

Sterling Hill
Community Development District

Financial Statements
(Unaudited)

June 30, 2016

Prepared by
Rizzetta & Company, Inc.
District Manager

Sterling Hill Community Development District

Balance Sheet

As of 6/30/2016

(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	388,153	0	0	388,153	0	0
Investments	276,399	0	519,022	795,422	0	0
Investments - Reserves	0	1,011,478	0	1,011,478	0	0
Accounts Receivable	618,651	0	1,599,067	2,217,718	0	0
Allowance for Uncollectible Assessments	(309,691)	0	(1,321,481)	(1,631,172)	0	0
Prepaid Expenses	0	0	0	0	0	0
Deposits	30,063	0	0	30,063	0	0
Due From Other Funds	0	0	143,870	143,870	0	0
Amount To Be Provided-Debt Service	0	0	0	0	0	18,275,000
Fixed Assets	0	0	0	0	26,204,343	0
Total Assets	<u>1,003,575</u>	<u>1,011,478</u>	<u>940,478</u>	<u>2,955,531</u>	<u>26,204,343</u>	<u>18,275,000</u>
Liabilities						
Accounts Payable	17,501	0	0	17,501	0	0
Accrued Expenses Payable	2,450	0	0	2,450	0	0
Due To Other Funds	143,870	0	0	143,870	0	0
Due To Others	0	0	0	0	0	0
Debt Service Obligations - Current	0	0	5,066,083	5,066,083	0	0
Revenue Bonds Payable-Long-term	0	0	0	0	0	18,275,000
Total Liabilities	<u>163,821</u>	<u>0</u>	<u>5,066,083</u>	<u>5,229,904</u>	<u>0</u>	<u>18,275,000</u>
Fund Equity And Other Credits						
Beginning Fund Balance	258,985	882,668	(4,147,181)	(3,005,528)	26,204,343	0
Net Change in Fund Balance	580,769	128,810	21,576	731,155	0	0
Total Fund Equity And Other Credits	<u>839,754</u>	<u>1,011,478</u>	<u>(4,125,605)</u>	<u>(2,274,373)</u>	<u>26,204,343</u>	<u>0</u>
Total Liabilities And Fund Equity	<u>1,003,575</u>	<u>1,011,478</u>	<u>940,478</u>	<u>2,955,531</u>	<u>26,204,343</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 6/30/2016

(In Whole Numbers)

	Annual Budget	YTD Budget	YTD Actual	YTD Variance	Percent Annual Budget Remaining
Revenues					
Interest Earnings					
Interest Earnings	0	0	260	260	0.00%
Special Assessments					
Tax Roll	1,045,886	1,045,886	1,422,905	377,019	(36.04)%
Off Roll	102,880	102,880	75,088	(27,792)	27.01%
Other Miscellaneous Revenues					
Miscellaneous	0	0	10,493	10,493	0.00%
RV & Boat Storage Rental	0	0	14,634	14,634	0.00%
Total Revenues	1,148,766	1,148,766	1,523,380	374,614	(32.61)%
Expenditures					
Legislative					
Supervisor Fees	13,000	9,750	8,000	1,750	38.46%
Financial & Administrative					
Administrative Services	8,400	6,300	6,300	0	25.00%
District Management	32,000	24,000	24,000	0	24.99%
District Engineer	10,000	7,500	27	7,473	99.72%
Disclosure Report	6,000	4,500	2,000	2,500	66.66%
Trustees Fees	14,300	14,300	0	14,300	100.00%
Financial Consulting Services	10,000	8,750	8,750	0	12.49%
Accounting Services	17,000	12,750	12,750	0	25.00%
Auditing Services	4,000	4,000	4,000	0	0.00%
Arbitrage Rebate Calculation	650	488	0	488	100.00%
Public Officials Liability Insurance	10,000	10,000	3,250	6,750	67.50%
Legal Advertising	750	563	449	113	40.07%
Dues, Licenses & Fees	925	925	1,648	(723)	(78.14)%
Website Fees & Maintenance	2,200	1,650	900	750	59.09%
Legal Counsel					
District Counsel	12,000	9,000	12,452	(3,452)	(3.76)%
Foreclosure Expenses	25,000	18,750	14,280	4,470	42.87%
Law Enforcement					
Deputy	19,959	14,969	11,425	3,544	42.75%
Security Operations					
Security System Monitoring & Maintenance	8,000	6,000	3,662	2,338	54.22%
Electric Utility Services					
Utility Services	50,982	38,237	32,618	5,619	36.02%
Street Lights	68,018	51,014	49,294	1,719	27.52%

