

Sterling Hill
Community Development District

Financial Statements
(Unaudited)

September 30, 2015

Prepared by
Rizzetta & Company, Inc.
District Manager

Sterling Hill Community Development District

Balance Sheet
As of 9/30/2015
(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	84,737	0	0	84,737	0	0
Investments	183,506	0	1,750,966	1,934,471	0	0
Investments - Reserves	0	882,668	0	882,668	0	0
Accounts Receivable	550,116	0	1,323,662	1,873,778	0	0
Allowance for Uncollectible Assessments	(462,095)	0	(1,270,944)	(1,733,039)	0	0
Prepaid Expenses	32,941	0	0	32,941	0	0
Due From Other Funds	0	0	0	0	0	0
Amount To Be Provided-Debt Service	0	0	0	0	0	18,775,000
Fixed Assets	0	0	0	0	26,186,517	0
Total Assets	<u>389,204</u>	<u>882,668</u>	<u>1,803,684</u>	<u>3,075,557</u>	<u>26,186,517</u>	<u>18,775,000</u>
Liabilities						
Accounts Payable	23,757	0	0	23,757	0	0
Accrued Expenses Payable	13,129	0	0	13,129	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	5,898,584	5,898,584	0	0
Revenue Bonds Payable-Long-term	0	0	0	0	0	18,775,000
Total Liabilities	<u>36,886</u>	<u>0</u>	<u>5,898,584</u>	<u>5,935,470</u>	<u>0</u>	<u>18,775,000</u>
Fund Equity And Other Credits						
Beginning Fund Balance	388,310	759,217	(4,053,503)	(2,905,976)	26,186,517	0
Net Change in Fund Balance	(35,992)	123,452	(41,397)	46,063	0	0
Total Fund Equity And Other Credits	<u>352,318</u>	<u>882,668</u>	<u>(4,094,900)</u>	<u>(2,859,913)</u>	<u>26,186,517</u>	<u>0</u>
Total Liabilities And Fund Equity	<u>389,204</u>	<u>882,668</u>	<u>1,803,684</u>	<u>3,075,557</u>	<u>26,186,517</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 9/30/2015

(In Whole Numbers)

	Annual Budget	YTD Budget	YTD Actual	YTD Variance	Percent Annual Budget Remaining
Revenues					
Interest Earnings					
Interest Earnings	0	0	638	638	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	26,001	26,001	0.00%
Total Revenues	<u>1,231,672</u>	<u>1,231,672</u>	<u>1,285,648</u>	<u>53,976</u>	<u>(4.38)%</u>
Expenditures					
Legislative					
Supervisor Fees	13,000	13,000	14,000	(1,000)	(7.69)%
Financial & Administrative					
Administrative Services	8,400	8,400	8,400	0	0.00%
District Management	32,000	32,000	32,000	0	0.00%
District Engineer	10,000	10,000	10,591	(591)	(5.90)%
Disclosure Report	6,000	6,000	2,000	4,000	66.66%
Trustees Fees	14,300	14,300	0	14,300	100.00%
Financial Consulting Services	8,000	8,000	8,000	0	0.00%
Accounting Services	17,000	17,000	17,000	0	0.00%
Auditing Services	4,000	4,000	4,000	0	0.00%
Arbitrage Rebate Calculation	650	647	1,950	(1,303)	(200.00)%
Public Officials Liability	11,143	11,143	3,250	7,893	70.83%
Insurance					
Legal Advertising	750	750	1,037	(287)	(38.31)%
Dues, Licenses & Fees	925	925	797	128	13.87%
Website Fees & Maintenance	0	0	750	(750)	0.00%
Legal Counsel					
District Counsel	12,000	12,000	19,375	(7,375)	(61.46)%
Foreclosure Expenses	25,000	25,000	20,296	4,704	18.81%
Law Enforcement					
Deputy	15,000	15,000	15,485	(485)	(3.23)%
Security Operations					
Security System Monitoring & Maintenance	10,000	10,000	6,750	3,250	32.50%
Electric Utility Services					
Utility Services	50,982	50,982	46,970	4,012	7.86%
Street Lights	68,018	68,018	67,666	352	0.51%

