

Sterling Hill
Community Development District

Financial Statements
(Unaudited)

February 29, 2016

Prepared by
Rizzetta & Company, Inc.
District Manager

Sterling Hill Community Development District

Balance Sheet

As of 2/29/2016

(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	387,063	0	0	387,063	0	0
Investments	151,235	0	1,167,489	1,318,725	0	0
Investments - Reserves	0	1,010,802	0	1,010,802	0	0
Accounts Receivable	968,984	0	1,732,535	2,701,519	0	0
Allowance for Uncollectible Assessments	(462,095)	0	(1,270,944)	(1,733,039)	0	0
Prepaid Expenses	0	0	0	0	0	0
Deposits	21,026	0	0	21,026	0	0
Due From Other Funds	0	0	0	0	0	0
Amount To Be Provided-Debt Service	0	0	0	0	0	18,275,000
Fixed Assets	0	0	0	0	26,186,517	0
Total Assets	<u>1,066,212</u>	<u>1,010,802</u>	<u>1,629,081</u>	<u>3,706,095</u>	<u>26,186,517</u>	<u>18,275,000</u>
Liabilities						
Accounts Payable	16,578	0	0	16,578	0	0
Accrued Expenses Payable	3,595	0	0	3,595	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	5,033,247	5,033,247	0	0
Revenue Bonds Payable-Long-term	0	0	0	0	0	18,275,000
Total Liabilities	<u>20,172</u>	<u>0</u>	<u>5,033,247</u>	<u>5,053,419</u>	<u>0</u>	<u>18,275,000</u>
Fund Equity And Other Credits						
Beginning Fund Balance	347,484	882,668	(4,094,900)	(2,864,747)	26,186,517	0
Net Change in Fund Balance	698,555	128,134	690,734	1,517,423	0	0
Total Fund Equity And Other Credits	<u>1,046,040</u>	<u>1,010,802</u>	<u>(3,404,166)</u>	<u>(1,347,324)</u>	<u>26,186,517</u>	<u>0</u>
Total Liabilities And Fund Equity	<u>1,066,212</u>	<u>1,010,802</u>	<u>1,629,081</u>	<u>3,706,095</u>	<u>26,186,517</u>	<u>18,275,000</u>

See Notes to Unaudited Financial Statements

Sterling Hill Community Development District

Statement of Revenues and Expenditures

001 - General Fund

From 10/1/2015 Through 2/29/2016

(In Whole Numbers)

	Annual Budget	YTD Budget	YTD Actual	YTD Variance	Percent Annual Budget Remaining
Revenues					
Interest Earnings					
Interest Earnings	0	0	95	95	0.00%
Special Assessments					
Tax Roll	1,045,886	1,045,886	1,057,649	11,763	(1.12)%
Off Roll	102,880	102,880	66,011	(36,869)	35.83%
Other Miscellaneous Revenues					
Miscellaneous	0	0	5,358	5,358	0.00%
RV & Boat Storage Rental	0	0	4,678	4,678	0.00%
Total Revenues	1,148,766	1,148,766	1,133,791	(14,975)	1.30%
Expenditures					
Legislative					
Supervisor Fees	13,000	5,417	5,000	417	61.53%
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	10,000	4,167	27	4,139	99.72%
Disclosure Report	6,000	2,500	2,000	500	66.66%
Trustees Fees	14,300	14,300	0	14,300	100.00%
Financial Consulting Services	10,000	7,083	7,083	0	29.16%
Accounting Services	17,000	7,083	7,083	0	58.33%
Auditing Services	4,000	0	0	0	100.00%
Arbitrage Rebate Calculation	650	271	0	271	100.00%
Public Officials Liability Insurance	10,000	10,000	3,250	6,750	67.50%
Legal Advertising	750	313	276	37	63.25%
Dues, Licenses & Fees	925	925	1,096	(171)	(18.44)%
Website Fees & Maintenance	2,200	917	500	417	77.27%
Legal Counsel					
District Counsel	12,000	5,000	8,877	(3,877)	26.02%
Foreclosure Expenses	25,000	10,417	6,431	3,986	74.27%
Law Enforcement					
Deputy	19,959	8,316	6,735	1,581	66.25%
Security Operations					
Security System Monitoring & Maintenance	8,000	3,333	2,034	1,299	74.56%
Electric Utility Services					
Utility Services	50,982	21,243	16,669	4,573	67.30%
Street Lights	68,018	28,341	27,143	1,198	60.09%

