

**HARMONY COMMUNITY
DEVELOPMENT DISTRICT**

APRIL 26, 2012

AGENDA PACKAGE

RBA

Harmony Community Development District

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April 19, 2012

Board of Supervisors
Harmony Community Development District

Dear Board Members:

The regular meeting of the Board of Supervisors of the Harmony Community Development District will be held on **Thursday, April 26, 2012 at 6:00 P.M.** at 7251 Five Oaks Drive, Harmony, Florida. Following is the advance agenda for this meeting:

- 1. Roll Call**
- 2. Approval of the Minutes of the March 29, 2012 Meeting**
- 3. Audience Comments**
- 4. Subcontractor Reports**
 - A. Aquatic Plant Maintenance – Bio Tech
 - B. Landscaping – Luke Brothers
 - C. Dockmaster/Field Manager
 - i. Dock and Maintenance Activities Report
 - ii. Buck Lake Boat Use Report
- 5. Developer's Report**
- 6. Discussion of Landscaping RFP and Scheduling of Workshop**
- 7. District Manager's Report**
 - A. March 2012 Financial Statements
 - B. Invoice Approval #144 and Check Run Summary
 - C. Public Comments/Communication Log
 - D. Website Statistics
 - E. Consideration of Engagement Letter with Grau & Associates to Perform the Audit for Fiscal Year 2012
 - F. Qualifying Information for the General Election
- 8. Staff Reports**
 - A. Attorney
 - B. Engineer
- 9. Supervisor Requests**
- 10. Adjournment**

I look forward to seeing you at the meeting. In the meantime, if you have any questions, please contact me.

Sincerely,

Gary Moyer/ir
District Manager

Minutes

MINUTES OF MEETING HARMONY COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Harmony Community Development District was held Thursday, March 29, 2012, at 9:00 a.m. at 7251 Five Oaks Drive, Harmony, Florida.

Present and constituting a quorum were:

Robert D. Evans	Chairman
Mark LeMenager	Vice Chairman
Steve Berube	Supervisor
Kerul Kassel	Supervisor
Ray Walls	Supervisor

Also present were:

Gary L. Moyer	Manager: Moyer Management Group
Tim Qualls	Attorney: Young vanAssenderp, P.A.
Steve Boyd	Boyd Civil Engineering
Wendy Andrews-Fine	Luke Brothers
Greg Gologowski	Harmony Development Company
Todd Haskett	Harmony Development Company
Mike McMillan	Luke Brothers
Larry Medlin	Bio-Tech Consulting
Nestor Nazario	Luke Brothers
Shad Tome	Harmony Development Company
Residents and members of the public	

FIRST ORDER OF BUSINESS

Roll Call

Mr. Evans called the meeting to order at 9:00 a.m.

Mr. Evans called the roll and stated a quorum was present for the meeting.

SECOND ORDER OF BUSINESS

Approval of the Minutes of the January 26, 2012, and February 23, 2012, Meetings

Mr. Evans reviewed the minutes of the January 26, 2012, and February 23, 2012, regular meetings and requested any additions, correction, or deletions.

Mr. Qualls stated page 20 of the January minutes, second paragraph of item E should read, "My understanding is that the combined ad valorem and non-ad valorem special assessment notices..." and the last sentence should read, "The tax collector was awesome to work with."

Mr. Evans stated page 4 of the January minutes should read, "the proliferation of planting in Celebration and those canals was to the limited ~~the~~ depth of the water in the canals because they are not really wide."

On MOTION by Mr. LeMenager, seconded by Mr. Walls, with all in favor, unanimous approval was given to minutes of the January 26, 2012, regular meeting, as amended.

Ms. Kassel stated page 10 of the February minutes, the first sentence should read, "So you will actually get more contaminants." Page 28, sixth paragraph should read, "You have no standing to go prosecute these 19 owners." Page 43, fifth paragraph should read, "Mr. Evans stated Mr. Berube was involved in purchasing the mule."

On MOTION by Ms. Kassel, seconded by Mr. Berube, with all in favor, unanimous approval was given to minutes of the February 23, 2012, regular meeting, as amended.

THIRD ORDER OF BUSINESS

Audience Comments

There being none, the next order of business followed.

FOURTH ORDER OF BUSINESS

Subcontractor Reports

A. Aquatic Plant Maintenance – Bio-Tech Consulting

Mr. Medlin reviewed the monthly aquatic plant maintenance report as contained in the agenda package and is available for public review in the District Office during normal business hours.

Mr. Medlin stated we will have two treatments for the ponds in the month of March. The first was on the 13th and the second will be today. I have no problems to report. The water levels are pretty low right now, but that is a good thing for the plantings we have completed. This is the time when they like to fill in the bare areas and spread out a little bit. Some rain soon would be nice, but other than that, I think we will be in good shape. We had a lot of good growth over the winter from the plants we installed, and they are looking really good. Going into the summer, we are in good shape.

B. Landscaping – Luke Brothers

Mr. McMillan reviewed the monthly landscaping report as contained in the agenda package and is available for public review in the District Office during normal business hours.

Mr. McMillan stated at the last meeting, there was a lot of discussion about the number of employees. This past month, we have had 14. As of yesterday we dropped down since we terminated one of them, so we are at 13. At the end of my landscape meeting with the crews, I discussed the improved appearance of the property, which I

think is good. We had every intention of finishing the mulch by the end of this month, and I know we can finish by the 13th, but I want to be sure there is good quality. We are taking care of everything during this process so that we do not have to go back. I am working with Mr. Haskett to make sure we check items as work is completed.

Mr. Berube stated there were two invoices in this month's agenda package dated August and September 2011. They are both noted that they were mistakenly billed to the development company so it did not show up on a recent outstanding invoice list. I have several problems with that. Not only does this look like sloppy work because these have been outstanding for six and seven months, sitting on the developer's books, not the CDD's, but this is a different fiscal year than we are currently in. This creates havoc, and it is \$5,000. In January, we received invoices for \$15,000 that were outstanding for most of last year. In a three-month period of time, you have affected our budget and record keeping by \$20,000. This is unacceptable. If it was my decision to make, I would tell you to take these invoices and give them to someone else. It is just too late to come back, multiple times, and this is not unusual for your company. I do not understand how you stay in business sometimes with all these late invoices. On top of that, one of them is for 15,600 square feet of Bahia sod replacement. I believe this is where we replaced St. Augustine with Bahia along the golf course. Is that the area?

Mr. Haskett stated that is correct.

Mr. Berube stated it just irks me that Luke Brothers has a hard time keeping St. Augustine turf alive. So to avoid that, we are replacing it with Bahia. Then nine months later, you come back with an invoice to replace and downgrade from St. Augustine to Bahia. This goes along with everything else I say about Luke Brothers. I would dispute the fact that you have 14 people assigned to this property. I have been watching and counting, and I cannot find more than eight people. Today there are six cars parked in the compound, and yesterday there were seven. Unless everyone walks here, gets dropped off or they carpooled, there are not 14 people. If there are 14 people assigned, I do not know what work they are doing because I can only find eight people on the ground doing any kind of work. That is how it has been all month. I drove around this morning and saw six people all working out front here sprucing things up. There has been a lot of sprucing up going on this past week in anticipation of this meeting. In addition, this entire strip was mulched just yesterday. This is the area where people come to the information and sales

gallery, and this is prime real estate out here. There has not been any mulch on those trees in months, which is terrible. The Estates has not been done, and you have indicated that you are late again on the mulch for the third year. You were late starting it and you will be late finishing. We are mulching this community six months out of the year, year after year. In the three years that Luke Brothers has been here, we have had three different supervisors and multiple different people on the crews. I think the staff has turned over multiple times. We are always in a learning curve with Luke Brothers. As we discuss and anticipate potentially replacing Luke Brothers, comments are made that it could get worse because we will have a learning curve. We have been on a learning curve with Luke Brothers since the beginning of the contract. We have never gotten everyone trained. Supervisors turn over after a year, and the crew members turn over all the time. We had a problem with the live oaks and discussed that we do not know whose fault it is, but a bunch of trees died after Round Up was sprayed in the area. We have had this replacement of St. Augustine with Bahia and other areas where you could not keep St. Augustine alive. We installed planter beds to try to avoid the problem of St. Augustine dying. People who live here seem to be able to keep their St. Augustine lawns alive, but a professional landscape company cannot.

Mr. LeMenager stated I would take issue with people being able to keep their St. Augustine alive.