Sterling Hill Community Development District

Statement of Revenues and Expenditures

001 - General Fund

From 10/1/2015 Through 6/30/2016

(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	3,874	2,903	971	43.80%
Water-Sewer Combination Services					
Utility Services	5,367	4,025	4,599	(574)	14.30%
Stormwater Control					
Dry Retention Pond Repair	9,000	6,750	0	6,750	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	15,000	52,440	(37,439)	(162.19)%
Landscape Maintenance	97,000	72,750	111,803	(39,053)	(15.26)%
Irrigation Repairs	26,200	19,650	13,720	5,930	47.63%
Landscape - Mulch	65,250	48,938	0	48,938	100.00%
Landscape - Annual Color Rotation	2,400	1,800	878	922	63.41%
Landscape Misc.-Fertilizer/Pesticide	41,600	31,200	20,247	10,953	51.32%
Landscape Replacement Plants, Shrubs, Trees	30,000	22,500	18,822	3,678	37.25%
Sod Replacement	6,000	4,500	0	4,500	100.00%
Landscape Maintenance - Inspections	6,000	4,500	4,500	0	25.00%
Holiday Decorations	2,000	1,500	0	1,500	100.00%
Miscellaneous Expense	50,000	37,500	938	36,562	98.12%
Road & Street Facilities					
Gate Phone	13,000	9,750	5,523	4,227	57.51%
Gate Facility Maintenance	30,000	22,500	16,200	6,300	45.99%
Sidewalk Repair & Maintenance	7,500	5,625	6,180	(555)	17.60%
Street Light/Decorative Light Maintenance	18,000	13,500	0	13,500	100.00%
Street Sign Repairs & Replacement	2,500	1,875	2,023	(148)	19.09%
Parks & Recreation					
Management Contract	270,000	202,500	183,769	18,731	31.93%
Facility Maintenance & Repair	38,000	28,500	15,351	13,149	59.60%
Security System Monitoring & Maintenance	1,000	750	960	(210)	4.01%
Telephone, Fax, Internet	7,500	5,625	5,023	602	33.02%
Office Supplies	4,000	3,000	3,019	(19)	24.52%

Sterling Hill Community Development District

Statement of Revenues and Expenditures

001 - General Fund

From 10/1/2015 Through 6/30/2016

(In Whole Numbers)

	Annual Budget	YTD Budget	YTD Actual	YTD Variance	Percent Annual Budget Remaining
Furniture Repair/Replacement-Pool/CH	20,000	15,000	2,540	12,460	87.29%
Lighting Replacement	2,000	1,500	3,302	(1,802)	(65.12)%
Vehicle Maintenance	1,500	1,125	3,645	(2,520)	(143.01)%
Pool Service Contract - Supplies & Repairs	5,500	4,125	15,240	(11,115)	(177.08)%
Supply Storage	5,000	3,750	544	3,206	89.12%
Playground Equipment & Maintenance	1,000	750	276	474	72.43%
Athletic/Park Court/Field Repairs	1,700	1,275	4,115	(2,840)	(142.05)%
Miscellaneous Expense	2,500	1,875	7,516	(5,641)	(200.63)%
Fitness Equipment Maintenance & Repairs	15,000	11,250	1,279	9,971	91.47%
Special Events					
Special Events	3,000	2,250	628	1,622	79.06%
Contingency					
Capital Outlay	300,000	225,000	17,970	207,030	94.01%
Total Expenditures	<u>1,455,366</u>	<u>1,106,956</u>	<u>751,618</u>	<u>355,338</u>	<u>48.36%</u>
Excess Of Revenues Over (Under) Expenditures	<u>(306,600)</u>	<u>41,810</u>	<u>771,762</u>	<u>729,952</u>	<u>351.71%</u>
Other Financing Sources (Uses)					
Carryforward Fund Balance	306,600	306,600	0	(306,600)	100.00%
O&M Split to Trustee	0	0	(181,854)	(181,854)	0.00%
SPE Costs	0	0	(9,139)	(9,139)	0.00%
Total Other Financing Sources (Uses)	<u>306,600</u>	<u>306,600</u>	<u>(190,993)</u>	<u>(497,593)</u>	<u>162.29%</u>
Exc. of Rev/Other Sources Over/(Under) Expend/Other Uses	<u>0</u>	<u>348,410</u>	<u>580,769</u>	<u>232,359</u>	<u>0.00%</u>
Fund Balance, Beginning of Period	0	0	258,985	258,985	0.00%
Fund Balance, End of Period	<u><u>0</u></u>	<u><u>348,410</u></u>	<u><u>839,754</u></u>	<u><u>491,344</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 6/30/2016

(In Whole Numbers)