Sterling Hill Community Development District

Statement of Revenues and Expenditures

001 - General Fund

From 10/1/2014 Through 9/30/2015

(In Whole Numbers)

	Annual Budget	YTD Budget	YTD Actual	YTD Variance	Percent Annual Budget Remaining
Garbage/Solid Waste Control Services					
Garbage - Recreational Facility	5,165	5,165	5,196	(31)	(0.60)%
Water-Sewer Combination Services					
Utility Services	5,367	5,367	6,746	(1,379)	(25.68)%
Stormwater Control					
Dry Retention Pond Repair	15,000	15,000	0	15,000	100.00%
Other Physical Environment					
General Liability Insurance	7,397	7,397	5,172	2,225	30.07%
Property Insurance	18,330	18,330	21,588	(3,258)	(17.77)%
Entry & Walls Maintenance	10,000	10,000	41,400	(31,400)	(314.00)%
Landscape Maintenance	97,881	97,881	107,874	(9,993)	(10.20)%
Irrigation Repairs	25,241	25,241	30,058	(4,817)	(19.08)%
Landscape - Mulch	60,876	60,876	49,588	11,288	18.54%
Landscape - Annual Color Rotation	1,820	1,820	1,040	780	42.85%
Landscape Misc.-Fertilizer/Pesticide	23,839	23,839	16,974	6,865	28.79%
Landscape Replacement Plants, Shrubs, Trees	30,000	30,000	15,028	14,973	49.90%
Sod Replacement	6,000	6,000	6,003	(3)	(0.04)%
Landscape Maintenance - Inspections	6,000	6,000	6,000	0	0.00%
Holiday Decorations	5,000	5,000	421	4,579	91.57%
Miscellaneous Expense	5,000	5,000	5,560	(560)	(11.20)%
Road & Street Facilities					
Gate Phone	13,000	13,000	12,146	854	6.57%
Gate Facility Maintenance	40,000	40,000	47,221	(7,221)	(18.05)%
Sidewalk Repair & Maintenance	6,000	6,000	7,662	(1,662)	(27.70)%
Street Light/Decorative Light Maintenance	15,000	15,000	309	14,691	97.93%
Street Sign Repairs & Replacement	500	500	572	(72)	(14.39)%
Parks & Recreation					
Management Contract	257,027	257,027	250,343	6,684	2.60%
Facility Maintenance & Repair	25,000	25,000	45,741	(20,741)	(82.96)%
Security System Monitoring & Maintenance	1,000	1,000	405	595	59.50%
Telephone, Fax, Internet	7,500	7,500	10,295	(2,795)	(37.26)%
Office Supplies	4,000	4,000	2,516	1,484	37.08%

See Notes to Unaudited Financial Statements

Sterling Hill Community Development District

Statement of Revenues and Expenditures

001 - General Fund

From 10/1/2014 Through 9/30/2015

(In Whole Numbers)