Mr. Berube stated there is a certain amount of difficulty, but we have had some widespread replacement. There was fertilizer in the streets again last week at the entrance to the Estates. There was a green paint strip three-quarters of a mile long down Five Oaks Drive. It is a major street with green dye and fertilizer in the street. The contract calls for changing the mowing patterns to avoid rutting. When you look at this property where Luke Brothers mows, it is all rutted. There is a lack of proactiveness. The highlight reports constantly refer to "per the contract" every month, but per the contract, you are supposed to be proactive on weeds, disease control, and fertilizer. What I read in the reports is reactive. What I see out there in the field is reactive. We wait until chinch bugs show up and then we treat them. Now the grass is dead. On and on it goes. It gets so bad that we removed trash pick up from your contract. It got so bad with irrigation that we removed that from your contract. There are weeds everywhere. We have had a number of disputed billings. Constant guidance is needed from Mr. Haskett. What else is not getting

done? I read that we are going to the schedule of mowing the sport turf once a week. According to the contract, sport turf is supposed to be mowed 72 times per year, which is 1.5 times per week. I said a year ago that we are going to get fed up with Luke Brothers and we are going to change contractors, and I am saying it again. Last week, I noticed a man in a white pickup truck at the entrances looking at new plantings. I looked at the plantings and thought they looked really nice. I came back and saw the guy in the white truck taking pictures and counting plants, who happened to be from TruGreen LandCare. I saw Mr. Haskett right after that, so I asked him if it was right that someone from TruGreen LandCare should be taking pictures and counting plants. Mr. Haskett informed me that he was taking pictures and counting plants because TruGreen LandCare did that work. That is why it looked good, and the man was taking pictures of the work his staff did. The developer paid for that work. When the developer's personnel pay to have landscape work done, they have now switched to TruGreen LandCare, not Luke Brothers, and to me, that says it all. What am I saying here? I am tired of arguing over Luke Brothers. If I was not on this Board and was a property owner sitting in the audience, I would be in that audience every month, yelling about the quality of landscape overall, and we are hearing it from various people who live here. I received a couple emails this week, one from a very outspoken person. Luke Brothers addressed that issue, perhaps at Mr. Haskett's urging, on the Buttonbush Loop area. There have been other comments from residents. I will grant you that everything is bright and green and starting to fill in, but there are still a lot of areas where they fall short. I do not know what else I can say. I have had enough.

Mr. Walls stated I think Mr. Berube covered it.

Mr. Evans stated this has been a hot topic and has not gone away.

Ms. Kassel stated that is correct and it comes back every month. Some months it is worse than others, and it has not gone away. We would incur a significant amount of unbudgeted expense if we were to rebid the contract. If we do rebid it, we do not know if we are going to get anyone who is better or even if we will get prices that are comparable to what we are paying now. I think our main concern is that the work be done pursuant to the contract to our satisfaction on a regular basis so that we do not have to revisit it every month and spend 30 minutes at every meeting discussing it. Mr. LeMenager thinks we will incur \$50,000 in legal, engineering and other fees in order to rebid this contract.

Mr. LeMenager stated \$50,000 seems high.

Ms. Kassel stated I thought that was the figure you mentioned last month.

Mr. LeMenager stated I may have thrown out a number to get your interest. I do not think it would be more than \$20,000.

Mr. Evans stated I do not think it will be even that high. Honestly, a lot of people are not happy, for whatever reason. It may be going down the path to explore getting someone else. Mr. McMillan hears this every month. He hears all the issues, and a lot of people are not happy with the result. At the same time, we have to understand if we are getting what we are actually paying for. If we want a certain level of service that we thought we were going to get at one price, will it cost more to really obtain the level of service that we want. The only way to find that out is to rebid the contract. We will start our budget process for the next fiscal year in May and June to get ready for the following year, and we will need to decide on our costs. If we are going to make a change, when do we need to solicit for bids before we get into a fire drill type of scenario. Other companies will be able to come out and spend some time looking over the site and evaluate it and give us some suggestions. We may find out that we still have the best deal that we can have, even though it is not perfect, or we may find out that there are other options that we are better suited for.

Mr. Berube stated I thought about that and we are already at the end of March. Their contract expires October 1, 2012, which gives us about six months. If we are going to put this out to bid, I think we need to do it pretty soon because we will need at least one or two workshops to sort through whatever happens with the responses to the bids, based on past experiences.

Mr. Evans stated that is my point, that we need to be able to evaluate what our options are. We discussed the option of finding a new company. I know Mr. Haskett spends an enormous amount of time with Luke Brothers on landscaping, and there are a lot of other things he needs to be doing for the development.

Mr. Berube stated I agree, and that is part of my proposal based on how much hand-holding he has to do. It is unfair for this Board to shoulder Mr. Haskett, even though he is kind enough to do it and the development company lets him spend the time. We should not have a contractor that requires that much time. If Mr. Haskett has to stand over every supplier that we have here, he would have nothing else to do all day except monitor our

suppliers. That is just not right. What happens when Mr. Haskett disappears for some reason, if he goes to another development company or whatever the case. He is the only person who knows what is going on. We cannot have suppliers that require constant intervention. It is not fair and it is not the right way to do it.

Mr. Evans stated when we went through the bidding process previously, we put together a pretty extensive RFP. That work is already done, and we have done some tweaking to the RFP with the irrigation and trash pickup. We compare the RFP to our contract, and I think we have a pretty good contract. If we need to expand upon the narrative or if we need to expand upon our expectations on items that are raised, such as frequency of mowing and inspections, we can embellish that and we have enough time to do that and start working toward it. Let us seriously consider preparing an RFP because we have the time. This issue has to get resolved. I think there has been an enormous amount of patience. It may be that it works out fine, but right now, I am tired of sitting in these meetings every month and the vast majority of our conversations are relative to the landscaping.

Ms. Kassel stated we are not looking for perfection. We are just looking for the contract to be fulfilled. We are not looking for anything over and above, and we are not even looking for everything to be 100% all the time. It is just that we have requested this improvement over and over again, and it does not really seem to get better consistently. One of the things that really started to convince me was when I asked Mr. Haskett what his opinion was, and he said he would support whatever the Board wanted to do. He did not try to defend Luke Brothers as he has done in the past and said they are trying and he thinks they will be able to do it. This time, he said he will abide by whatever the Board wants to do. To me, that says he is also tired of the hand-holding and supervision that is required.

Mr. Berube stated a prime example of not meeting the contract requirements is the mulching that is occurring right now. The contract is very specific: between November and March. They have had three years to get this process down pat, and by Mr. McMillan's own admission, it is not done again.

Mr. LeMenager stated to an extent, we are having the same conversation that we have every year at this time. What I found most disappointing last month was the acknowledgement that they allowed their staff to be reduced over the winter. That was

100% not the deal with Mr. Lucadano. The deal was that they were going to stay staffed so that we would not have the conversation we have every spring. To me, that is still the heart of the matter. I do not know if it is any different with any other landscape company. They make their money over the winter because of reduced staffing. Luke Brothers downsized their staff, and I am assuming they all do it, so they play catch-up in the spring. Mr. Berube is correct that we have this conversation every spring. I do not know that we have it every month but certainly we have it every spring. It is disappointing because that was not the deal that I thought we had when Mr. Lucadano was here last.

Mr. Berube stated I think what we learned from this experience is, as part of the RFP, we can add several questions. The first question can be, how many people will you put on staff here, five days a week, 40 hours per week, all year round.

Mr. LeMenager stated that was the part of their proposal that we liked.

Mr. Berube stated it was part of the RFP but it did not make it into the final contract. It needs to be blended in. The second question is, what are you paying your crew members and what is your base labor rate. I do not think they pay people enough to retain them. How much are they paying them to start and how much are they paying them at the end of the year? The problem is that we are in a constant learning curve due to constant turnover. A third question that I would suggest is, will your project manager come from within your company or will you hire someone new, and how long has he been in this business.

Mr. Evans stated Mr. Berube raises a good point. The other thing we need to look at is the operation of an actual company. We have a fixed price. Fuel prices have doubled in the last three years, and that is an enormous component of their actual costs to maintain this project. You cannot expect any company to work for free. You can say they have a contract, but they will not work for you and lose money. They cannot stay in existence because if they do not have enough money to pay their bills, then they go out of business. Are they trying to adapt to this fixed-price contract because they are locked into these fuel prices that have gone up dramatically? A lot of costs have gone up, and that is reality. We are considering rebidding this contract, and we will do that in today's marketplace. With the cost of fuel doubling, our prices could increase 20% for this new contract. Labor and fuel are big components of the contract. I do not want to lose sight of that, either. There are a lot of things that we need to take into consideration.

Mr. Berube stated you are absolutely right. We have reopened this contract several times since it was initially bid, and we have worked with numbers, both increases and decreases, as we changed the scope of responsibility. If Mr. Lucadano felt that he was not properly profitable, he has had opportunities to tell us that there was a problem, and we have never heard that. In fact, he just offered a 5% decrease for a contract extension, which tells me that he has at least 5% of profit in here. When we go to the 5% decrease in September, he certainly will not be taking a loss.

Mr. Evans stated you assume that he has that built-in profit. It may be a factor that he is trying to keep his staff that he has working. He wants to keep the work, but he may only be able to keep half the people out here so there is a skeleton crew. I do not know and I do not want to get into their internal operations. It is all assumptions.

Mr. Berube stated most of his staff is local. I think Mr. McMillan works at the corporate level, but all the rest of the staff were hired locally around here for just this project. I do not think it is a matter of keeping staff, but I do not know that.