Sterling Hill Community Development District

Statement of Revenues and Expenditures

001 - General Fund

From 10/1/2015 Through 2/29/2016

(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	2,152	1,560	592	69.79%
Water-Sewer Combination Services					
Utility Services	5,367	2,236	2,921	(685)	45.57%
Stormwater Control					
Dry Retention Pond Repair	9,000	3,750	0	3,750	100.00%
Other Physical Environment					
General Liability Insurance	5,500	5,500	5,100	400	7.27%
Property Insurance	22,000	22,000	24,759	(2,759)	(12.54)%
Entry & Walls Maintenance	20,000	8,333	52,440	(44,106)	(162.19)%
Landscape Maintenance	97,000	40,417	54,585	(14,168)	43.72%
Irrigation Repairs	26,200	10,917	11,570	(653)	55.84%
Landscape - Mulch	65,250	27,188	0	27,188	100.00%
Landscape - Annual Color Rotation	2,400	1,000	878	122	63.41%
Landscape Misc.-Fertilizer/Pesticide	41,600	17,333	10,693	6,640	74.29%
Landscape Replacement Plants, Shrubs, Trees	30,000	12,500	1,756	10,744	94.14%
Sod Replacement	6,000	2,500	0	2,500	100.00%
Landscape Maintenance - Inspections	6,000	2,500	2,500	0	58.33%
Holiday Decorations	2,000	833	0	833	100.00%
Miscellaneous Expense	50,000	20,833	807	20,026	98.38%
Road & Street Facilities					
Gate Phone	13,000	5,417	2,753	2,664	78.82%
Gate Facility Maintenance	30,000	12,500	4,174	8,327	86.08%
Sidewalk Repair & Maintenance	7,500	3,125	6,180	(3,055)	17.60%
Street Light/Decorative Light Maintenance	18,000	7,500	0	7,500	100.00%
Street Sign Repairs & Replacement	2,500	1,042	0	1,042	100.00%
Parks & Recreation					
Management Contract	270,000	112,500	101,659	10,841	62.34%
Facility Maintenance & Repair	38,000	15,833	6,814	9,020	82.06%
Security System Monitoring & Maintenance	1,000	417	597	(180)	40.30%
Telephone, Fax, Internet	7,500	3,125	3,084	41	58.87%
Office Supplies	4,000	1,667	744	923	81.39%

Sterling Hill Community Development District

Statement of Revenues and Expenditures

001 - General Fund

From 10/1/2015 Through 2/29/2016

(In Whole Numbers)

	Annual Budget	YTD Budget	YTD Actual	YTD Variance	Percent Annual Budget Remaining
Furniture Repair/Replacement-Pool/CH	20,000	8,333	0	8,333	100.00%
Lighting Replacement	2,000	833	0	833	100.00%
Vehicle Maintenance	1,500	625	2,099	(1,474)	(39.94)%
Pool Service Contract - Supplies & Repairs	5,500	2,292	1,840	452	66.54%
Supply Storage	5,000	2,083	304	1,780	93.92%
Playground Equipment & Maintenance	1,000	417	276	141	72.43%
Athletic/Park Court/Field Repairs	1,700	708	0	708	100.00%
Miscellaneous Expense	2,500	1,042	3,429	(2,387)	(37.15)%
Fitness Equipment Maintenance & Repairs	15,000	6,250	890	5,360	94.06%
Special Events					
Special Events	3,000	1,250	178	1,072	94.06%
Contingency					
Capital Outlay	300,000	125,000	14,470	110,530	95.17%
Total Expenditures	<u>1,455,366</u>	<u>638,409</u>	<u>430,097</u>	<u>208,312</u>	<u>70.45%</u>
Excess Of Revenues Over (Under) Expenditures	<u>(306,600)</u>	<u>510,357</u>	<u>703,694</u>	<u>193,337</u>	<u>329.51%</u>
Other Financing Sources (Uses)					
Carryforward Fund Balance	306,600	306,600	0	(306,600)	100.00%
SPE Costs	0	0	(5,139)	(5,139)	0.00%
Total Other Financing Sources (Uses)	<u>306,600</u>	<u>306,600</u>	<u>(5,139)</u>	<u>(311,739)</u>	<u>101.68%</u>
Exc. of Rev/Other Sources Over/(Under) Expend/Other Uses	<u>0</u>	<u>816,957</u>	<u>698,555</u>	<u>(118,402)</u>	<u>0.00%</u>
Fund Balance, Beginning of Period	0	0	347,484	347,484	0.00%
Fund Balance, End of Period	<u><u>0</u></u>	<u><u>816,957</u></u>	<u><u>1,046,040</u></u>	<u><u>229,082</u></u>	<u><u>0.00%</u></u>