	Annual Budget	YTD Budget	YTD Actual	YTD Variance	Percent Annual Budget Remaining
Furniture	15,000	15,000	0	15,000	100.00%
Repair/Replacement-Pool/CH					
Lighting Replacement	1,000	1,000	4,198	(3,198)	(319.83)%
Vehicle Maintenance	1,000	1,000	3,594	(2,594)	(259.38)%
Pool Service Contract - Supplies & Repairs	7,500	7,500	7,427	73	0.97%
Supply Storage	10,000	10,000	318	9,682	96.82%
Playground Equipment & Maintenance	1,000	1,000	12	988	98.80%
Athletic/Park Court/Field Repairs	1,000	1,000	5,067	(4,067)	(406.69)%
Miscellaneous Expense	2,500	2,500	8,557	(6,057)	(242.26)%
Fitness Equipment Maintenance & Repairs	1,000	1,000	3,264	(2,264)	(226.35)%
Special Events					
Special Events	1,000	1,000	1,497	(497)	(49.69)%
Contingency					
Capital Outlay	158,020	158,020	176,601	(18,581)	(11.75)%
Total Expenditures	<u>1,198,131</u>	<u>1,198,128</u>	<u>1,186,708</u>	<u>11,420</u>	<u>0.95%</u>
Excess Of Revenues Over (Under) Expenditures	33,541	33,544	98,940	65,396	(194.98)%
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)	(29,159)	0	0.00%
Transfer of Road Reserve	(95,382)	(95,382)	(95,382)	0	0.00%
SPE Costs	0	0	(23,344)	(23,344)	0.00%
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>(134,932)</u>	<u>(101,391)</u>	<u>(302.29)%</u>
Exc. of Rev/Other Sources Over/(Under) Expend/Other Uses	0	3	(35,992)	(35,995)	0.00%
Fund Balance, Beginning of Period	0	0	388,310	388,310	0.00%
Fund Balance, End of Period	<u>0</u>	<u>3</u>	<u>352,318</u>	<u>352,315</u>	<u>0.00%</u>

Sterling Hill Community Development District

Statement of Revenues and Expenditures

Reserve Fund - 005

From 10/1/2014 Through 9/30/2015

(In Whole Numbers)

	Annual Budget	Current Period Actual	Budget To Actual Variance	Budget Percent Remaining
Revenues				
Interest Earnings				
Interest Earnings	0	2,204	2,204	0.00%
Total Revenues	0	2,204	2,204	0.00%
Expenditures				
Contingency				
Road Reserve	95,382	0	95,382	100.00%
Asset Replacement Reserve	29,159	3,293	25,866	88.70%
Total Expenditures	124,541	3,293	121,248	97.36%
Excess Revenues Over (Under) Expenditures	(124,541)	(1,089)	123,452	(99.12)%
Other Financing Sources (Uses)				
Transfer of Asset Repl. Reserve	29,159	29,159	0	0.00%
Transfer of Road Reserve	95,382	95,382	0	0.00%
Total Other Financing Sources (Uses)	124,541	124,541	0	0.00%
Excess of Rev./Other Sources Over/(Under) Expend./Other Uses	0	123,452	123,452	0.00%
Fund Balance, Beginning of Period	0	759,217	759,217	0.00%
Fund Balance, End of Period	0	882,668	882,668	0.00%

Sterling Hill Community Development District

Statement of Revenues and Expenditures

Debt Service Fund--Series 2003 - 200

From 10/1/2014 Through 9/30/2015

(In Whole Numbers)

	Annual Budget	Current Period Actual	Budget To Actual Variance	Budget Percent Remaining
Revenues				
Interest Earnings				
Interest Earnings	0	187	187	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>915,256</u>	<u>(3,159)</u>	<u>(0.34)%</u>
Expenditures				
Financial & Administrative				
Trustees Fees	0	11,090	(11,090)	0.00%
Legal Counsel				
Bond Counsel	0	10,910	(10,910)	0.00%
Debt Service				
Interest	658,415	888,060	(229,645)	(34.87)%
Principal	260,000	260,000	0	0.00%
Other Physical Environment				
Property Insurance	0	286	(286)	0.00%
Total Expenditures	<u>918,415</u>	<u>1,170,346</u>	<u>(251,931)</u>	<u>(27.43)%</u>
Excess Revenues Over (Under) Expenditures	<u>0</u>	<u>(255,090)</u>	<u>(255,090)</u>	<u>0.00%</u>
Other Financing Sources (Uses)				
SPE Costs	0	(1,875)	(1,875)	0.00%
Excess of Rev./Other Sources Over/(Under) Expend./Other Uses	<u>0</u>	<u>(256,965)</u>	<u>(256,965)</u>	<u>0.00%</u>
Fund Balance, Beginning of Period				
	0	(3,166,773)	(3,166,773)	0.00%
Fund Balance, End of Period	<u>0</u>	<u>(3,423,738)</u>	<u>(3,423,738)</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 9/30/2015