Mr. Walls stated I would like staff to be working on the RFP for landscaping services.

Mr. Evans stated I think we should circulate a copy of the RFP to the Board so we can review it. Mr. Berube has spent a lot of time in the field, and so has Mr. Haskett. There may be nuances that we want to embellish so that there is no room for misunderstanding what our expectations are. Then when someone bids it, they will know exactly what we are looking for. At the next meeting, we can provide our comments and suggestions for the RFP.

Mr. Qualls stated Section 190.033, Florida Statutes, requires an RFP if it exceeds the threshold amount in category four. Section 187.017, Florida Statutes, has increased that category from \$150,000 to \$195,000. I still think this exceeds that category. The District's rules of procedures indicate you can either do an invitation to bid or an RFP. An RFP allows you to choose the lowest responsive and responsible bidder, so it is not just a cost factor. Another thing to keep in mind is that your rules require a newspaper notice that allows seven days for prospective proposers to respond. I will send a memorandum that explains all this information.

Mr. Berube asked if we approve the RFP or the invitation to bid at the next meeting, can the process be completed between that meeting and the following meeting? Can that be accomplished within 30 days?

Mr. Moyer stated yes.

Mr. Berube stated I think timing will be a factor. To be clear, Luke Brothers may end up retaining this project. I tend to doubt it, but I do not know. There are a lot of factors to consider. I do not think it is all about the money. To me, it is not. It is not all about the money; it is about the quality of service on the ground and I am hearing more and more complaints from residents.

Mr. Nazario stated I want to make a few comments based on the feedback from Mr. Berube. We have been working here for three years. There have been three managers working on this property. The manager who left just before Mr. McMillan—Mr. Jason Schafer—made a career change to switch from grounds maintenance to golf course maintenance, which is something he had prior experience in and was passionate about and wanted to do. Mr. McMillan will have been here one year in April, and I know he has intentions of staying with our company and having a long career with our company. Regarding the labor and labor wages, I can share the industry standards. We pay our people well and we have good benefits. We perform background checks and drug testing for all employees who are approved to work here. I think the main reason why there is turnover in this industry is the environment. It is the type of work and the heat that breaks you down. We see a lot of people changing careers and trying to find jobs at Best Buy or other places where they can work indoors that is more pleasant than being outside. We do see that a lot, but I do not think that is a reflection on how we approach our employees or our systems. I think that happens to all landscape companies. I want to thank everyone for the opportunity you have given our company over the last three years. I know we have had some obstacles and we have worked together to overcome a lot of those issues. I know Mr. Haskett has been instrumental with his communication and in making a lot of our improvements a possibility. We appreciate his time and his involvement. We are fully committed to this community and to this contract. We are not going to say that we are perfect, but we are willing to listen and do anything that we must in order to continue making improvements day by day. We want to become better and more efficient, and we want to reduce the phone calls and issues that are making your phone ring. It takes time

and it takes commitment. We are definitely committed. I think that regardless what company ends up being your landscape contractor, there will always be a degree of people who will not be happy regardless. I know we have improved a lot since the beginning, and we want to continue doing so. Regarding the 5% reduction that was mentioned, we are not that good at analyzing profitability at our company, to be honest. We want to build relationships that are long lasting so we can keep employees and staff careers, as well as ours, intact for many years. We view it more as a token of gratitude and a thank-you for you to give us the opportunity to be better and to give us an opportunity to overcome those challenges so we can continue to be here.

Mr. Evans stated Ms. Kassel raises very candid points. We do not believe we are unrealistic, and we do not believe we are overly demanding for what your contractual obligations define. We have heard these speeches from various people at Luke Brothers for three years, and they all said the same thing, that you are committed and are going to do better. All we are looking for is specifics. Mr. Berube raises the point about the mulch. You have five months to apply the mulch. It is a very defined scope. It is not a variable. There are a certain number of areas and it takes so many tons of mulch. It is very defined, and it has not been accomplished within the defined scope. It is not like you had to worry about irrigation breaks or chinch bugs or any of these uncontrollables or Acts of God or nature. it is a performance issue. We keep hearing these same assurances, but we do not see the results and we do not see an affirmative plan that this will be done by this date. When we walk out on that date and look around, it is not done but there has been an attempt. We see bits and pieces starting to happen, but that is our frustration. We are not seeing a completed project within the timeframe that we have been told it would be done.

Mr. Nazario stated I understand that. I know we recently did a tree pruning event throughout the property, and that was completed on target. The crepe myrtles were completed on target. The flowers were completed on target. I believe the contractual turf activities were completed on target. We fell short on the mulch, and I will blame myself, too. I had a meeting with Mr. McMillan when we were substantially complete because we wanted to make sure we hit our target. Mr. McMillan assured me that we were going to be in good shape, and we fell short but only by less than 10%. We are over 90% complete. I do not want you to get the feeling that we have half the property yet to go. In between all that, we are still mowing, trimming, spraying and doing our other contractual

obligations. Not to make excuses, but as the aquatic contractor mentioned in his report, we have been dealing with above-average temperatures for the better part of the first quarter. It is an environmental issue. It has been hot and things have been growing, including weeds. We have to be reactive to that. In years past, we were not really used to those patterns. Normally it is cold in February and everything is dead and not growing. That has not been the case this year. We are working around that, while still having an emphasis on our target date. In this one particular activity, we fell short, and we are admitting that.

Mr. Evans stated one thing you are hearing in our comments is there is a lack of confidence that has developed. It will be very difficult for you to overcome that because we have heard these speeches in the past and seen the lack of performance. You may be hitting some of these targets all of a sudden, but it cannot be in one month. It has to be on a consistent basis. That is what we have tried to communicate to Luke Brothers; we want consistency. Yes, there will be issues that you will miss things. It happens in everyone's industry and everyone's scope of work. But we have seen inconsistency through the majority of these elements, so there is a lack of confidence. Once you lose that confidence, it is hard to get it back so you will really have to work to get it back. The deck is stacked against you. It is not because we have not communicated. Mr. Berube is a great communicator about his dissatisfaction, whether it is from himself or someone else.

Mr. Nazario stated I know Mr. Berube is a straight-shooter, and I do not discount that. I respect him for that.

Mr. Berube stated we had one of these meetings with Mr. Lucadano about 16 months ago, and we spoke about mulch at that time. My direct question to him was, last year he did not meet the mulch target and I will bet he will not meet it this year again. He sat right there and said they will meet the mulch target this year. That was last winter, and you did not meet it. Here we are again discussing this issue. Mulch is a big deal. I would argue that you are 90% complete. If you look carefully, you will see that you are not 90% complete. Look at the size of the mulch pile still sitting over there and then look around the property. You are far from 90% the way I count 90%.

Mr. Haskett stated I am not here to come to the defense or accusation of Luke Brothers. I will simply list the pros and cons that I see throughout the community. First, the good points about the performance of Luke Brothers over the past few months. The

overall condition of the turf is exceptional. There are some weeds out there and they have applied their insecticide, pre-emergents and post-emergents. If you go to Google Earth, you can see images of the property a year and two years ago, and it is a vast improvement in the condition of the turf. There are minor weeds in the turf that they are working to control. It was brought to our attention about fire ants, which were all over the property. That is due to the dry, warm weather, and Luke Brothers has done a good job of getting those under control. There are still ant piles out there because ants like to move around, so they are still working on that. The areas that they have mulched so far are in good condition. They need to go back to the ones they started in December and do a little weed control because they are growing again. The overall condition that they have gotten to is good. Luke Brothers implemented a program last summer for the shrubs, especially the azaleas, with a special fertilizer. I discussed it with Mr. McMillan at the recommendation of their pest control supplier, a specific product for the azaleas, and you will see that they are blooming more this year than they have since I have been here, so the shrubs are healthy. Some of the negative points include the mulching. Could they complete it by the end of March, which is in two more days? I think they could. Would I be happy with the condition of what they finish? No, I would not. I told Mr. McMillan that he needs to come to the Board and admit they did not get it complete by the end of March. April 13 is a good target date to make sure that what they are doing remains quality work. As we go to areas of the property where they have mulched, the issue last year was they missed trees throughout the property and were missing large areas. I think they have overcome that thus far. There are areas along Cat Brier, especially in front of the dog park where the turf had been replaced, that did not quite take and is weeding out. Mr. McMillan is aware that needs to be replaced at their cost. There are small patches along Cat Brier that need to be replaced, and they are aware of that. As you can see with the program for turf fertilization that they implemented last year, it recovered quickly this year with a nice green appearance, but they still have some areas that need fertilization touch ups. Mr. Berube brings up the issue of 14 people that we keep talking about. On March 21, Mr. Lucadano presented the Board with the proposed staffing levels and an operation plan. That had 14 people in it, including Mr. Lucadano. If you take out the irrigation technician, who is no longer in their contract, that brings it down to 12 actual people on

site. I can confirm that there have been 12 to 14 people throughout the past month. They do carpool, so counting the cars is not an accurate consensus.