Sterling Hill Community Development District

Statement of Revenues and Expenditures

Reserve Fund - 005

From 10/1/2015 Through 2/29/2016

(In Whole Numbers)

	Annual Budget	Current Period Actual	Budget To Actual Variance	Budget Percent Remaining
Revenues				
Interest Earnings				
Interest Earnings	0	768	768	0.00%
Special Assessments				
Tax Roll	127,366	127,366	0	0.00%
Total Revenues	<u>127,366</u>	<u>128,134</u>	<u>768</u>	<u>0.60%</u>
Expenditures				
Contingency				
Road Reserve	95,382	0	95,382	100.00%
Asset Replacement Reserve	31,984	0	31,984	100.00%
Total Expenditures	<u>127,366</u>	<u>0</u>	<u>127,366</u>	<u>100.00%</u>
Excess Revenues Over (Under) Expenditures	<u>0</u>	<u>128,134</u>	<u>128,134</u>	<u>0.00%</u>
Excess of Rev./Other Sources Over/(Under) Expend./Other Uses	<u>0</u>	<u>128,134</u>	<u>128,134</u>	<u>0.00%</u>
Fund Balance, Beginning of Period	0	882,668	882,668	0.00%
Fund Balance, End of Period	<u><u>0</u></u>	<u><u>1,010,802</u></u>	<u><u>1,010,802</u></u>	<u><u>0.00%</u></u>

Sterling Hill Community Development District

Statement of Revenues and Expenditures

Debt Service Fund--Series 2003 - 200

From 10/1/2015 Through 2/29/2016

(In Whole Numbers)

	Annual Budget	Current Period Actual	Budget To Actual Variance	Budget Percent Remaining
Revenues				
Interest Earnings				
Interest Earnings	0	86	86	0.00%
Special Assessments				
Tax Roll	912,767	1,278,141	365,374	40.02%
Off Roll	4,112	0	(4,112)	(100.00)%
Total Revenues	<u>916,879</u>	<u>1,278,227</u>	<u>361,348</u>	<u>39.41%</u>
Expenditures				
Financial & Administrative				
Trustees Fees	0	21,860	(21,860)	0.00%
Legal Counsel				
Bond Counsel	0	35,444	(35,444)	0.00%
Debt Service				
Interest	641,879	443,706	198,174	30.87%
Principal	275,000	105,000	170,000	61.81%
Other Physical Environment				
General Liability Insurance	0	352	(352)	0.00%
Total Expenditures	<u>916,879</u>	<u>606,362</u>	<u>310,518</u>	<u>33.87%</u>
Excess Revenues Over (Under) Expenditures	<u>0</u>	<u>671,866</u>	<u>671,866</u>	<u>0.00%</u>
Other Financing Sources (Uses)				
SPE Costs	0	(3,650)	(3,650)	0.00%
Excess of Rev./Other Sources Over/(Under) Expend./Other Uses	<u>0</u>	<u>668,216</u>	<u>668,216</u>	<u>0.00%</u>
Fund Balance, Beginning of Period	0	(3,423,738)	(3,423,738)	0.00%
Fund Balance, End of Period	<u>0</u>	<u>(2,755,522)</u>	<u>(2,755,522)</u>	<u>0.00%</u>

Sterling Hill Community Development District

Statement of Revenues and Expenditures

Debt Service Fund--Series 2006 - 201

From 10/1/2015 Through 2/29/2016

(In Whole Numbers)

