

Sterling Hill
Community Development District

Financial Statements
(Unaudited)

September 30, 2016

Prepared by
Rizzetta & Company, Inc.
District Manager

Sterling Hill Community Development District

Balance Sheet

As of 9/30/2016

(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	7,799	0	0	7,799	0	0
Investments	201,220	0	651,511	852,731	0	0
Investments - Reserves	0	1,011,988	0	1,011,988	0	0
Accounts Receivable	618,651	0	920,762	1,539,413	0	0
Allowance for Uncollectible Assessments	(309,691)	0	(643,176)	(952,868)	0	0
Prepaid Expenses	27,883	0	0	27,883	0	0
Deposits	30,063	0	0	30,063	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	26,204,343	0
Total Assets	575,925	1,011,988	929,097	2,517,009	26,204,343	18,275,000
Liabilities						
Accounts Payable	31,008	0	0	31,008	0	0
Accrued Expenses Payable	1,273	0	0	1,273	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	5,066,083	5,066,083	0	0
Revenue Bonds Payable-Long-term	0	0	0	0	0	18,275,000
Total Liabilities	32,281	0	5,066,083	5,098,364	0	18,275,000
Fund Equity And Other Credits						
Beginning Fund Balance	259,927	882,668	(4,147,181)	(3,004,585)	26,204,343	0
Net Change in Fund Balance	283,716	129,320	10,195	423,231	0	0
Total Fund Equity And Other Credits	543,643	1,011,988	(4,136,986)	(2,581,355)	26,204,343	0
Total Liabilities And Fund Equity	575,925	1,011,988	929,097	2,517,009	26,204,343	18,275,000

See Notes to Unaudited Financial Statements

Sterling Hill Community Development District

Statement of Revenues and Expenditures

001 - General Fund

From 10/1/2015 Through 9/30/2016

(In Whole Numbers)

	Annual Budget	YTD Budget	YTD Actual	YTD Variance	Percent Annual Budget Remaining
Revenues					
Interest Earnings					
Interest Earnings	0	0	381	381	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	15,082	15,082	0.00%
RV & Boat Storage Rental	0	0	19,346	19,346	0.00%
Total Revenues	1,148,766	1,148,766	1,532,802	384,036	(33.43)%
Expenditures					
Legislative					
Supervisor Fees	13,000	13,000	11,000	2,000	15.38%
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	0	10,000	100.00%
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	10,000	10,000	10,000	(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	650	350	300	46.15%
Public Officials Liability Insurance	10,000	10,000	3,250	6,750	67.50%
Legal Advertising	750	750	922	(172)	(22.94)%
Dues, Licenses & Fees	925	925	1,743	(818)	(88.41)%
Website Fees & Maintenance	2,200	2,200	1,200	1,000	45.45%
Legal Counsel					
District Counsel	12,000	12,000	16,367	(4,367)	(36.39)%
Foreclosure Expenses	25,000	25,000	17,845	7,155	28.62%
Law Enforcement					
Deputy	19,959	19,959	15,260	4,699	23.54%
Security Operations					
Security System Monitoring & Maintenance	8,000	8,000	4,883	3,117	38.96%
Electric Utility Services					
Utility Services	50,982	50,982	45,593	5,389	10.57%
Street Lights	68,018	68,018	65,907	2,111	3.10%