Mr. Berube stated but driving around and counting feet on the ground is accurate.

Mr. Evans stated we are going to start working on an RFP to help us better define what our expectations are. I will ask that it is sent to all the Board members to review before the next meeting, and we will start that process.

Mr. Berube asked is it safe to assume that this RFP will be largely providing the current contract without the dollar figures?

Mr. Moyer stated yes.

Mr. Berube stated so most of the work is already done, but it is a matter of putting in some blank lines.

Mr. Qualls stated and updating a few things.

Mr. LeMenager stated we had an RFP when we went to bid last time.

Mr. Berube stated we have a pretty well-defined contract now that has been modified a few times.

Mr. Moyer stated it is based on the RFP that was issued last time.

Mr. LeMenager stated without judging the RFP, my first priority is not to have an increase in assessments. I would prefer not to go to the property tax payers who live here and tell them that we want an extra \$100 per year. To an extent, I would like our project to be set up in a fashion that we have a certain amount of money to spend and see what we can get for it, as opposed to wanting this community to look like Celebration, even though we have 2,000 residents and not much money where Celebration is "rich." Perhaps, think in terms of a target that keeps us from increasing assessments, which is not a good idea in the current environment.

Mr. Walls stated I do not want to raise assessments, either. I think for these things we create a wish-list of things that we want to see. We get prices for them, and then we start deciding what to do or not do.

Mr. LeMenager stated we will determine that once we review the RFP. I think we have a two-month process to actually define what we want for the RFP. I definitely have a few things in mind. Ms. Kassel and I were involved in this process last time, and for sure, there are things that I want to do differently.

C. Dockmaster/Field Manager

i. Maintenance and Field Activities Report

Mr. Haskett reviewed the monthly field activities report as contained in the agenda package and is available for public review in the District Office during normal business hours.

Mr. Haskett stated we made one change at the request of Mr. Berube. The Lakeshore Park project was well under budget for the restrooms, and the doors were in question. They really needed to be replaced. After staff attempted to renovate them, it was found that it would not be sensible to do that. So the doors are in stock, we already received them, and they will be installed next week for a cost of \$895, which is not bad for a commercial door. That will complete the Lakeshore Park restroom project, and we will move onto the Ashley Park cabana and trellis area around the pool, which is in need of attention. Since we stayed under budget for Lakeshore Park by about \$2,000, we want to shift those funds and continue with some patch work at the cabana and some rust remediation and repainting in that location. We are probably looking at repainting that building within the next two years due to cracking and various other weather issues.

Mr. LeMenager stated there are a few places where we have gone over budget. To the extent we have gone under budget in a particular category does not necessarily mean we should spend in another category.

Mr. Haskett stated I completely agree with you. The categories where we are doing well are in equipment, common area maintenance, and things like that, and we are about \$10,000 or more under budget. We are watching the bottom line and trying to make up for those other areas where we have gone over budget.

Mr. Berube asked would the cabana at Ashley Park be under parks and amenities?

Mr. Haskett stated either there or common area maintenance.

Mr. Berube asked if you are going to repaint that building and spruce it up, where would that fall? Is that common area, or is it parks and amenities?

Mr. Walls stated it could be either.

Mr. Berube stated to Mr. LeMenager's point, both of those line items are on budget. Where we are really over budget is irrigation and miscellaneous services. If the Ashley Park cabana needs painting because of cracking, it looks bad and it is out of date with the colors, we need to determine where it comes from.

Mr. Walls stated the bottom line is that we need to take care of it.

Mr. Berube stated I agree. Do not put off painting it if it needs it now, rather than waiting two years. The Lakeshore Park building looks really good and contemporary. I do not think you need to hold back waiting to do Ashley Park.

Mr. Haskett stated we monitor the condition of everything. If it gets to the point where it needs to be done sooner, we will do that, but in the meantime, we are trying to keep up the appearance of it.

Mr. Berube stated you are making some improvements both on our property and on yours. I would not want this Board to hold back on painting that building and having it look lousy. If you look at it, it is a little outdated. I am fine in moving ahead in painting it, and I see some other Board member nodding their heads.

Mr. Haskett stated it has been there six years.

Mr. Berube stated make it look pretty.

Mr. Haskett stated I distributed proposals for drinking fountains. As we discussed in the budget meetings last year, I mentioned that our drinking fountains were getting to a point where they need to be replaced. We budgeted for that in this year's budget under equipment. The reason I am bringing it to your attention today is I wanted to get your opinion and approval to change the style of the drinking fountains. Currently we have three powder-coated steel units. Two are at the dog park and one is at the Town Square. They are 10 years old and are falling apart. We are constantly wasting water due to the valves sticking, and the metal is rusting. They have been renovated once already, and it did not help. The proposal is for an aggregate unit with all stainless steel components. It is \$1,000 per unit, which is surprisingly less expensive than the powder-coated steel, which is \$2,500 each.

Ms. Kassel stated I went online to do a little research, and a lot of these are \$2,000 for one unit.

Mr. Berube stated one of our vendors, Miracle Play Equipment, also sells these.

Mr. Haskett stated most hardscape vendors deal with these. There are only a few manufacturers. As noted on the proposal, we would be able to qualify for getting onto a contract with Charlotte County School Board. Because we are a governmental entity, we can take advantage of other governmental contracts.

Mr. Berube stated I do not see any sort of warranty information.

Ms. Kassel stated I did not see it, either.

Mr. Berube stated I am willing to bet the Charlotte County School Board bid has some sort of a warranty.

Mr. Walls asked does this include installation?

Mr. Haskett stated staff can install them. It is a simple removal and remount. I do not have the warranty information, but I will find it and let you know. I knew they were getting to the point where they needed to be replaced, and we were trying to hold off as long as possible. I think we reached that point.

Mr. Berube asked can we do this without the attorney having to get involved?

Mr. Qualls stated this is just a proposal, not a contract. As long as it is insured between here and there and the shipment is taken care of, I do not have any comments or issues to address with it.

On MOTION by Ms. Kassel, seconded by Mr. LeMenager, with all in favor, unanimous approval was given to the proposal from Southern Park and Play Systems for the three drinking fountains, in the amount of \$4,937.35, as discussed.

Mr. Berube asked what budget line item will these come out of?

Mr. LeMenager stated he said earlier that it was budgeted in equipment.

Mr. Berube stated I do not know that we specifically budgeted any money for it since we did not know how much it was going to cost. But I know we discussed it.

Mr. Moyer stated we still have capital outlay of \$15,000 where we have not spent anything yet. We can use that fund.

Mr. Berube asked that qualifies as capital?

Ms. Kassel stated I would think so since it is a replacement.

Mr. Moyer stated yes since it will last a minimum of three years.

Mr. LeMenager stated it will last a lot longer than three years.

ii. Buck Lake Boat Use Report

Mr. Haskett reviewed the monthly boat report as contained in the agenda package and is available for public review in the District Office during normal business hours.

FIFTH ORDER OF BUSINESS

Developer's Report

i. Developer's Comments

Mr. Tome stated there was a comment made earlier about Mr. Haskett not speaking up, and I want to clarify that I encouraged him, short of just telling him, to answer the

question with that answer. We know these meetings drag on and we know it is your decision. As Mr. Haskett did, he listed the pros and the cons. It is not perfect and there are pros and cons. Regarding TruGreen LandCare, we did not choose them just because Luke Brothers cannot do a good job. We also chose LandCare partly because Luke Brothers is doing our models and the condominiums for the Ashley Park Association, and there has been some sensitivity about having Luke Brothers doing too much. It does help with pricing in keeping everyone honest. We went through a bid process with four different landscape companies who primarily do installations, so that we could see what their pricing is and do a side-by-side comparison. We also chose LandCare as another way of raising the bar and encouraging Luke Brothers to do better on their pricing and on their installation and the timing of that installation, to get it done within a week rather than waiting three weeks. We also chose them for the quality of the installation.

Mr. Berube stated it stood out, and that was my point in saying that.

