

Sterling Hill
Community Development District

Financial Statements
(Unaudited)

June 30, 2014

Prepared by
Rizzetta & Company, Inc.
District Manager

Sterling Hill Community Development District

Balance Sheet
As of 6/30/2014
(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	145,020	0	0	145,020	0	0
Investments	479,029	0	1,141,867	1,620,896	0	0
Investments - Reserves	0	789,768	0	789,768	0	0
Accounts Receivable	536,926	0	1,272,120	1,809,046	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	6,123	0	26,358	32,481	0	0
Amount To Be Provided-Debt Service	0	0	0	0	0	18,775,000
Fixed Assets	0	0	0	0	26,018,507	0
Total Assets	<u>781,768</u>	<u>789,768</u>	<u>1,220,591</u>	<u>2,792,127</u>	<u>26,018,507</u>	<u>18,775,000</u>
Liabilities						
Accounts Payable	33,886	0	0	33,886	0	0
Accrued Expenses Payable	800	0	0	800	0	0
Due To Other Funds	26,358	6,123	0	32,481	0	0
Due To Others	0	0	0	0	0	0
Debt Service Obligations - Current	0	0	5,347,788	5,347,788	0	0
Revenue Bonds Payable-Long-term	0	0	0	0	0	18,775,000
Total Liabilities	<u>61,044</u>	<u>6,123</u>	<u>5,347,788</u>	<u>5,414,955</u>	<u>0</u>	<u>18,775,000</u>
Fund Equity And Other Credits						
Beginning Fund Balance	293,440	662,903	(3,705,551)	(2,749,208)	26,018,507	0
Net Change in Fund Balance	427,285	120,741	(421,645)	126,381	0	0
Total Fund Equity And Other Credits	<u>720,724</u>	<u>783,645</u>	<u>(4,127,197)</u>	<u>(2,622,828)</u>	<u>26,018,507</u>	<u>0</u>
Total Liabilities And Fund Equity	<u>781,768</u>	<u>789,768</u>	<u>1,220,591</u>	<u>2,792,127</u>	<u>26,018,507</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 10/1/2013 Through 6/30/2014

(In Whole Numbers)

	Annual Budget	YTD Budget	YTD Actual	YTD Variance	Percent Annual Budget Remaining
Revenues					
Interest Earnings					
Interest Earnings	0	0	478	478	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	11,769	11,769	0.00%
Total Revenues	<u>1,243,673</u>	<u>1,243,673</u>	<u>1,284,397</u>	<u>40,724</u>	<u>(3.27)%</u>
Expenditures					
Legislative					
Supervisor Fees	12,000	9,000	9,800	(800)	18.33%
Financial & Administrative					
Administrative Services	8,400	6,300	6,300	0	25.00%
District Management	32,000	24,000	24,000	0	25.00%
District Engineer	12,000	9,000	9,605	(605)	19.96%
Disclosure Report	6,000	6,000	2,000	4,000	66.66%
Trustees Fees	14,300	10,725	0	10,725	100.00%
Financial Consulting Services	8,000	7,250	7,250	0	9.37%
Accounting Services	17,000	12,750	12,750	0	25.00%
Auditing Services	5,000	5,000	4,000	1,000	20.00%
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	563	295	268	60.66%
Dues, Licenses & Fees	1,000	675	875	(200)	12.52%
Legal Counsel					
District Counsel	15,000	11,250	9,234	2,016	38.43%
Foreclosure Expenses	10,000	7,500	20,456	(12,956)	(104.55)%
Law Enforcement					
Deputy	45,000	33,750	29,547	4,203	34.34%
Security Operations					
Security Camera Maintenance	9,884	7,413	4,961	2,452	49.80%
Electric Utility Services					
Utility Services	52,964	39,723	37,582	2,141	29.04%
Street Lights	66,303	49,727	49,527	200	25.30%
Garbage/Solid Waste Control Services					
Garbage - Recreational Facility	4,896	3,672	3,874	(202)	20.87%