(In Whole Numbers)

	Annual Budget	Current Period Actual	Budget To Actual Variance	Budget Percent Remaining
Revenues				
Interest Earnings				
Interest Earnings	0	105	105	0.00%
Special Assessments				
Tax Roll	4,971	4,971	0	0.00%
Debt Service Prepayments	0	506,821	506,821	0.00%
Total Revenues	<u>4,971</u>	<u>511,897</u>	<u>506,926</u>	<u>10,198.25%</u>
Expenditures				
Financial & Administrative				
Trustees Fees	0	3,957	(3,957)	0.00%
Legal Counsel				
Bond Counsel	0	1,576	(1,576)	0.00%
Debt Service				
Interest	4,971	215,796	(210,825)	(4,241.34)%
Principal	0	75,000	(75,000)	0.00%
Total Expenditures	<u>4,971</u>	<u>296,329</u>	<u>(291,358)</u>	<u>(5,861.49)%</u>
Excess Revenues Over (Under) Expenditures	<u>0</u>	<u>215,568</u>	<u>215,568</u>	<u>0.00%</u>
Excess of Rev./Other Sources Over/(Under) Expend./Other Uses	<u>0</u>	<u>215,568</u>	<u>215,568</u>	<u>0.00%</u>
Fund Balance, Beginning of Period	0	(886,730)	(886,730)	0.00%
Fund Balance, End of Period	<u>0</u>	<u>(671,162)</u>	<u>(671,162)</u>	<u>0.00%</u>

**Sterling Hill CDD
Investment Summary
September 30, 2015**

<u>Account</u>	<u>Investment</u>	<u>Balance as of September 30, 2015</u>
State Board of Administration	Local Government Investment Pool	\$ 299
SunTrust	Business Money Market	29,935
The Bank of Tampa	Business Money Market	153,272
	Total General Fund Investments	\$ 183,506
The Bank of Tampa ICS Road Reserve		
Bank of China, New York, NY	Business Money Market	\$ 245,040
Iberiabank	Business Money Market	245,040
United Bank	Business Money Market	65,055
Western Alliance Bank	Business Money Market	147,551
	Sub Total	702,686
The Bank of Tampa ICS Asset Replacement Reserve		
United Bank	Business Money Market	179,980
Western Alliance Bank	Business Money Market	2
	Sub Total	179,982
	Total Reserve Fund Investments	\$ 882,668
US Bank Series 2003 Reserve A	US Bank Money Market Account Managed	\$ 324,711
US Bank Series 2003 Reserve B	US Bank Money Market Account Managed	2,999
US Bank Series 2003 Prepayment B	US Bank Money Market Account Managed	504,121
US Bank Series 2003 Revenue	US Bank Money Market Account Managed	46
US Bank Series 2003 Prepayment A	US Bank Money Market Account Managed	7,309
US Bank Series 2006 Prepayment B	US Bank Money Market Account Managed	11
US Bank Series 2006 Reserve A	US Bank Money Market Account Managed	94
US Bank Series 2006 Revenue	US Bank Money Market Account Managed	911,675
	Total Debt Service Fund Investments	\$ 1,750,966

Sterling Hill Community Development District

Summary A/R Ledger

001 - General Fund

From 9/1/2015 Through 9/30/2015

<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	73,602.44
11/19/2014	Sterling Hills 2, Inc.	655-15-03	5,341.29
11/20/2014	Sterling Hills, Inc.	655-15-01	9,077.04
		Total 001 - General Fund	550,116.17

Sterling Hill Community Development District

Summary A/R Ledger

200 - Debt Service Fund--Series 2003

From 9/1/2015 Through 9/30/2015

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	51,193.47
10/1/2014	Hernando County Tax Collector	FY14-15	52,071.10
Total 200 - Debt Service Fund--Series 2003			1,006,802.20