	Annual Budget	Current Period Actual	Budget To Actual Variance	Budget Percent Remaining
Revenues				
Interest Earnings				
Interest Earnings	0	1,444	1,444	0.00%
Special Assessments				
Tax Roll	127,366	127,366	0	0.00%
Total Revenues	<u>127,366</u>	<u>128,810</u>	<u>1,444</u>	<u>1.13%</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>128,810</u>	<u>128,810</u>	<u>0.00%</u>
Excess of Rev./Other Sources Over/(Under) Expend./Other Uses	<u>0</u>	<u>128,810</u>	<u>128,810</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>1,011,478</u></u>	<u><u>1,011,478</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 6/30/2016

(In Whole Numbers)

	Annual Budget	Current Period Actual	Budget To Actual Variance	Budget Percent Remaining
Revenues				
Interest Earnings				
Interest Earnings	0	224	224	0.00%
Special Assessments				
Tax Roll	912,767	1,279,885	367,117	40.22%
Off Roll	4,112	0	(4,112)	(100.00)%
Total Revenues	<u>916,879</u>	<u>1,280,108</u>	<u>363,229</u>	<u>39.62%</u>
Expenditures				
Financial & Administrative				
Trustees Fees	0	21,860	(21,860)	0.00%
Legal Counsel				
Bond Counsel	0	47,418	(47,418)	0.00%
Debt Service				
Interest	641,879	871,754	(229,874)	(35.81)%
Principal	275,000	380,000	(105,000)	(38.18)%
Other Physical Environment				
General Liability Insurance	0	352	(352)	0.00%
Total Expenditures	<u>916,879</u>	<u>1,321,384</u>	<u>(404,505)</u>	<u>(44.12)%</u>
Excess Revenues Over (Under) Expenditures	<u>0</u>	<u>(41,276)</u>	<u>(41,276)</u>	<u>0.00%</u>
Other Financing Sources (Uses)				
Interfund Transfer	0	62,164	62,164	0.00%
O&M Split to Trustee	0	181,854	181,854	0.00%
SPE Costs	0	(3,650)	(3,650)	0.00%
Total Other Financing Sources (Uses)	<u>0</u>	<u>240,368</u>	<u>240,368</u>	<u>0.00%</u>
Excess of Rev./Other Sources Over/(Under) Expend./Other Uses	<u>0</u>	<u>199,092</u>	<u>199,092</u>	<u>0.00%</u>
Fund Balance, Beginning of Period	0	(3,476,019)	(3,476,019)	0.00%
Fund Balance, End of Period	<u><u>0</u></u>	<u><u>(3,276,927)</u></u>	<u><u>(3,276,927)</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 10/1/2015 Through 6/30/2016

(In Whole Numbers)

	Annual Budget	Current Period Actual	Budget To Actual Variance	Budget Percent Remaining
Revenues				
Interest Earnings				
Interest Earnings	0	51	51	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>135,548</u>	<u>130,577</u>	<u>2,626.92%</u>
Expenditures				
Financial & Administrative				
Trustees Fees	0	8,347	(8,347)	0.00%
Legal Counsel				
Bond Counsel	0	5,017	(5,017)	0.00%
Debt Service				
Interest	4,971	219,699	(214,729)	(4,319.87)%
Principal	0	80,000	(80,000)	0.00%
Total Expenditures	<u>4,971</u>	<u>313,063</u>	<u>(308,093)</u>	<u>(6,198.15)%</u>
Excess Revenues Over (Under) Expenditures	<u>0</u>	<u>(177,516)</u>	<u>(177,516)</u>	<u>0.00%</u>
Excess of Rev./Other Sources Over/(Under) Expend./Other Uses	<u>0</u>	<u>(177,516)</u>	<u>(177,516)</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>(848,677)</u>	<u>(848,677)</u>	<u>0.00%</u>

Sterling Hill CDD
Investment Summary
June 30, 2016

<u>Account</u>	<u>Investment</u>	<u>Balance as of</u> <u>June 30, 2016</u>
State Board of Administration	Local Government Investment Pool	\$ 300
SunTrust	Business Money Market	29,944
The Bank of Tampa	Business Money Market	246,155
	Total General Fund Investments	\$ 276,399
The Bank of Tampa ICS Road Reserve		
Banco Popular North America	Business Money Market	\$ 245,040
Happy State Bank	Business Money Market	31,319
Iberiabank	Business Money Market	245,040
Mutual of Omaha Bank	Business Money Market	32,773
Western Alliance Bank	Business Money Market	245,040
	Sub Total	799,212
The Bank of Tampa ICS Asset Replacement Reserve		
Happy State Bank	Business Money Market	13
Mutual of Omaha Bank	Business Money Market	212,253
	Sub Total	212,266
	Total Reserve Fund Investments	\$ 1,011,478
US Bank Series 2003 Reserve A	US Bank Money Market Account Managed	\$ 243,717
US Bank Series 2003 Reserve B	US Bank Money Market Account Managed	1,192
US Bank Series 2003 Prepayment B	US Bank Money Market Account Managed	4
US Bank Series 2003 Revenue	US Bank Money Market Account Managed	245,458
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	21,238
	Total Debt Service Fund Investments	\$ 519,022