Sterling Hill Community Development District

Statement of Revenues and Expenditures

001 - General Fund

From 10/1/2013 Through 6/30/2014

(In Whole Numbers)

	Annual Budget	YTD Budget	YTD Actual	YTD Variance	Percent Annual Budget Remaining
Water-Sewer Combination Services					
Utility Services	7,315	5,486	3,832	1,654	47.61%
Stormwater Control					
Dry Retention Pond Repair	25,000	18,750	0	18,750	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	15,000	6,510	8,490	67.45%
Landscape Maintenance	107,103	80,327	74,798	5,529	30.16%
Irrigation Repairs	25,000	18,750	19,477	(727)	22.09%
Landscape - Mulch	60,876	45,657	30,888	14,769	49.26%
Landscape	33,603	25,202	26,468	(1,265)	21.23%
Misc.-Fertilizer/Pesticide					
Landscape Replacement Plants, Shrubs, Trees	26,500	19,875	16,520	3,355	37.66%
Sod Replacement	10,000	7,500	2,153	5,347	78.47%
Holiday Decorations	3,000	2,700	1,654	1,046	44.86%
Miscellaneous Expense	5,000	3,750	3,725	25	25.50%
Road & Street Facilities					
Gate Phone	9,800	7,350	9,466	(2,116)	3.41%
Gate Facility Maintenance	69,962	52,472	44,669	7,802	36.15%
Sidewalk Repair & Maintenance	4,420	3,315	3,100	215	29.86%
Street Light/Decorative Light Maintenance	5,000	3,750	1,485	2,265	70.30%
Street Sign Repairs & Replacement	500	375	0	375	100.00%
Parks & Recreation					
Management Contract	220,992	165,744	170,624	(4,880)	22.79%
Facility Maintenance & Repair	29,700	22,275	18,733	3,542	36.92%
Telephone, Fax, Internet	7,500	5,625	5,331	294	28.92%
Office Supplies	3,000	2,250	2,839	(589)	5.36%
Furniture	5,000	3,750	97	3,653	98.05%
Repair/Replacement-Pool/CH					
Pool/Water Park/Fountain Maint	7,500	5,625	4,701	924	37.31%
Lighting Replacement	1,000	750	0	750	100.00%
Vehicle Maintenance	1,500	1,125	251	874	83.27%
Athletic/Park Court/Field Repairs	1,500	1,125	2,944	(1,819)	(96.24)%
Clubhouse Miscellaneous Expense	4,000	3,000	793	2,207	80.17%
Special Events					

Sterling Hill Community Development District

Statement of Revenues and Expenditures

001 - General Fund

From 10/1/2013 Through 6/30/2014

(In Whole Numbers)

	Annual Budget	YTD Budget	YTD Actual	YTD Variance	Percent Annual Budget Remaining
Special Events	1,000	750	0	750	100.00%
Contingency					
Capital Outlay	66,000	49,500	15,097	34,403	77.12%
Total Expenditures	<u>1,118,631</u>	<u>852,439</u>	<u>732,071</u>	<u>120,368</u>	<u>34.56%</u>
Excess Of Revenues Over (Under) Expenditures	<u>125,042</u>	<u>391,234</u>	<u>552,327</u>	<u>161,093</u>	<u>(341.71)%</u>
Other Financing Sources (Uses)					
Transfer of Asset Repl. Reserve	(95,382)	(95,382)	(95,382)	0	0.00%
Transfer of Road Reserve	(29,660)	(29,660)	(29,660)	0	0.00%
Total Other Financing Sources (Uses)	<u>(125,042)</u>	<u>(125,042)</u>	<u>(125,042)</u>	<u>0</u>	<u>0.00%</u>
Exc. of Rev/Other Sources Over/(Under) Expend/Other Uses	<u>0</u>	<u>266,192</u>	<u>427,285</u>	<u>161,093</u>	<u>0.00%</u>
Fund Balance, Beginning of Period	0	0	293,440	293,440	0.00%
Fund Balance, End of Period	<u>0</u>	<u>266,192</u>	<u>720,724</u>	<u>454,532</u>	<u>0.00%</u>