Mr. Tome stated I do not want you to think we chose LandCare because we did not believe in Luke Brothers anymore. It is also a way for us to continually help introduce new opportunities. For this scale of work, LandCare does installs, not maintenance. On the golf course, we deal with turnover quite a bit, unfortunately, below the management level. It is partly due to the fact of the type of work it is, but some of it is also due to the location, for crew members to get here and the cost of fuel. Some of them have girlfriends or wives drop them off because they do not have a license or they lost their license. Unfortunately, those are the people who are in those jobs, so we struggle with it also, and it has been a real ongoing challenge. In December, we had several greens—3, 6, 9 and 14—that were horrible and we spent a lot of money to restore them. We had several weeks of great greens, and now 12 and 16 have turned on us. We see it in our surveys, in our reduction of rates and all those things. It is an ongoing battle, and this is a \$2 million business for us, so we have a vested interest to do whatever we can to make it look as good as we can. We apply fertilizers and everything else we need to do. I am not defending Luke Brothers, but I am just saying it is an ongoing battle with the seasons and everything else. To Mr. LeMenager's point earlier, I totally respect and understand your fiduciary responsibility to the residents. One thing I wanted to share with you is that we have been fortunate enough to make some headway on the home building front. For a long time, we have been trying to introduce new builders to the community and get

pricing to start moving up. Weekley Homes has been here and has partnered with us to start moving things up. We started to have conversations with other builders, which is something that takes time for them to make decisions today since everyone is sensitive about pricing and location. It is a little different scenario than it was four or five years ago. I shared some information with you, and the graph shows the line for Harmony is trending up. The blue line that shows a downward trend is Osceola County as a whole. The red line going across the page is the MSA as a whole, which is metro Orlando encompassing Seminole County, Orange County, Osceola County, and Lake County. Those are the four Counties that get put into this chart. What you see is the MSA as a whole is a consistent line over the last four quarters. Osceola County has trended down, and it includes places like Reunion, ChampionsGate, and the west side of the County, as well as Harmony on the east side and others in the middle. The whole part of battling against short sales, foreclosures and similar things in the community is that by getting more consistent new home closings, when bringing these builders out to the community on a regular basis, one thing that we have heard as we try to sell them lots in the community to build models is the fact that they feel like the community looks good. I do not know that any of them have said it looks great, but they said it looks good, and it looks consistently good. To Mr. LeMenager's point earlier, while you may not be getting perfection, the fact is that these builders are looking at a lot of other places where they could make commitments and do business. While pricing has to be good for them and trending up so they can cover their costs and make money, they want to go someplace that looks good and a place that they know over time looks good so that they can feel confident to do business in this type of community. I share that because it is not only what we do as the developer to entice them to come here but it is also things that the CDD does to make sure the community looks at the quality level that it does. I am saying that it is looking good. The second page that I distributed to the Board shows these four Counties and the top 31 builders within the MSA. Each of these builders on the total numbers to the right, four years ago would have been doing four times that amount. This would have been for one quarter rather than for one year, but that is just the environment that we live in today with the market. Park Square Homes is #8 on this list, and they just signed a contract with us and will be building a model and two spec homes. They are closing on three lots initially in the G neighborhood. We had to get good pricing with

them on the lots and a good structure for terms, but they were very complimentary. This is one of those groups that we have been trying to court. I am confident and excited by the fact that they will do well here and I am excited that we landed one of the top ten builders in the MSA. We did not print Brevard County, but Lifestyle Homes built a home on Schoolhouse Road, and we courted them and partnered with them to build a house here as a way to learn this community. They had never built in Osceola County and had never come west before. They are a builder who is doing a great job in that market up and down the I-95 corridor. They have decided they will build a model in the D-2 neighborhood. Part of what caused that to happen is the quality of the community. They just recently landed a contract on a lot that had gone through a tax sale and was put on the market by the new owner. They purchased that lot, they are under contract and they are going to start building in 30 days in Drake 1. They have another contract on a similar type lot that they are negotiating right now that we are confident they will get that contract. While we are not out of the woods with what is going on in the marketplace, we are starting to see things come our direction. I think it is a statement of the quality of the things that are in the community and the things that are being done. Can it be better? I would definitely agree with that, but things look good. I think it is important to note that because sometimes I think there is a sense of walking away from a meeting thinking this place looks awful and is not that nice, but it is. To the point of the G, or Green, neighborhood, where we are seeing more activity, we are getting ready to build more spec homes and looking to build a new model. Park Square Homes is going to come in and build a model. We are seeing more activity there and we discussed doing some enhancements two meetings ago with some landscaping and birdhouses and other things. One of the things that has come up is play equipment. The District from the Green neighborhood to the dog park where there is a little playground or to Lakeshore Park is quite a walk. For families with young children, they prefer something in their neighborhood. There are areas in the Green neighborhood that are designated common areas or park areas for linear parks. One of the things the developer wants to do is put a playground there with equipment similar to what is at the dog park and use that as the gauge. If there is an opportunity to use the CDD to piggyback a contract, like you just did with Charlotte County, where we can get better pricing and not have to pay sales tax, it

will be on CDD property. We would then discuss the mechanism for how the developer would then pay the CDD for that equipment.

Mr. LeMenager asked are we allowed to receive gifts?

Mr. Tome stated on the developer's side, there will be other things in the future that we will want to continue.

Mr. LeMenager stated I am looking from a tax perspective. I think that is how you would get the good prices is doing it as a gift to the CDD.

Mr. Evans stated they could just reimburse the CDD. We would actually pay for it and enter into a contract for the acquisition of the improvements. I think Mr. Tome is referring to the parcel that was platted and is yet to be owned.

Mr. Tome stated yes, there is another park that is similar in size adjacent to that and is already improved with plenty of space.

Mr. LeMenager asked are you talking about the corner?

Mr. Tome stated no, there is a triangle park where the wooden structure just went up. It is a large area.

Mr. LeMenager stated clearly it is appreciated that the developer puts in nice features and amenities. I would simply say, however, that we are the ones who are going to pay for their long-term maintenance. Please do not install items that will rot.

Mr. Tome stated it is pressure-treated material.

Mr. LeMenager stated I appreciate that, but it is still wood.

Mr. Berube stated to be clear, the developer will use CDD-owned land and install a playground on it.

Mr. Walls stated the CDD is going to install the equipment.

Mr. Berube stated the equipment will be on CDD land.

Mr. Tome stated yes.

Mr. Berube stated the only long-term item we will have is replacement of said playground equipment in 15 or 20 years, should we decide to continue.

Mr. Tome stated the only other maintenance item will probably be the mulch because it needs to be the safety mulch. We are also exploring the possibility of coming up with something different for the surface, such as the mat surfaces that are available.

Mr. LeMenager stated there is a playground at Lakeshore Park, but that means getting in the car for most people to get to that park. There is a playground at the dog park which covers the B and C-1 neighborhoods.

Ms. Kassel stated the dog park playground can also cover D-1 and D-2.

Mr. Berube stated it would be a stretch for residents in the D neighborhoods.

Mr. LeMenager stated residents in C-2 can go to Lakeshore Park.

Ms. Kassel stated that is correct, and for some people, it is much closer to go to the playground at the dog park.

Mr. LeMenager asked you want a similar playground for the G neighborhood?

Mr. Tome stated yes, similar to the playground at the dog park.

Mr. LeMenager asked it will be the same size and include something for younger kids?

Mr. Tome stated yes.

Mr. LeMenager stated that does not sound like a bad idea.

Ms. Kassel asked in that playground proposal, will it include a canopy?

Mr. Tome stated we discussed using shade trees. To Mr. LeMenager's point, which is a good one, we will make sure we plant cypress trees because they grow quickly and shade it well.

Mr. LeMenager stated the community where my nephew lives in Tarpon Springs has wonderful playgrounds and granted the trees must be 50 years old, but that is all they need.

Ms. Kassel asked the cost of the trees and the installation will be borne by whom?

Mr. Berube stated the trees are nice in certain applications, but the big yellow canopies make a big statement to people who drive through. They say "look at me." At first you think they are bright and gaudy, but they really are not. They show a commitment to the playground.

Mr. Tome stated it is a sizable play area at Lakeshore Park and is much bigger than the area we are discussing.

Mr. Berube stated when you look at the canopy, it says this community is committed to their play structures and it stands out. You cannot miss that playground when you drive by.

Mr. Tome stated you are correct.

Mr. Berube stated it is not a negative statement, either.

Mr. Tome stated I agree with you wholeheartedly.

Mr. Berube stated I like shade in any form, but the canopies look really nice.

Mr. Evans asked are you looking for authorization to commence with this work, or were you just briefing us and will come back with a proposal with what you would like to do at the next meeting? Did you want to do something prior to the next meeting?

Mr. Tome stated we would like to have permission to get onto a bid with the State or another municipality so that we can get the best pricing we can, with the understanding that it will go in the triangle park in the G neighborhood, essentially the center of the G neighborhood. It will be similar in design with the same intent as what you see currently at the dog park playground.

Mr. LeMenager asked is that the park area where you will have houses around the park?

Mr. Tome stated that is correct. We are getting ready to start building. Two lots have already sold there.

Mr. LeMenager stated those are seriously good lots. That is going to be adorable.

Mr. Evans stated at the next meeting, the Board will vote to approve the proposals that you present since the Board has to authorize that acquisition. The Board will vote to approve the acquisition of whatever the component parts are for the scope of work. Then in turn, on the basis that the developer will reimburse the CDD for the cost, but it will be the CDD that will enter into those purchase agreements.

Mr. Berube stated we will have some minor costs for mulch or some other little things. Will that be included as part of the overall proposal next month?

Mr. Tome stated yes.

Mr. Berube asked will this area be fenced or will you leave it open?

Mr. Tome stated it will be fenced. The backside can be blocked along the street and it will be open in the other direction.

Mr. Berube stated if you have looked at the fence at the dog park, it is constantly being damaged from kids climbing over it. The fence was a good idea in the beginning but it turned out not to be such a good idea.