Sterling Hill Community Development District

Statement of Revenues and Expenditures

001 - General Fund

From 10/1/2015 Through 9/30/2016

(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	5,165	3,987	1,178	22.80%
Water-Sewer Combination Services					
Utility Services	5,367	5,367	6,083	(716)	(13.34)%
Stormwater Control					
Dry Retention Pond Repair	9,000	9,000	0	9,000	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	20,000	64,201	(44,201)	(221.00)%
Landscape Maintenance	97,000	97,000	146,074	(49,074)	(50.59)%
Irrigation Repairs	26,200	26,200	13,720	12,480	47.63%
Landscape - Mulch	65,250	65,250	0	65,250	100.00%
Landscape - Annual Color Rotation	2,400	2,400	878	1,522	63.41%
Landscape Misc.-Fertilizer/Pesticide	41,600	41,600	31,511	10,089	24.25%
Landscape Replacement Plants, Shrubs, Trees	30,000	30,000	30,827	(827)	(2.75)%
Sod Replacement	6,000	6,000	0	6,000	100.00%
Landscape Maintenance - Inspections	6,000	6,000	6,000	0	0.00%
Holiday Decorations	2,000	2,000	0	2,000	100.00%
Miscellaneous Expense	50,000	50,000	938	49,062	98.12%
Road & Street Facilities					
Gate Phone	13,000	13,000	8,735	4,265	32.81%
Gate Facility Maintenance	30,000	30,000	21,760	8,240	27.46%
Sidewalk Repair & Maintenance	7,500	7,500	14,580	(7,080)	(94.40)%
Street Light/Decorative Light Maintenance	18,000	18,000	267	17,733	98.51%
Street Sign Repairs & Replacement	2,500	2,500	2,023	477	19.09%
Parks & Recreation					
Management Contract	270,000	270,000	251,534	18,466	6.83%
Facility Maintenance & Repair	38,000	38,000	23,760	14,240	37.47%
Security System Monitoring & Maintenance	1,000	1,000	8,308	(7,308)	(730.77)%
Telephone, Fax, Internet	7,500	7,500	6,433	1,067	14.23%
Office Supplies	4,000	4,000	5,609	(1,609)	(40.23)%

Sterling Hill Community Development District

Statement of Revenues and Expenditures

001 - General Fund

From 10/1/2015 Through 9/30/2016

(In Whole Numbers)

	Annual Budget	YTD Budget	YTD Actual	YTD Variance	Percent Annual Budget Remaining
Furniture Repair/Replacement-Pool/CH	20,000	20,000	9,085	10,915	54.57%
Lighting Replacement	2,000	2,000	4,111	(2,111)	(105.56)%
Vehicle Maintenance	1,500	1,500	4,163	(2,663)	(177.52)%
Pool Service Contract - Supplies & Repairs	5,500	5,500	19,702	(14,202)	(258.21)%
Supply Storage	5,000	5,000	724	4,276	85.52%
Playground Equipment & Maintenance	1,000	1,000	276	724	72.43%
Athletic/Park Court/Field Repairs	1,700	1,700	13,957	(12,257)	(720.97)%
Miscellaneous Expense	2,500	2,500	8,001	(5,501)	(220.03)%
Fitness Equipment Maintenance & Repairs	15,000	15,000	1,963	13,037	86.91%
Special Events					
Special Events	3,000	3,000	2,058	942	31.38%
Contingency					
Capital Outlay	300,000	300,000	56,248	243,752	81.25%
Total Expenditures	<u>1,455,366</u>	<u>1,455,366</u>	<u>1,055,093</u>	<u>400,273</u>	<u>27.50%</u>
Excess Of Revenues Over (Under) Expenditures	<u>(306,600)</u>	<u>(306,600)</u>	<u>477,709</u>	<u>784,309</u>	<u>255.80%</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	(12,139)	(12,139)	0.00%
Total Other Financing Sources (Uses)	<u>306,600</u>	<u>306,600</u>	<u>(193,993)</u>	<u>(500,593)</u>	<u>163.27%</u>
Exc. of Rev/Other Sources Over/(Under) Expend/Other Uses	<u>0</u>	<u>0</u>	<u>283,716</u>	<u>283,716</u>	<u>0.00%</u>
Fund Balance, Beginning of Period	0	0	259,927	259,927	0.00%
Fund Balance, End of Period	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>543,643</u></u>	<u><u>543,643</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 9/30/2016

(In Whole Numbers)

	Annual Budget	Current Period Actual	Budget To Actual Variance	Budget Percent Remaining
Revenues				
Interest Earnings				
Interest Earnings	0	1,954	1,954	0.00%
Special Assessments				
Tax Roll	127,366	127,366	0	0.00%
Total Revenues	<u>127,366</u>	<u>129,320</u>	<u>1,954</u>	<u>1.53%</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>129,320</u>	<u>129,320</u>	<u>0.00%</u>
Excess of Rev./Other Sources Over/(Under) Expend./Other Uses	<u>0</u>	<u>129,320</u>	<u>129,320</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>1,011,988</u></u>	<u><u>1,011,988</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 9/30/2016