Sterling Hill Community Development District

Statement of Revenues and Expenditures

Reserve Fund - 005

From 10/1/2013 Through 6/30/2014

(In Whole Numbers)

	Annual Budget	Current Period Actual	Budget To Actual Variance	Budget Percent Remaining
Revenues				
Interest Earnings				
Interest Earnings	0	1,822	1,822	0.00%
Total Revenues	0	1,822	1,822	0.00%
Expenditures				
Contingency				
Road Reserve	95,382	6,123	89,259	93.58%
Asset Replacement Reserve	29,660	0	29,660	100.00%
Total Expenditures	125,042	6,123	118,919	95.10%
Excess Of Revenues Over (Under) Expenditures	(125,042)	(4,301)	120,741	(96.56)%
Other Financing Sources (Uses)				
Transfer of Asset Repl. Reserve	95,382	95,382	0	0.00%
Transfer of Road Reserve	29,660	29,660	0	0.00%
Total Other Financing Sources (Uses)	125,042	125,042	0	0.00%
Exc. of Rev/Other Sources Over/(Under) Expend/Other Uses	0	120,741	120,741	0.00%
Fund Balance, Beginning of Period	0	662,903	662,903	0.00%
Fund Balance, End of Period	0	783,645	783,645	0.00%

Sterling Hill Community Development District

Statement of Revenues and Expenditures

Debt Service Fund--Series 2003 - 200

From 10/1/2013 Through 6/30/2014

(In Whole Numbers)

	Annual Budget	Current Period Actual	Budget To Actual Variance	Budget Percent Remaining
Revenues				
Interest Earnings				
Interest Earnings	0	164	164	0.00%
Special Assessments				
Tax Roll	918,415	798,578	(119,836)	(13.04)%
Total Revenues	<u>918,415</u>	<u>798,743</u>	<u>(119,672)</u>	<u>(13.03)%</u>
Expenditures				
Financial & Administrative				
Trustees Fees	0	12,006	(12,006)	0.00%
Legal Counsel				
Bond Counsel	0	12,167	(12,167)	0.00%
Debt Service				
Interest	673,415	903,005	(229,590)	(34.09)%
Principal	245,000	245,000	0	0.00%
Other Physical Environment				
General Liability Insurance	0	330	(330)	0.00%
Total Expenditures	<u>918,415</u>	<u>1,172,508</u>	<u>(254,093)</u>	<u>(27.67)%</u>
Excess Of Revenues Over (Under) Expenditures	0	(373,765)	(373,765)	0.00%
Exc. of Rev/Other Sources Over/(Under) Expend/Other Uses	0	(373,765)	(373,765)	0.00%
Fund Balance, Beginning of Period	0	(2,735,008)	(2,735,008)	0.00%
Fund Balance, End of Period	<u>0</u>	<u>(3,108,774)</u>	<u>(3,108,774)</u>	<u>0.00%</u>

Sterling Hill Community Development District

Statement of Revenues and Expenditures

Debt Service Fund--Series 2006 - 201

From 10/1/2013 Through 6/30/2014

(In Whole Numbers)