Mr. LeMenager stated Mr. Berube made a brief comment about it, but I want to re-emphasize that probably the best piece of equipment we have ever installed is the swing

set. If you can figure out a way to get even a two-seat swing set in the park, I think that would be very popular.

Mr. Berube stated it is always in use. Kids were lined up waiting to use the swings.

Mr. LeMenager stated I think that idea originally came from Ms. Nancy Snyder.

ii. Consideration of the Harmony Community School Recreation Facility Use Application

Mr. Moyer stated the Board has entertained this use application in the past. The reason I included it in this agenda is so the Board can discuss if you wanted to continue with that type of a program. In an abundance of caution, I included it in the agenda for your consideration.

Mr. LeMenager stated it is absolutely the kind of thing we want to continue, no question. Can we waive their damage deposit? I think we did that for the sheriff's department request.

Mr. Moyer stated yes.

Mr. LeMenager stated I do not think we need to ask the School Board for a security deposit.

Mr. Qualls asked has the Board approved this same use application previously?

Mr. LeMenager stated yes. It is swimming lessons for kindergarteners to teach them how to swim.

Mr. Qualls stated we also entered into an interlocal agreement with the School Board.

Mr. LeMenager stated that is correct. I am sure we want to do this again.

<p>On MOTION by Mr. LeMenager, seconded by Mr. Berube, with all in favor, unanimous approval was given to the Harmony Community School use application for swimming lessons at the Swim Club for kindergarten students, as discussed.</p>

SIXTH ORDER OF BUSINESS

District Manager's Report

A. Financial Statements

Mr. Moyer reviewed the financial statements, which are included in the agenda package and available for public review in the District Office during normal business hours.

Mr. Moyer stated we are 56% collected on our non-ad valorem assessments that are collected by the tax collector. A year ago at this time, we were 57% collected, so we are pretty much where we anticipate we would be. I anticipate within the next several days

that we will have received the vast majority, if not all of that, since there is really one entity that pays the majority of our assessments and we collect it at the end of March.

Mr. Evans stated we discussed doing a projected cash flow statement. When you look at the statement of revenue and expenditures, we are looking at operations and maintenance, but we are seeing there are substantial variances that are predicated on there being an equal monthly allocation to these expenditures. Some of these expenditures do not apply in that certain way. We may allocate \$50,000 for a major project but then we do it in one or two months, but the financials automatically show that we are way over budget and it skews the report. When we look at this, it is a little misleading.

Mr. Moyer stated that is why we include the notes to the financial statements to explain why we are over the prorated amounts, exactly for that purpose. Every time we know we are going over budget, we could do a budget amendment, but we usually wait to do those budget amendments until later in the fiscal year when we know with certainty where we are going to be at the end of the fiscal year. It is the Board's call on how you want to have these financials does. I like the way it is done because it does highlight that we are doing major projects and had major expenditures so that we do not forget that we have undertaken those major capital improvements, or for whatever reason there are overages. We can prepare this any way the Board would like.

Mr. Berube stated the only thing that is wrong then, when you do the narrative, the parentheses are not around the unfavorable balances. They leave that out in the narrative. If the variance is unfavorable, they usually put it in parentheses. The narrative does not show anything being negative or unfavorable.

Mr. Evans stated if you look at pools, we budgeted \$70,000. Year to date, we have spent \$41,000 but yet it shows an unfavorable balance of \$12,000 because it is equally allocated on a monthly basis, when in fact, it is a little misleading to where we stand with the adopted budget.

Mr. Walls stated I look at the budget numbers compared to actuals. When I look at the actuals, I can see that the fund balance is increasing and is not a negative. I can see there are negative variances in the budget, so then I can check it out further. It has its positives and negatives in how it is presented, but it would take a lot of work to go through each line and provide it on a cash flow basis.

Mr. Evans stated most of these are monthly expenditures, such as electricity, street lights, utilities, and we have allocated a certain dollar amount on a monthly basis.

Mr. Berube stated the ones I get concerned about are where the year-to-date actual is over the annual adopted budget, and there are a couple of those.

Ms. Kassel stated it would be helpful to put parentheses around unfavorable variances in the notes. Right now, the notes indicate it is unfavorable, but there are no parentheses around any dollar amounts.

Mr. Moyer stated what they need to do is remove "favorable" and "unfavorable" because it makes no sense in that context.

Mr. Berube stated that is correct.

Mr. Moyer stated if it is 237% over budget, then it is 237% over budget. I will take care of that for next month.

Mr. Berube stated in recent months we have picked on Severn Trent a lot, and I want to make a few comments along those lines. I understand there is a difference between Moyer Management Group and Severn Trent. Most of my venom is aimed at Severn Trent. I think the people in Mr. Moyer's office do a good job: Ms. Rosemary Tschinkel, Ms. Brenda Burgess, and Mr. Moyer. With the Severn Trent staff, there are a lot of things that keep adding up and adding up. We discussed the huge 2006 assessment issue and worked it all out and made an agreement for a deal. Now we have \$6,000 in legal bills dealing with that issue this month, and the issue is not completely wrapped up yet. We received a settlement from Severn Trent for \$13,000 because they admitted they made a mistake. Most of that settlement will be eaten up in legal fees. I know Severn Trent is aware they created the problem, but by the time the legal fees are all paid, we did not receive anything from the \$13,000 settlement. Along with other things that irk me about Severn Trent, last month, the checks for Supervisors did not get processed. Three weeks after the meeting, I contacted Ms. Burgess to check on the status. I guess they just forgot. These are the wrong checks to forget the process. Then there are the OUC bills. Severn Trent struggled getting the tax-exempt situation straightened out with OUC. They went back and forth for months, they came to an impasse, Mr. Moyer took it back and gave it to Ms. Burgess and within three days, she had that worked out and got us a \$500 credit from OUC. The employee hiring situation takes too long because they have all their

processes to go through. Mr. Haskett ended up hiring the staff and we do most of that work locally.

Mr. Moyer stated on hiring, that is the way it has to work.

Mr. Berube stated I understand.

Mr. Moyer stated I do not like to nuance things. We are hiring people specifically for Harmony that goes through Mr. Haskett's interview process. Severn Trent is responsible for all of the personnel exposure that goes along with having employees. I do not know how to do it any differently and get to the same point. Mr. Haskett is the person we look to hire the staff, and they need to be the right fit for the Harmony group. Severn Trent posts it on their international website that there is a position open in Harmony, and we do not want to go through all that. These are specifically targeted employees. Frankly for Severn Trent to step up and hire them and fit that into their system is really doing a customer service for us. It just does not fit into their business doing it this way.

Mr. Berube stated I understand it is a big deal and there are personnel matters, and so forth. The whole process of getting that done goes around and around in a circle for three months, and we have gone through this process a couple times. It is the same thing where it ultimately lands on Mr. Haskett's desk and he gets it done. It is very frustrating. You made a comment last month about a situation with a complaint against an employee. I was under the impression that our employees worked at the behest of this Board. It seemed to me that Severn Trent was an intermediate agent just to pass through the salaries and benefits. As clearly explained last month, this Board does not have a lot of control over the employees that we hire and pay for. They clearly do not work at our behest; they work at the behest of someone at Severn Trent. I am not sure we all realized that before. I think we knew it was happening, but that bothers me a little.

Mr. Moyer stated you get great protection from that system.

Mr. Berube stated I know.

Mr. LeMenager stated as far as I know, there is only one person who works for this Board, and that is Mr. Moyer. He is our only employee.

Mr. Berube stated but we are providing the basics for the job. With Severn Trent, not Moyer Management Group, these are things that I have been thinking about over a period of time that are little things but they keep adding up. They become frustrating over a

period of time. My comments are complimentary to Mr. Moyer's staff. What do you think about getting Severn Trent to pay some of the legal bills for the assessment issue?

Mr. Moyer stated I will ask them.

Mr. Berube stated we have to do what we have to do.

Mr. Moyer stated I agree.

Mr. Berube stated it has gotten to be fairly expensive. I think we agreed to the settlement without thinking about the legal fees. I think it is a reasonable request.

Ms. Kassel stated I totaled the February and two March invoices, for a total of \$11,202.75 so far in legal fees. I do not know if we had any billing in January because I did not look back that far, but that is the total for February and March so far.

Mr. Moyer stated I will ask Mr. Qualls to go back and look at all those records and put a summary of legal fees that were incurred by the Board in regard to that issue. I think it has been a good learning experience.

B. Invoice Approval #143 and Check Run Summary

Mr. Moyer reviewed the invoices and check summary, which are included in the agenda package and available for public review in the District Office during normal business hours, and requested approval.

Mr. Walls stated in last month's minutes, we discussed the Robert's Pool invoice for when the pool was out of service. I did not see where we received any type of credit. I want to be sure we follow up on that.

Mr. Haskett stated I followed up on it, and I had already put through that month's invoice, so it will be reflected in the next invoice where they will discount for those weeks.