	Annual Budget	Current Period Actual	Budget To Actual Variance	Budget Percent Remaining
Revenues				
Interest Earnings				
Interest Earnings	0	46	46	0.00%
Special Assessments				
Tax Roll	4,971	4,971	0	0.00%
Debt Service Prepayments	0	130,526	130,526	0.00%
Total Revenues	<u>4,971</u>	<u>135,543</u>	<u>130,572</u>	<u>2,626.83%</u>
Expenditures				
Legal Counsel				
Bond Counsel	0	1,224	(1,224)	0.00%
Debt Service				
Interest	4,971	111,801	(106,831)	(2,149.20)%
Total Expenditures	<u>4,971</u>	<u>113,025</u>	<u>(108,054)</u>	<u>(2,173.81)%</u>
Excess Revenues Over (Under) Expenditures	<u>0</u>	<u>22,518</u>	<u>22,518</u>	<u>0.00%</u>
Excess of Rev./Other Sources Over/(Under) Expend./Other Uses	<u>0</u>	<u>22,518</u>	<u>22,518</u>	<u>0.00%</u>
Fund Balance, Beginning of Period	0	(671,162)	(671,162)	0.00%
Fund Balance, End of Period	<u>0</u>	<u>(648,644)</u>	<u>(648,644)</u>	<u>0.00%</u>

**Sterling Hill CDD
Investment Summary
February 29, 2016**

<u>Account</u>	<u>Investment</u>	<u>Balance as of February 29, 2016</u>
State Board of Administration	Local Government Investment Pool	\$ 299
SunTrust	Business Money Market	29,941
The Bank of Tampa	Business Money Market	120,995
	Total General Fund Investments	\$ 151,235
The Bank of Tampa ICS Road Reserve		
Bank of China, New York, NY	Business Money Market	\$ 245,039
EagleBank	Business Money Market	245,039
Iberiabank	Business Money Market	30,646
United Bank	Business Money Market	32,915
Western Alliance Bank	Business Money Market	245,039
	Sub Total	798,678
The Bank of Tampa ICS Asset Replacement Reserve		
United Bank	Business Money Market	\$ 212,124
	Sub Total	212,124
	Total Reserve Fund Investments	\$ 1,010,802
US Bank Series 2003 Reserve A	US Bank Money Market Account Managed	\$ 255,165
US Bank Series 2003 Reserve B	US Bank Money Market Account Managed	1,717
US Bank Series 2003 Prepayment B	US Bank Money Market Account Managed	4
US Bank Series 2003 Revenue	US Bank Money Market Account Managed	870,979
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	93
US Bank Series 2006 Revenue	US Bank Money Market Account Managed	32,211
	Total Debt Service Fund Investments	\$ 1,167,489

Sterling Hill Community Development District

Summary A/R Ledger

001 - General Fund

From 2/1/2016 Through 2/29/2016

<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	72,988.65
11/19/2014	Sterling Hills 2, Inc.	655-15-03	5,341.29
10/1/2015	Hernando County Tax Collector	FY15-16	369,836.93
10/1/2015	Sterling Hills 2, Inc.	655-16-02	5,581.41
10/1/2015	Sterling Hills, Inc.	655-16-01	53,140.20
		Total 001 - General Fund	968,983.88

Sterling Hill Community Development District

Summary A/R Ledger

200 - Debt Service Fund--Series 2003

From 2/1/2016 Through 2/29/2016

<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	51,636.86
10/1/2015	Hernando County Tax Collector	FY15-16	261,102.83
10/1/2015	Hernando County Tax Collector	FY15-16 -Del	146,621.34
		Total 200 - Debt Service Fund--Series 2003	1,414,092.13

Sterling Hill Community Development District

Summary A/R Ledger

201 - Debt Service Fund--Series 2006

From 2/1/2016 Through 2/29/2016

<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	321.41
10/1/2015	Hernando County Tax Collector	FY15-16	1,585.65
		Total 201 - Debt Service Fund--Series 2006	318,442.74
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Report Balance			2,701,518.75
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Sterling Hill Community Development District