Sterling Hill Community Development District

Summary A/R Ledger

201 - Debt Service Fund--Series 2006

From 9/1/2015 Through 9/30/2015

<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	324.11
		Total 201 - Debt Service Fund--Series 2006	316,859.79
			<hr/>
Report Balance			1,873,778.16
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Sterling Hill Community Development District

Summary A/P Ledger

001 - General Fund

From 9/1/2015 Through 9/30/2015

Vendor Name	Invoice Date	Invoice Number	Invoice Description	Current Balance
Aqua Chill of Tampa	9/20/2015	1247722	Monthly Rental White Cold Room/Tank 10/15	30.00
AT&T	9/29/2015	ATT Gate Phone Summ 10/15	Summary Gate Phone 10/15	393.65
Brett F. Croft	9/11/2015	BC 091115	Off Duty Deputy 09/11/15	125.00
City Electric Supply Co.	9/29/2015	LOL/074504	4 Tamlite Amenity Tabfl5012BZ/3 Topaz Elec 09/15	488.19
Dave Vargas	9/25/2015	DV 092515	Off Duty Deputy 09/25/15	125.00
Fitness Logic, Inc.	9/28/2015	63509	Replace Welded Piece on ProForm Pull 09/15	94.50
Florida Department of Revenue	9/30/2015	37-8015579013-3 09/15	Sales & Use Tax 09/15	94.83
Hernando County Sheriff's Office	9/25/2015	HCSO 092515	Vehicle Usage 09/25/15	10.00
Hernando County Sheriff's Office	9/26/2015	HCSO 092615	Vehicle Usage 09/26/15	10.00
Hernando County Utilities	9/24/2015	SS00001-00 09/15	North Clubhouse Water Bill 09/15	816.37
Hernando County Utilities	9/24/2015	SS00013 - 00 09/15	South Clubhouse Water Bill 09/15	114.77
Luke Brothers Inc.	7/1/2015	14687	Pro-Ratyed Monthly Maint /Irrig 07/15	6,160.00
Luke Brothers Inc.	9/29/2015	15391	Plants Installed 09/15	795.00
Luke Brothers Inc.	9/30/2015	15392	Insectide Treatments 09/15	950.00
Luke Brothers Inc.	9/30/2015	15410	Fertilization- All Palms 09/15	400.00
Shawn Duval	9/26/2015	SD 092615	Off Duty Deputy 09/26/15	125.00
Southern Automated Access Services	9/28/2015	1796	Replace Circuit Board Hit by Storm Arborglades 09/15	1,975.00
Southern Automated Access Services	9/28/2015	1797	Tele Entry Repair - Edgemere 09/15	75.00
Southern Automated Access Services	9/28/2015	1798	Tele Entry Repair - Codes -Glenburne 09/15	186.74
Suncoast Pool Service	8/31/2015	2688	South Pool Chemical Supplies 08/15	385.00
Suncoast Pool Service	8/31/2015	2689	North Pool Chemical Supplies 08/15	570.50
Withlacoochee River Electric Cooperative, Inc.	9/23/2015	Electric Summary Billing 09/15	Withlacoochee Electric Summary Billing 09/15	9,832.67
			Total 001 - General Fund	23,757.22
Report Balance				23,757.22

Sterling Hill Community Development District
Notes to Unaudited Financial Statements
September 30, 2015

Balance Sheet

1. Trust statement activity has been recorded through 09/30/15.
2. See EMMA (Electronic Municipal Market Access) at <http://www.emma.msrb.org> for Municipal Disclosures and Market Data.
3. \$882,668 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 \$124,541.
4. Debt Service Obligations - Current, represents a scheduled Series 2003 Debt Service payment that was not made May 2015 and scheduled Series 2006 Debt Service payments that were not made May 2010 – May 2015.
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.

Statement of Revenue and Expenditures – Debt Service Fund 200, and 201

6. The scheduled Series 2003 and 2006 Debt Service payments that were not made have been accrued, and are reflected in the accompanying Balance Sheet.

Summary A/R Ledger

7. 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.
8. Payment for Invoice #655-15-01 totaling \$9,077 was received in October 2015.