(In Whole Numbers)

	Annual Budget	Current Period Actual	Budget To Actual Variance	Budget Percent Remaining
Revenues				
Interest Earnings				
Interest Earnings	0	344	344	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>1,280,228</u>	<u>363,349</u>	<u>39.63%</u>
Expenditures				
Financial & Administrative				
Trustees Fees	0	21,860	(21,860)	0.00%
Legal Counsel				
Bond Counsel	0	58,924	(58,924)	0.00%
Debt Service				
Interest	641,879	871,754	(229,874)	(35.81)%
Principal	275,000	380,000	(105,000)	(38.18)%
Total Expenditures	<u>916,879</u>	<u>1,332,538</u>	<u>(415,658)</u>	<u>(45.33)%</u>
Excess Revenues Over (Under) Expenditures	<u>0</u>	<u>(52,310)</u>	<u>(52,310)</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	(4,002)	(4,002)	0.00%
Total Other Financing Sources (Uses)	<u>0</u>	<u>240,015</u>	<u>240,015</u>	<u>0.00%</u>
Excess of Rev./Other Sources Over/(Under) Expend./Other Uses	<u>0</u>	<u>187,706</u>	<u>187,706</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>0</u>	<u>(3,288,313)</u>	<u>(3,288,313)</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 9/30/2016

(In Whole Numbers)

	Annual Budget	Current Period Actual	Budget To Actual Variance	Budget Percent Remaining
Revenues				
Interest Earnings				
Interest Earnings	0	55	55	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>135,552</u>	<u>130,581</u>	<u>2,627.01%</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>(177,511)</u>	<u>(177,511)</u>	<u>0.00%</u>
Excess of Rev./Other Sources Over/(Under) Expend./Other Uses	<u>0</u>	<u>(177,511)</u>	<u>(177,511)</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>(848,673)</u>	<u>(848,673)</u>	<u>0.00%</u>

**Sterling Hill CDD
Investment Summary
September 30, 2016**

<u>Account</u>	<u>Investment</u>	<u>Balance as of September 30, 2016</u>
SunTrust	Business Money Market	\$ 29,947
The Bank of Tampa	Business Money Market	171,273
	Total General Fund Investments	<u>\$ 201,220</u>
The Bank of Tampa ICS Road Reserve		
Bank of China, New York, NY	Business Money Market	\$ 245,041
Iberiabank	Business Money Market	245,040
Mutual of Omaha Bank	Business Money Market	32,667
The Park National Bank	Business Money Market	31,827
Western Alliance Bank	Business Money Market	245,040
	Sub Total	<u>799,615</u>
The Bank of Tampa ICS Asset Replacement Reserve		
Mutual of Omaha Bank	Business Money Market	212,373
	Sub Total	<u>212,373</u>
	Total Reserve Fund Investments	<u>\$ 1,011,988</u>
US Bank Series 2003 Reserve A	US Bank Money Market Account Managed	\$ 232,436
US Bank Series 2003 Reserve B	US Bank Money Market Account Managed	967
US Bank Series 2003 Prepayment B	US Bank Money Market Account Managed	4
US Bank Series 2003 Revenue	US Bank Money Market Account Managed	389,878
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	20,813
	Total Debt Service Fund Investments	<u>\$ 651,511</u>

Sterling Hill Community Development District

Summary A/R Ledger

001 - General Fund

From 9/1/2016 Through 9/30/2016

<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 9/1/2016 Through 9/30/2016