Sterling Hill Community Development District

Summary A/R Ledger

001 - General Fund

From 6/1/2016 Through 6/30/2016

<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	166,920.19
10/1/2012	Hernando County Tax Collector	FY 12-13	80,884.07
10/1/2013	Hernando County Tax Collector	FY13-14	24,106.33
11/18/2013	Sterling Hills 2, Inc.	655-14-03	5,278.05
10/1/2014	Hernando County Tax Collector	FY14-15	27,161.48
11/19/2014	Sterling Hills 2, Inc.	655-15-03	5,341.29
10/1/2015	Hernando County Tax Collector	FY15-16	250,237.99
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	618,651.01

Sterling Hill Community Development District

Summary A/R Ledger

200 - Debt Service Fund--Series 2003

From 6/1/2016 Through 6/30/2016

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	50,089.48
10/1/2014	Hernando County Tax Collector	FY14-15	51,636.86
10/1/2015	Hernando County Tax Collector	FY15-16	189,024.64
10/1/2015	Hernando County Tax Collector	FY15-16 -Del	86,848.51
		Total 200 - Debt Service Fund--Series 2003	1,281,137.12

Sterling Hill Community Development District

Summary A/R Ledger

201 - Debt Service Fund--Series 2006

From 6/1/2016 Through 6/30/2016

<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	321.40
10/1/2015	Hernando County Tax Collector	FY15-16	1,072.87
		Total 201 - Debt Service Fund--Series 2006	317,929.95
			<hr/>
Report Balance			2,217,718.08
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Sterling Hill Community Development District

Summary A/P Ledger

001 - General Fund

From 6/1/2016 Through 6/30/2016

Vendor Name	Invoice Date	Invoice Number	Invoice Description	Current Balance
AT&T	6/16/2016	ATT 352 688-5907 001 1987 06/16	Edgmere Gate Phone 06/16	109.31
City Electric Supply Co.	6/27/2016	LOL/082025	61 12W LED Bullet Flood Lights 06/16	2,333.25
City Electric Supply Co.	6/29/2016	LOL/082132	5 12W LED Bullet Flood Lights/5 Mighty Post 06/16	306.60
DCSI Inc.	6/30/2016	19942	150 Clamshell HID Access Cards	369.00
Florida Department of Revenue	7/8/2016	37-8015579013-3 06/16	Sales & Use Tax 06/16	653.69
Hernando County Sheriff's Office	6/24/2016	HCSO 062416	Vehicle Usage 06/24/16	10.00
Hernando County Sheriff's Office	6/25/2016	HCSO 062516	Vehicle Usage 06/25/16	10.00
Hernando County Utilities	6/24/2016	SS00001-00 06/16	North Clubhouse Water Bill 06/16	316.40
Hernando County Utilities	6/24/2016	SS00013-00 06/16	South Clubhouse Water Bill 06/16	156.07
John M. Cameron IV	6/24/2016	JC 062416	Off Duty Deputy 06/24/16	125.00
Murphy's Sod & Landscaping, LLC	4/20/2016	3320	Remove & Haul Away Debris/Fill dirt Installed	1,260.00
Sean Reynolds	6/25/2016	SR 062516	Off Duty Deputy 06/25/16	125.00
Straley Robin Vericker	6/21/2016	13410	General/ Monthly Legal Services Through 06/16	1,320.00
Straley Robin Vericker	6/21/2016	13411	Brown Investment Group, LLC Foreclosure 06/16	210.00
Withlacoochee River Electric Cooperative, Inc.	6/23/2016	Electric Summary Billing 06/16	Withlacoochee Electric Summary Billing 06/16	10,196.25
			Total 001 - General Fund	17,500.57
Report Balance				17,500.57

Sterling Hill Community Development District
Notes to Unaudited Financial Statements
June 30, 2016

Balance Sheet

1. Trust statement activity has been recorded through 06/30/16.
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 and May 2016 and scheduled Series 2006 Debt Service payments that were not made May 2010 to May 2016.
5. The District utilized funds from the Debt Service Reserve Fund for the November 2012 – May 2015 Series 2003 Bond payments and May 2009 – May 2010 Series 2006 Bond payments.

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

6. The scheduled Series 2003 and Series 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 FY15-16 Assessment Resolution adopted by the Board of Supervisors, (b) pursuant to Florida Statutes, Chapter 197 for assessments levied via the county tax roll.