	Annual Budget	Current Period Actual	Budget To Actual Variance	Budget Percent Remaining
Revenues				
Interest Earnings				
Interest Earnings	0	11	11	0.00%
Special Assessments				
Tax Roll	4,971	4,971	0	0.00%
Off Roll	0	15,811	15,811	0.00%
Debt Service Prepayments	0	234,488	234,488	0.00%
Total Revenues	<u>4,971</u>	<u>255,280</u>	<u>250,310</u>	<u>5,035.68%</u>
Expenditures				
Financial & Administrative				
Trustees Fees	0	12,381	(12,381)	0.00%
Legal Counsel				
Bond Counsel	0	4,983	(4,983)	0.00%
Debt Service				
Interest	4,971	215,796	(210,825)	(4,241.34)%
Principal	0	70,000	(70,000)	0.00%
Total Expenditures	<u>4,971</u>	<u>303,160</u>	<u>(298,190)</u>	<u>(5,998.92)%</u>
Excess Of Revenues Over (Under) Expenditures	0	(47,880)	(47,880)	0.00%
Exc. of Rev/Other Sources Over/(Under) Expend/Other Uses	0	(47,880)	(47,880)	0.00%
Fund Balance, Beginning of Period	0	(970,543)	(970,543)	0.00%
Fund Balance, End of Period	<u>0</u>	<u>(1,018,423)</u>	<u>(1,018,423)</u>	<u>0.00%</u>

Sterling Hill CDD
Investment Summary
June 30, 2014

<u>Account</u>	<u>Investment</u>	<u>Balance as of</u> <u>June 30, 2014</u>
State Board of Administration	Local Government Investment Pool	\$ 6,740
State Board of Administration	Local Government Investment Pool B	602
SunTrust	Business Money Market	248,858
The Bank of Tampa	Business Money Market	222,829
	Total General Fund Investments	\$ 479,029
The Bank of Tampa ICS Road Reserve		
Bank of China, New York, NY	Business Money Market	\$ 245,070
Morton Community Bank	Business Money Market	245,071
BB&T	Business Money Market	121,018
Happy State Bank	Business Money Market	1
Bank of the Ozarka	Business Money Market	1
The Bank of Tampa ICS Asset Replacement Reserve		
BB&T	Business Money Market	124,048
Happy State Bank	Business Money Market	54,559
	Total Reserve Fund Investments	\$ 789,768
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	43,444
US Bank Series 2003 Prepayment B	US Bank Managed Money Market Account	403,261
US Bank Series 2003 Revenue	US Bank Managed Money Market Account	57,426
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	273,773
	Total Debt Service Fund Investments	\$ 1,141,867

Sterling Hill Community Development District

Summary A/R Ledger - AR External 1

001 - General Fund

From 6/1/2014 Through 6/30/2014

<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	72,670.86
11/18/2013	Sterling Hills 2, Inc.	655-14-03	5,278.05
11/18/2013	Sterling Hills, Inc.	655-14-01	<u>73,646.97</u>
		Total 001 - General Fund	536,926.14

Sterling Hill Community Development District

Summary A/R Ledger - AR External 1

200 - Debt Service Fund--Series 2003

From 6/1/2014 Through 6/30/2014

Invoice Date	Customer Name	Invoice Number	Current Balance
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	52,041.20
		Total 200 - Debt Service Fund--Series 2003	955,578.83

Sterling Hill Community Development District

Summary A/R Ledger - AR External 1

201 - Debt Service Fund--Series 2006

From 6/1/2014 Through 6/30/2014

<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	<u>323.92</u>
		Total 201 - Debt Service Fund--Series 2006	<u>316,540.96</u>
Report Balance			<u><u>1,809,045.93</u></u>

