14.39)%
Parks & Recreation					
Management Contract	257,027	64,257	62,366	1,890	75.73%
Facility Maintenance & Repair	25,000	6,250	14,557	(8,307)	41.77%
Security System Monitoring & Maintenance	1,000	250	0	250	100.00%
Telephone, Fax, Internet	7,500	1,875	2,060	(185)	72.53%
Office Supplies	4,000	1,000	1,258	(258)	68.54%
Furniture Repair/Replacement-Pool/CH	15,000	3,750	0	3,750	100.00%

See Notes to Unaudited Financial Statements

Sterling Hill Community Development District

Statement of Revenues and Expenditures

001 - General Fund

From 10/1/2014 Through 12/31/2014

(In Whole Numbers)

	Annual Budget	YTD Budget	YTD Actual	YTD Variance	Percent Annual Budget Remaining
Lighting Replacement	1,000	250	9,204	(8,954)	(820.42)%
Vehicle Maintenance	1,000	250	647	(397)	35.32%
Pool Service Contract - Supplies & Repairs	7,500	1,875	1,342	533	82.10%
Supply Storage	10,000	2,500	0	2,500	100.00%
Playground Equipment & Maintenance	1,000	250	0	250	100.00%
Athletic/Park Court/Field Repairs	1,000	250	0	250	100.00%
Miscellaneous Expense	2,500	625	2,394	(1,769)	4.25%
Fitness Equipment Maintenance & Repairs	1,000	250	0	250	100.00%
Special Events					
Special Events	1,000	250	85	165	91.50%
Contingency					
Capital Outlay	158,020	39,505	7,397	32,108	95.31%
Total Expenditures	<u>1,198,131</u>	<u>345,104</u>	<u>318,620</u>	<u>26,484</u>	<u>73.41%</u>
Excess Of Revenues Over (Under) Expenditures	<u>33,541</u>	<u>886,568</u>	<u>942,670</u>	<u>56,102</u>	<u>(2,710.50)%</u>
Other Financing Sources (Uses)					
Prior Year Carryforward	91,000	91,000	0	(91,000)	100.00%
Transfer of Asset Repl. Reserve	(29,159)	(29,159)	0	29,159	100.00%
Transfer of Road Reserve	(95,382)	(95,382)	0	95,382	100.00%
Reimbursement of Foreclosure Fees	0	0	12,953	12,953	0.00%
Total Other Financing Sources (Uses)	<u>(33,541)</u>	<u>(33,541)</u>	<u>12,953</u>	<u>46,494</u>	<u>138.62%</u>
Exc. of Rev/Other Sources Over/(Under) Expend/Other Uses	<u>0</u>	<u>853,027</u>	<u>955,623</u>	<u>102,596</u>	<u>0.00%</u>
Fund Balance, Beginning of Period	0	0	475,461	475,461	0.00%
Fund Balance, End of Period	<u><u>0</u></u>	<u><u>853,027</u></u>	<u><u>1,431,084</u></u>	<u><u>578,057</u></u>	<u><u>0.00%</u></u>

Sterling Hill Community Development District

Statement of Revenues and Expenditures

Reserve Fund - 005

From 10/1/2014 Through 12/31/2014

(In Whole Numbers)

	Annual Budget	Current Period Actual	Budget To Actual Variance	Budget Percent Remaining
Revenues				
Interest Earnings				
Interest Earnings	0	698	698	0.00%
Total Revenues	0	698	698	0.00%
Expenditures				
Contingency				
Road Reserve	95,382	0	95,382	100.00%
Asset Replacement Reserve	29,159	0	29,159	100.00%
Total Expenditures	124,541	0	124,541	100.00%
Excess Of Revenues Over (Under) Expenditures	(124,541)	698	125,239	(100.56)%
Other Financing Sources (Uses)				
Transfer of Asset Repl. Reserve	29,159	0	(29,159)	(100.00)%
Transfer of Road Reserve	95,382	0	(95,382)	(100.00)%
Total Other Financing Sources (Uses)	124,541	0	(124,541)	(100.00)%
Exc. of Rev/Other Sources Over/(Under) Expend/Other Uses	0	698	698	0.00%
Fund Balance, Beginning of Period	0	759,217	759,217	0.00%
Fund Balance, End of Period	0	759,914	759,914	0.00%

Sterling Hill Community Development District

Statement of Revenues and Expenditures

Debt Service Fund--Series 2003 - 200

From 10/1/2014 Through 12/31/2014

(In Whole Numbers)