Mr. Walls stated Mr. Berube mentioned the Luke Brothers invoices for sod, and we know what area that was for. But there was also an invoice for pine trees.

Mr. Haskett stated those were pine trees that were installed at Clay Brick in Ashley Park.

Mr. Berube stated that whole area along the easement up to U.S. 192 looks like the Buttonbush Loop area and is a little sloppy.

Mr. Haskett stated it needs some attention.

Mr. Berube stated there was an invoice from Advanced Telecom Services for \$800 for networking, DVRs and wireless services.

Ms. Kassel stated I thought we already approved it.

Mr. Berube stated I am not sure. Do we now have cable television access to the cameras at the pools? Is that what this networking is for?

Mr. Haskett stated that was networking the security system in with the cameras all together. That was something beyond my scope of ability, so I hired out that work.

Mr. Berube stated that is fine; I just want to know what we did. Does that provide a website address if someone wants to see what is on the cameras? Do we have a website address?

Mr. Haskett stated yes. The question was asked if we can do just one or two cameras, and no, we cannot do that. There is not the technology to be able to do that. You can do all of them or none of them. My concern in allowing someone to view all the cameras is they will know exactly what we can see and find the areas to lurk in the shadows.

Mr. Walls stated they can also tell what areas are covered at what time.

Mr. Berube asked do you have the ability to look at the cameras?

Mr. Haskett stated yes. If someone calls me with an issue, I can look right on my iPhone and see the pools and the people who are there. I can look at it at night to see if people are in the pool at night, and then I can make some calls at that point.

Mr. Berube asked the wireless routers that were installed, was that in the pool areas?

Mr. Haskett stated yes.

Mr. Berube asked are they secure?

Mr. Haskett stated yes.

Mr. Berube asked could we give people the ability to have wireless access at the pool?

Mr. Haskett stated yes.

Mr. Berube stated I think that is a good idea because a lot of phones want to go on 3G or 4G if they are not on a regular network. It will not be a cost to us, so if we can let people know it is available at the pool.

Mr. Haskett stated I will see if we can do it without having to enter a password. If not, we will set up a separate password.

Mr. Berube stated I want to compliment Mr. Haskett on the BrightHouse networks issue. Our bills decreased 60% per month on two of them. I know that was a big challenge.

Mr. Haskett stated it always is with utility companies.

Mr. Berube asked does everything work well?

Mr. Haskett stated yes.

Mr. Berube stated they still do not have it right, though. One invoice has up to one static IP address for \$10 and another one gives up to five static IP addresses for \$5. It does not make sense.

Mr. Haskett stated I will check into it.

Mr. Berube stated it is not a big deal.

Mr. Haskett stated it is, though. It does not make sense.

Mr. Berube stated Mr. Golgowski indicated to me in an email that the Century Link landline phones were shut off.

Mr. Haskett stated there is an invoice in this list that I brought to Mr. Moyer's attention this morning, for \$300 for Luke Brothers that needs to be removed. It is actually an invoice for the development company.

Mr. Moyer stated it is page 113 in the invoices. We will delete that from the approval.

Mr. Berube stated in Severn Trent's invoice, there is still overtime for all three employees. I am not necessarily complaining about overtime for employees if it is needed, but it is also creating an overage on the budget, as noted in the narrative. We walk a fine line, but I would think with three employees, we could certainly manage the overtime. Mr. Haskett may have already addressed it, but I am not terribly sure we need all this overtime.

Mr. Haskett stated I totally agree. What is occurring with overtime is when vacations are taken, someone has to cover, and that has been what is happening. That should back off now, since the staff had to take their vacation days or lose them. They can roll over only 40 hours of vacation as of March 31. Two are on vacation right now so they do not lose the hours.

Mr. Berube stated that was one of the gripes that I heard from the employees was this apparently was sprung on them at the last minute and suddenly we need to have guys out on vacation right now, take it or lose it. That would not make me very happy not knowing it was coming, and I do not think it made them very happy.

Mr. Moyer stated I am sure it was in their personnel manual.

Mr. Haskett stated that is the first thing I said to them.

Mr. Berube stated you may be right, but you know how people can be.

Mr. LeMenager stated remind me again why we have so many electric meters.

Mr. Berube stated everywhere there is an irrigation zone, there needs to be an electric meter. Every place there is a light, there is an electric meter. There is a meter for everything, and many do not get used, but we still pay a meter fee every month.

Mr. LeMenager stated that was sort of my question. The invoice from Fulsome Services is dated July 2011. What was the delay and what was the service provided? It was not very clear.

Mr. Haskett stated it was for lightning that hit the light at the flag pole and needed to be repaired.

Mr. LeMenager asked why did it take so long for us to receive the invoice?

Mr. Haskett stated because they were doing their books in January.

Mr. LeMenager asked did they notice they never billed us for that work?

Mr. Haskett stated yes.

Mr. Berube asked is there a system that someone can verify this? That is a long time ago for Mr. Haskett to remember. Is there some way to go back and check that we did not already pay that?

Mr. Haskett stated yes, I check before I ever forward them to Severn Trent. I do not like seeing them come this late, either, because they can be a problem. I am doing everything I can with spreadsheets to avoid this from happening in the future.

Mr. LeMenager stated the lower water bill was very nice to see.

Mr. Haskett stated you can thank our irrigation technician for that.

Mr. LeMenager stated our irrigation technician may pay for himself very quickly with water bills like this.

Mr. Walls asked did we also get a rate increase?

Mr. Berube stated yes.

Mr. LeMenager stated we obviously pay US Bank a lot of money. This invoice is \$4,700. Are these competitive rates that we are paying for them to manage our money?

Mr. Moyer stated yes, and keep in mind that is an annual invoice.

Mr. LeMenager stated essentially it is \$400 per month for this bank account.

Mr. Berube asked is that the one that has a 4% additional cost included?

Ms. Kassel stated yes.

Mr. Moyer stated what irritates me about trustees, and they are all doing it, is if you look at the yield on our investments, it is ridiculous. There is nothing we can do about it.

On MOTION by Mr. Berube, seconded by Mr. LeMenager, with all in favor, unanimous approval was given to the invoices, deleting the \$300 Luke Brothers invoice on page 113, as discussed.

C. Public Comments/Communication Log

Mr. Moyer reviewed the complaint log as contained in the agenda package and available for public review in the District Office during normal business hours.

D. Website Statistics

Mr. Moyer reviewed the website statistics as contained in the agenda package and available for public review in the District Office during normal business hours.

Mr. Berube stated a surprising number of people go to the website.

SEVENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. Qualls stated the contract with Insight Irrigation is complete and that work will start on April 3, 2012. I want to make a comment but not belabor the issue of this Yahoo exchange. I do not know exactly what that is but it was in the minutes. Mr. LeMenager mentioned there was a discussion on the news group.

Mr. Berube stated it is the community news group.

Mr. Qualls stated I just want to remind everyone that electronic communication like that, if two or more Supervisors were to be communicating back and forth outside of a meeting, that would be a Sunshine violation or could be construed to be a Sunshine violation. Just keep that in mind. The way to handle that is for only one Supervisor to monitor those and make comments but not more than one.

Mr. LeMenager stated the most recent communication that happened was Ms. Kassel asking for a propane provider, and I recommended one to her. A lot of the communication is that kind of stuff, and it is not a Sunshine violation.

Mr. Qualls stated it is absolutely great and important for you to communicate with your constituents, which is acceptable and necessary. I just want to make sure you remember not to comment on District-related issues.

Mr. LeMenager stated we should never reply to any posts another Supervisor makes.

Mr. Qualls stated that is correct.

Mr. Berube stated I have a comment about the legal invoices, which are going to be over budget.

Mr. Evans stated keep in mind that he only responds to our requests. If we call Mr. Qualls and request a legal opinion on something or information, he is only responding to our request. You have to balance that. We set the budget based on what we thought we were going to deal with, and he merely responds.

Mr. Qualls stated thank you for the communication. We need that communication. If you remove the dollars for the assessment matter, we are not even close to being over budget. Beyond that, we do not set the budget but we will work with you as best we can, as we have done in the past. Just to remind you, litigation is expensive, and we provide preventive maintenance.

Mr. Berube stated my concern is, we do a lot of things like proposals and quotes and authorize people to do things. I think it is pretty cut and dry, and I have seen a shift toward everything needing to have legal approval, which generates bills. I do not know what the Insight Irrigation matter will cost, but that was a \$6,000 package that was pretty well detailed. I know you had some input in getting it modified and getting it executed. It seems that virtually everything we do has a legal component. Mr. LeMenager commented last month about the RFP for landscaping and joked that it might cost \$50,000 in legal bills. That was an exaggeration, but I am sure we will spend \$4,000 or \$5,000 or \$10,000 on that. I am not necessarily complaining about the attorney's involvement, but you are expensive to have here and everything you do generates money. Mr. Ken vanAssenderp has input on a lot of issues, as well as the work done by paralegals. I know you are aware what your bill is every month, and so are we. I understand you are selling preventive maintenance, but I am not sure how much preventive maintenance we need.