<u>Invoice Date</u>	<u>Customer Name</u>	<u>Invoice Number</u>	<u>Current Balance</u>
10/1/2008	Sterling Hill CDD Holdings LLC	SAI1008-8	44,378.88
3/19/2009	Sterling Hill CDD Holdings LLC	SAI0309-2	44,378.88
10/1/2009	Sterling Hill CDD Holdings LLC	SAI-SH.B-11.09	63,669.57
10/1/2009	Sterling Hill CDD Holdings LLC	SAI-SH.B-5.10	63,669.57
10/1/2009	Sterling Hills 2, Inc.	SAI-SH.A-05-.10	3,253.29
10/1/2009	Sterling Hills 2, Inc.	SAI-SH.A-11.09	3,253.29
10/1/2011	Hernando County Tax Collector	FY11-12	2,629.34
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	602,832.31

Sterling Hill Community Development District

Summary A/R Ledger

201 - Debt Service Fund--Series 2006

From 9/1/2016 Through 9/30/2016

<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			1,539,413.27
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Sterling Hill Community Development District

Summary A/P Ledger

001 - General Fund

From 9/1/2016 Through 9/30/2016

Vendor Name	Invoice Date	Invoice Number	Invoice Description	Current Balance
Adventure Motorsports, LLC	8/26/2016	501159	New 2016 Kawasaki Mule 08/16	8,422.10
Apex Floor & Furniture Care	9/23/2016	3998	North & South Clubhouse Tile Scrubbing 09/16	466.00
Apex Floor & Furniture Care	9/28/2016	4003	North & South Clubhouse Carpet Maintenance 09/16	1,170.00
AT&T	9/16/2016	ATT 352 688-5907 001 1987 09/16	Edgemere Gate Phone 09/16	109.31
Brett F. Croft	9/23/2016	BC 092316	Off Duty Deputy 09/23/16	125.00
Chris Croft	9/10/2016	CC 091016	Off Duty Deputy 09/10/16	125.00
Dave Vargas	9/30/2016	DV 093016	Off Duty Deputy 09/30/16	125.00
DCSI Inc.	9/23/2016	20504	Basketball Court PTZ Cameras Not Working 09/16	315.00
Florida Department of Revenue	10/7/2016	37-8015579013-3 09/16	Sales & Use Tax 09/16	122.25
Hernando County Sheriff's Office	9/9/2016	HCSO 090916	Vehicle Usage 09/09/16	10.00
Hernando County Sheriff's Office	9/10/2016	HCSO 091016	Vehicle Usage 09/10/16	10.00
Hernando County Sheriff's Office	9/23/2016	HCSO 092316	Vehicle Usage 09/23/16	10.00
Hernando County Sheriff's Office	9/24/2016	HCSO 092416	Vehicle Usage 09/24/16	10.00
Hernando County Utilities	9/23/2016	SS00001-00 09/16	North Clubhouse Water Bill 09/16	224.89
Hernando County Utilities	9/23/2016	SS00013-00 09/16	South Clubhouse Water Bill 09/16	254.88
Office Furniture Center	9/26/2016	092616STER	Clubhouse Furniture 09/16	6,545.00
Rosemary DeJesus	9/24/2016	RDeJ 092416	Off Duty Deputy 09/24/16	125.00
Shawn Duval	9/9/2016	SD 090916	Off Duty Deputy 09/09/16	125.00
Southern Automated Access Svcs	9/30/2016	2619	Tele Entry Damage - Edgemere 09/16	85.00
Southern Automated Access Svcs	9/30/2016	2620	Gate Circuit Board Repair- Arborglades 09/16	85.00
Southern Automated Access Svcs	9/30/2016	2621	Card Reader Repair -Storage Lot 09/16	85.00
Steven George	9/30/2016	SG 091816	Off Duty Deputy 09/18/16	75.00
Sunrise Landcare, Inc.	9/26/2016	98850	Granular Fertilizer/Bahia/Pest Control 08/16	2,358.58
Withlacoochee River Electric Cooperative, Inc.	9/23/2016	Electric Summary Billing 09/16	Withlacoochee Electric Summary Billing 09/16	10,025.39
			Total 001 - General Fund	31,008.40
Report Balance				31,008.40

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

Balance Sheet

1. Trust statement activity has been recorded through 09/30/16.
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 – November 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.