	Annual Budget	Current Period Actual	Budget To Actual Variance	Budget Percent Remaining
Revenues				
Interest Earnings				
Interest Earnings	0	60	60	0.00%
Special Assessments				
Tax Roll	798,578	798,578	0	0.00%
Debt Service Prepayments	0	116,490	116,490	0.00%
Off Roll	119,836	0	(119,836)	(100.00)%
Total Revenues	<u>918,415</u>	<u>915,128</u>	<u>(3,287)</u>	<u>(0.36)%</u>
Expenditures				
Financial & Administrative				
Trustees Fees	0	11,090	(11,090)	0.00%
Legal Counsel				
Bond Counsel	0	808	(808)	0.00%
Debt Service				
Interest	658,415	444,036	214,379	32.55%
Principal	260,000	0	260,000	100.00%
Total Expenditures	<u>918,415</u>	<u>455,934</u>	<u>462,481</u>	<u>50.36%</u>
Excess Of Revenues Over (Under) Expenditures	0	459,195	459,195	0.00%
Exc. of Rev/Other Sources Over/(Under) Expend/Other Uses	0	459,195	459,195	0.00%
Fund Balance, Beginning of Period	0	(3,115,584)	(3,115,584)	0.00%
Fund Balance, End of Period	<u>0</u>	<u>(2,656,389)</u>	<u>(2,656,389)</u>	<u>0.00%</u>

Sterling Hill Community Development District

Statement of Revenues and Expenditures

Debt Service Fund--Series 2006 - 201

From 10/1/2014 Through 12/31/2014

(In Whole Numbers)

	Annual Budget	Current Period Actual	Budget To Actual Variance	Budget Percent Remaining
Revenues				
Interest Earnings				
Interest Earnings	0	27	27	0.00%
Special Assessments				
Tax Roll	4,971	4,971	0	0.00%
Debt Service Prepayments	0	134,412	134,412	0.00%
Total Revenues	<u>4,971</u>	<u>139,409</u>	<u>134,439</u>	<u>2,704.61%</u>
Expenditures				
Legal Counsel				
Bond Counsel	0	380	(380)	0.00%
Debt Service				
Interest	4,971	107,898	(102,927)	(2,070.67)%
Total Expenditures	<u>4,971</u>	<u>108,278</u>	<u>(103,307)</u>	<u>(2,078.32)%</u>
Excess Of Revenues Over (Under) Expenditures	0	31,131	31,131	0.00%
Exc. of Rev/Other Sources Over/(Under) Expend/Other Uses	0	31,131	31,131	0.00%
Fund Balance, Beginning of Period	0	(886,730)	(886,730)	0.00%
Fund Balance, End of Period	<u><u>0</u></u>	<u><u>(855,598)</u></u>	<u><u>(855,598)</u></u>	<u><u>0.00%</u></u>

Sterling Hill CDD
Investment Summary
December 31, 2014

<u>Account</u>	<u>Investment</u>	<u>Balance as of</u> <u>December 31, 2014</u>
State Board of Administration	Local Government Investment Pool	\$ 7,079
SunTrust	Business Money Market	48,879
The Bank of Tampa	Business Money Market	73,061
	Total General Fund Investments	\$ 129,019
The Bank of Tampa ICS Road Reserve		
BB&T	Business Money Market	\$ 245,071
Bank of China, New York, N.Y.	Business Money Market	245,073
First National Bank of Omaha	Business Money Market	55,948
Happy State Bank	Business Money Market	66,148
	Sub Total	612,240
The Bank of Tampa ICS Asset Replacement Reserve		
Happy State Bank	Business Money Market	178,917
First National Bank of Omaha	Business Money Market	5
	Sub Total	178,922
	Total Reserve Fund Investments	\$ 791,162
US Bank Series 2003 Reserve A	US Bank Managed Money Market Account	\$ 363,859
US Bank Series 2003 Reserve B	US Bank Managed Money Market Account	24,675
US Bank Series 2003 Prepayment B	US Bank Managed Money Market Account	504,121
US Bank Series 2003 Revenue	US Bank Managed Money Market Account	92,063
US Bank Series 2003 Prepayment A	US Bank Managed Money Market Account	7,309
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	539,689
	Total Debt Service Fund Investments	\$ 1,531,820

Sterling Hill Community Development District

Summary A/R Ledger

001 - General Fund

From 12/1/2014 Through 12/31/2014

<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	71,487.09
11/18/2013	Sterling Hills 2, Inc.	655-14-03	5,278.05
10/1/2014	Hernando County Tax Collector	FY14-15	274,700.95
11/19/2014	D. R. Horton, Inc.	655-15-02	5,190.90
11/19/2014	Sterling Hills 2, Inc.	655-15-03	5,341.29
11/20/2014	Sterling Hills, Inc.	655-15-01	81,039.49
		Total 001 - General Fund	828,368.03

Sterling Hill Community Development District

Summary A/R Ledger

200 - Debt Service Fund--Series 2003

From 12/1/2014 Through 12/31/2014

<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	51,193.47
10/1/2014	Hernando County Tax Collector	FY14-15	194,341.13
		Total 200 - Debt Service Fund--Series 2003	1,149,072.23