Sterling Hill Community Development District

Summary A/P Ledger

001 - General Fund

From 6/1/2014 Through 6/30/2014

Vendor Name	Invoice Date	Invoice Number	Invoice Description	Current Balance
Apex Floor & Furniture Care	6/9/2014	3276	North & South Clubhouse Vinyl Scrubbing/Carpet Maint 06/14	160.00
Bayonet Plumbing, Heating & A/C, Inc.	6/25/2014	156305	Diagnostic Analysis 06/14	75.00
Chris Croft	6/27/2014	CC 062714	Off Duty Deputy 06/27/14	120.00
Florida Department of Revenue	6/30/2014	37-8015579013-3 06/14	Sales & Use Tax 06/14	47.91
Hernando County Clerk of the Court	6/27/2014	062714	Recording Fees 06/14	61.00
Hernando County Sheriff's Office	6/20/2014	HCSO 062014	Vehicle Usage 06/20/14	10.00
Hernando County Sheriff's Office	6/21/2014	HCSO 062114	Vehicle Usage 06/21/14	10.00
Hernando County Sheriff's Office	6/27/2014	HCSO 062714	Vehicle Usage 06/27/14	10.00
Hernando County Sheriff's Office	6/28/2014	HCSO 062814	Vehicle Usage 06/28/14	10.00
Hernando County Utilities	6/24/2014	SS00001-00 06/14	North Clubhouse Water Bill 06/14	281.51
Hernando County Utilities	6/24/2014	SS00013 - 00 06/14	South Clubhouse Water Bill 06/14	166.85
McCullough Water Services	6/30/2014	18006 06/14	Water Rental and Delivery 06/14	32.66
McCullough Water Services	6/30/2014	18007 06/14	Water Rental and Delivery 06/14	18.92
Outsmart Pest Management, Inc.	6/23/2014	8181	North Clubhouse Pest Control Treatment 06/14	45.00
Outsmart Pest Management, Inc.	6/23/2014	8182	South Clubhouse Pest Control Treatment 06/14	45.00
Robert Santoro	6/20/2014	RS 062014	Off Duty Deputy 06/20/14	120.00
Sean Reynolds	6/21/2014	SR 062114	Off Duty Deputy 06/21/14	120.00
Southern Automated Access Services	6/18/2014	1127	Replaced Defective Circuit Board -Arboreglades 06/14	95.00
Southern Automated Access Services	6/18/2014	1128	Replaced Defective Memory Chips-Edgemere 06/14	112.50
Southern Automated Access Services	6/24/2014	1138	Replaced-Circuit Board & Memory Chips-Edgemere 06/14	1,830.00
Stantec Consulting Services Inc	6/20/2014	802314	Engineering Services 06/14	2,067.07
Straley & Robin	6/18/2014	10962	General/ Monthly Legal Services Through 06/14	1,163.00
Straley & Robin	6/18/2014	10963	Brown Investment Group, LLC/Foreclosure 06/14	224.00
Straley & Robin	6/18/2014	10964	Mahfuz One Family Trust/Foreclosure 06/14	86.22
Straley & Robin	6/18/2014	10965	Pasco Sawgrass Creek, LLC Foreclosure 06/14	154.00
ValleyCrest Landscape Maintenance	6/24/2014	4535572	Remove-ShumardOak @ South Clubhouse Entry 06/14	600.00
ValleyCrest Landscape Maintenance	6/25/2014	4536063	Landscape Maintenance Fert/Irrig/Pest Control 06/14	16,321.33

Sterling Hill Community Development District

Summary A/P Ledger

001 - General Fund

From 6/1/2014 Through 6/30/2014

Vendor Name	Invoice Date	Invoice Number	Invoice Description	Current Balance
William Cooper	6/28/2014	WC 062814	Off Duty Deputy 06/28/14	120.00
Withlacoochee River Electric Cooperative, Inc.	6/23/2014	Electric Summary Billing 06/14	Withlacoochee Electric Summary Billing 06/14	9,778.55
			Total 001 - General Fund	33,885.52
Report Balance				33,885.52

Sterling Hill Community Development District
Notes to Unaudited Financial Statements
June 30, 2014

Balance Sheet

1. Trust statement activity has been recorded through 6/30/14.
2. See EMMA (Electronic Municipal Market Access) at <http://www.emma.msrb.org> for Municipal Disclosures and Market Data.
3. \$783,645 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 \$125,042.
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 – May 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 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 #655-14-01 totaling \$1,288.72 was received in July 2014.