Summary A/P Ledger

001 - General Fund

From 2/1/2016 Through 2/29/2016

Vendor Name	Invoice Date	Invoice Number	Invoice Description	Current Balance
Adventure Motorsports, LLC	2/24/2016	47805	Repairs To 2013 Can-Am 800RXT Kawasaki Mule 02/16	1,074.86
AT&T	2/13/2016	352 684 2754 001 1987 03/16	Glenburne Gate 02/13/16 - 03/12/16	59.50
AT&T	2/13/2016	352 684 4807 001 1985 03/16	Brackenwood Gate 02/13/16 - 03/12/16	59.95
AT&T	2/13/2016	ATT 352 684-4763 001 1984 02/16	Amrsham Isl Gate Phones 02/16	59.95
AT&T	2/16/2016	ATT 352 688-5907 001 1987 02/16	Edgmere Gate Phone 02/16	59.80
Beach Lake Sprinkler Corp	2/16/2016	186875	Back Flow Testing/Hydrant Flush Testing 02/16	500.00
Cassi Harbuck	2/25/2016	CH 022516	Board Of Supervisors Meeting 02/16	200.00
Christina Miller	2/25/2016	CM 022516	Board Of Supervisors Meeting 02/16	200.00
Cory M. Zarcone	2/16/2016	CZ 021616	Off Duty Deputy 02/16/16	75.00
Derik Deso	2/19/2016	DD 021916	Off Duty Deputy 02/19/16	125.00
Fitness Logic, Inc.	2/25/2016	63160	Replace Magazine Rack - Vision Treadmill 02/16	77.95
Frances E Krause	2/25/2016	FK 022516	Board Of Supervisors Meeting 02/16	200.00
Hernando County Sheriff's Office	2/19/2016	HCSO 021916	Vehicle Usage 02/19/16	10.00
Hernando County Sheriff's Office	2/20/2016	HCSO 022016	Vehicle Usage 02/20/16	10.00
Hernando County Sheriff's Office	2/26/2016	HCSO 022616	Vehicle Usage 02/26/16	10.00
Hernando County Sheriff's Office	2/27/2016	HCSO 022716	Vehicle Usage 02/27/16	10.00
Hernando County Utilities	2/24/2016	SS00001-00 02/16	North Clubhouse Water Bill 02/16	673.71
Hernando County Utilities	2/24/2016	SS00013 - 00 02/16	South Clubhouse Water Bill 02/16	104.47
Louis E. Peters	2/25/2016	LP 022516	Board Of Supervisors Meeting 02/16	200.00
Norman E. Burburan	2/26/2016	EB 022616	Off Duty Deputy 02/26/16	125.00
Outsmart Pest Management, Inc.	2/20/2016	12571	North Clubhouse Pest Control Treatment 02/16	45.00
Outsmart Pest Management, Inc.	2/22/2016	12572	South Clubhouse Pest Control Treatment 02/16	45.00
Sandra Manuele	2/25/2016	SM 022516	Board Of Supervisors Meeting 02/16	200.00
Shawn Duval	2/27/2016	SD 022716	Off Duty Deputy 02/27/16	125.00
Sterling Hill CDD Holding LLC	2/29/2016	1418	Management Fee & State Annual Report Fee 02/16	1,138.75
Straley & Robin	2/18/2016	12983	General/ Monthly Legal Services Through 02/16	1,788.10
Timothy Istvan	2/20/2016	TI 022016	Off Duty Deputy 02/20/16	125.00
Withlacoochee River Electric Cooperative, Inc.	2/22/2016	Electric Summary Billing 02/16	Withlacoochee Electric Summary Billing 02/16	9,275.60
			Total 001 - General Fund	16,577.64
Report Balance				16,577.64

Sterling Hill Community Development District
Notes to Unaudited Financial Statements
February 29, 2016

Balance Sheet

1. Trust statement activity has been recorded through 2/29/16.
2. See EMMA (Electronic Municipal Market Access) at <http://www.emma.msrb.org> for Municipal Disclosures and Market Data.
3. For presentation purposes, the Reserves are shown in a separate fund titled Reserve Fund.
4. Debt Service Obligations – Current, represents scheduled Series 2003 Debt Service payments that were not made November 2010 to November 2015 and scheduled Series 2006 Debt Service payments that were not made May 2010 to November 2015.
5. The District utilized funds from the Debt Service Reserve Fund for the May 2009 – May 2010 Series 2006 Bond payments and the November 2012-May 2015 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 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.