Sterling Hill Community Development District

Summary A/R Ledger

201 - Debt Service Fund--Series 2006

From 12/1/2014 Through 12/31/2014

<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	152,082.00
10/1/2009	Hernando Developers LLC/DEVCO	ORA-SH-09.10	164,135.04
10/1/2013	Hernando County Tax Collector	FY13-14	318.64
10/1/2014	Hernando County Tax Collector	FY14-15	1,209.67
		Total 201 - Debt Service Fund--Series 2006	317,745.35
			<hr/>
Report Balance			2,295,185.61
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Sterling Hill Community Development District

Summary A/P Ledger

001 - General Fund

From 12/1/2014 Through 12/31/2014

Vendor Name	Invoice Date	Invoice Number	Invoice Description	Current Balance
ADT Security Services, Inc.	12/12/2014	533884932	83497578 North Clubhouse Security Service-01/01/15-03/31/15	199.65
AT&T	12/13/2014	ATT 352 684-4763 001 1984 01/15	Gate Phones 01/15	1,211.00
AT&T	12/13/2014	ATT 352-684-0160 189 1985 01/15	South Rec Center 01/15	194.61
Chris Croft	12/27/2014	CC 122714	Off Duty Deputy 12/27/14	125.00
DCSI Inc.	12/15/2014	16211	CCTV Gate Warranty 12/14	406.89
Edward Brandhuber	12/26/2014	EB 122614	Off Duty Deputy 12/26/14	125.00
Florida Department of Revenue	1/9/2015	37-8015579013-3 12/14	Sales & Use Tax 12/14	42.65
Hernando County Sheriff's Office	12/19/2014	HCSO 121914	Vehicle Usage 12/19/14	10.00
Hernando County Sheriff's Office	12/20/2014	HCSO 122014	Vehicle Usage 12/20/14	10.00
Hernando County Utilities	12/23/2014	SS00001-00 12/14	North Clubhouse Water Bill 12/14	316.76
Hernando County Utilities	12/23/2014	SS00013 - 00 12/14	South Clubhouse Water Bill 12/14	89.93
Murphy's Landscaping and Sod, LLC	12/8/2014	439	Landscaping - North & South CH Sandbox 12/14	400.00
Outsmart Pest Management, Inc.	12/22/2014	9402	North Clubhouse Pest Control Treatment 12/14	45.00
Outsmart Pest Management, Inc.	12/22/2014	9403	South Clubhouse Pest Control Treatment 12/14	45.00
Robert Spears	12/19/2014	RS 121914	Off Duty Deputy 12/19/14	125.00
Roger E. Butts	12/20/2014	RB 122014	Off Duty Deputy 12/20/14	125.00
Straley & Robin	12/21/2014	11587	General/ Monthly Legal Services Through 12/14	837.25
Straley & Robin	12/21/2014	11588	Grant Homes-Bk of St. Petersburg Legal Services 12/14	70.00
Straley & Robin	12/21/2014	11589	Brown Investment Group, LLC/Foreclosure 12/14	459.80
Straley & Robin	12/21/2014	11590	Mahfuz One Family Trust/Foreclosure 12/14	70.00
Straley & Robin	12/21/2014	11591	Pasco Sawgrass Creek, LLC Foreclosure 12/14	446.00
ValleyCrest Landscape Maintenance	12/30/2014	4668043	OTC Injections on (8) Medjool Palms 12/14	240.00
Withlacoochee River Electric Cooperative, Inc.	12/22/2014	Electric Summary Billing 12/14	Withlacoochee Electric Summary Billing 12/14	9,533.28
Zephyrhills Natural Spring Water	1/1/2015	04L8770003955	South Club House Water Supplies 12/14	19.09
Zephyrhills Natural Spring Water	1/5/2015	04L8770003948	North Club House Water Supplies 12/14	42.49
			Total 001 - General Fund	15,189.40
Report Balance				15,189.40

Sterling Hill Community Development District
Notes to Unaudited Financial Statements
December 31, 2014

Balance Sheet

1. Trust statement activity has been recorded through 12/31/14.
2. See EMMA (Electronic Municipal Market Access) at <http://www.emma.msrb.org> for Municipal Disclosures and Market Data.
3. \$759,914 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.
4. Debt Service Obligations - Current, represents a scheduled Series 2003 Debt Service payment that was not made Nov 2014 and scheduled Series 2006 Debt Service payments that were not made May 2010 – Nov 2014.
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 FY14-15 Assessment Resolution adopted by the Board of Supervisors, (b) pursuant to Florida Statutes, Chapter 197 for assessments levied via the county tax roll.