Mr. Qualls stated I understand. We would have to agree to disagree. I think the more you do up front, the more you will save. Just look at my hourly rate and compare that to other attorneys. I have kept the same rate since I was an associate fresh out of law school, and I have lowered it after comments from Mr. LeMenager when I was fresh out of law school. In any event, I understand your concerns, and I hear you. If there are any line items that you have a problem with, call me and we will do our best to work with you. For me, you are a very important client and I want to keep you happy.

Mr. Berube stated there are no complaints with the services, and it is not particular line items this month. It is the aggregate picture of what happens here. I think we are pretty detailed in how we move forward, and I am not sure how much legal oversight is required.

Mr. Evans stated when everyone took their oath to be on this Board, I typically have a little speech that I give. The moment you took that oath, you took on an enormous amount of personal liability. A lot of people think we are invincible, but we are not. the moment you step outside your role or if you do something that is not within the realm of your authority, you can be held personally liable. That gets seriously ugly. To have an attorney, such as Mr. Qualls, is well worth the insurance that he keeps everyone on the straight and narrow for the authority that we have. It is very narrow. The moment you step out of that realm, you have to cover your own legal bills because the District will not cover you. If you do something outside the realm of what we are supposed to be doing, it can be very serious. There was an elected official in Escambia County who was prosecuted criminally for some acts that he did that he probably thought he was within the right to do and he was not. Sometimes it is like assuming you have too much insurance until you need it.

Mr. Qualls stated I cannot do my job if it is on a limited basis. I will work with you on individual bills, but if you try to limit me and have me look at one thing but not another, I could not do my job. That opens me up for malpractice. Keep that in mind also. We will work with you, but I have to be able to do what the firm needs to do in order to keep you out of harm's way. I cannot do that by not looking at everything.

Mr. Evans stated he is trying to keep us out of jail.

Mr. Berube stated I understand.

B. Engineer

Mr. Boyd stated I wanted to attend this meeting on my own time and thank the Board for assigning the engineering contract to my new company. It has been a real pleasure to serve the Board over the last several years. I am excited and happy to be able to continue to serve you. When you do need my assistance, I will be glad to come and participate in the meetings. If you need me for any reason, my new email address is Steve@BoydCivil.com (*caps only for readability*).

Ms. Kassel stated congratulations on your new business.

Mr. LeMenager stated yes, congratulations.

Mr. Walls stated good luck to you.

Mr. Berube stated glad to have you working with us still.

EIGHTH ORDER OF BUSINESS

Supervisor Requests

Mr. Haskett stated I do have one more issue for you to discuss. When it comes to the access card process, we process maybe 30 to 40 cards per month in addition to the 800+ that have already been issued. What we are running into now is regarding tenants who are on a month-to-month lease. That wreaks havoc with us trying to monitor that. We have asked that they provide a regular lease each time it expires, which we track on a monthly basis, but there are a few individuals who are saying they are not renewing their lease but are on a month-to-month basis. What that would entail is on a monthly basis, we would have to contact the renter or have them contact us to say they are still renting for the next month. The other alternative is to delete their card from the system until they come to us and say they are still renting. That means we have to reactivate their card each month.

Mr. Evans stated I do not believe we can accept a month-to-month lease. I think it needs to be a minimum of seven months.

Ms. Kassel stated someone who lives there for a year and their lease expires, the landlord wants to renew for another year but the tenant is not sure and wants to go month-to-month. They have lived here for a year, and that is legal.

Mr. Berube stated I think there is a fair number of people who just rent a month at a time.

Ms. Kassel stated I do not think it is those people he is talking about.

Mr. Walls stated we had this discussion and Mr. Qualls commented that just because they are violating HOA rules, if they live here in the District, we cannot tell them that they cannot have access to the facilities.

Mr. Qualls stated you can regulate access; you cannot restrict access to any public facility. I always think of a City swimming pool. People have to be able to get in, but they also have to follow the rules. The minute you bring in a glass container, you are out of the pool. That is the answer; you can regulate access, which you have done through your rules. You cannot just say someone is restricted from access unless they have somehow violated those rules.

Mr. Evans stated if they are in a contractual arrangement under the provisions of their lease, as Ms. Kassel indicated changes to month-to-month, they are still under a lease. By being under that binding lease provides them the opportunity for access.

Ms. Kassel asked what if we required a landlord to provide a letter on a quarterly basis saying that they have agreed to extend their lease by another three months?

Mr. Haskett stated what I am trying to get to is, the lease is what triggers us to know whether they are actually still a resident or not, which is the whole point of the cards. We could have 300 cards issued to people who used to rent, which we do. I have a stack of cards from people who have moved and new tenants move in. The only way that triggers for me to know they have moved is if the house is rented again and I can match the address, whereas if they have just left the community and took the card with them, they can still use the facilities, and that happens, unless we have a mechanism to tell us they are still here.

Mr. Evans stated in essence, you are not prohibiting them but you need to see something in writing to validate the status of the lease.

Mr. Haskett stated that is correct.

Mr. Evans stated I do not think that is an unreasonable request.

Mr. Walls asked is your concern the workload that creates every month?

Mr. Haskett stated yes.

Ms. Kassel stated that is why I suggested every three months.

Mr. Haskett stated what several residents have told us is that they are on a month-to-month lease and they do not have a renewed lease. We have their original lease that states the lease term. In my eyes, that lease is no longer valid once it expires because it does not say anything in the lease about going month-to-month or what the process is after it expires.

Mr. Walls stated our rules state that they have to show their lease.

Mr. Haskett stated that is correct.

Mr. Walls stated if they do not show a lease, then they do not get a card.

Ms. Kassel asked do most leases have a provision that says after the lease term, the tenant and landlord may agree to continue the lease on a month-to-month basis?

Mr. Qualls stated I have seen some with that provision.

Mr. LeMenager stated that is not in the standard Florida lease between the landlord and the tenant, which is the one you should be using. They would need to have an addendum to it.

Mr. Qualls stated they should get an addendum to their lease. If they do not have it, then they are not following the rules.

Mr. LeMenager stated if they did not do an addendum, then they do not have a lease.

Mr. Berube stated the reason this is coming up is because the HOA mailed out letters to houses that they believed were being rented, about 150 letters. Some people got a little riled up when they received the letters. I anticipate that there will need to be some action taken with people who are renting houses but do not have a lease. Mr. Haskett wants to know what this Board's thought is as to enforcement of the access card regulations. I think our rules say if you do not have a lease, you do not get an access card.

Ms. Kassel asked what if they have an agreement with their landlord that states that they are continuing their lease for three months, for example? If they bring in a letter from the landlord that says they are extending their lease for three months or whatever term, then you can reactive their card for three months. Once that period is up, their card is deactivated and they will need to come in with another renewal for another three months.

Mr. Haskett stated we are trying to avoid the reactivation/deactivation process. Ms. Tschinkel sent an email to these people giving them 10 days to either provide their new lease or an explanation if they are still living here. Out of 32, we received five responses. Within the next seven days, we will be deactivating cards.

Mr. Evans stated our policies have not changed. We are just looking for something in writing to validate that it is an active lease and they should be here. If they do not want their cards, that is fine.

Mr. Berube asked is that the answer you were looking for, that if they do not have a lease, they do not get a card?

Mr. Haskett stated yes.

Mr. Berube stated a couple months ago, Mr. Haskett mentioned the shade for the swing set and he was going to look into it.

Harmony CDD
March 29, 2012

Mr. Haskett stated we looked into trees, and we will install some trees. I have been waiting for Luke Brothers to get caught up with their contractual obligations. I already have pricing. We will most likely try to install them with our playground equipment.

NINTH ORDER OF BUSINESS

Adjournment

The next meeting will be Thursday, April 26, 2012, at 6:00 p.m.

The meeting adjourned at 10:45 a.m.

Gary L. Moyer, Secretary

Robert D. Evans, Chairman

Fourth Order of Business

4Ci

THE TOWN OF HARMONY

District Dock & Maintenance Activities Report

March 2012 – April 15, 2012

Boat Maintenance

- All boats were cleaned as needed.
- Bass boat placed in service.
- Small pontoon removed from water, in dry dock, renovating deck.

Buck Lake Activities

- First Friday Fishing (April 6th), 20 + in attendance.
- Boat Orientation Class – Held Saturday 7th and 14th, 6 attended.

Facility / Park Maintenance Activities

- Facility maintenance on schedule.
- Water Feature – wye strainers cleaned, diaphragms inspected & clock time reset.
- Routine cleaning activities – Including restrooms, trash and doggie potty removal.
- Reported to OUC various streetlight outages.
- Inspected facilities for cleanliness and/or damage after each scheduled event.
- Pressure washed sidewalks Town Square and Five Oaks Drive to Sebastian Bridge.
- Replaced light bulbs at the 192 tunnel.
- Lakeshore Park Bathroom doors replaced.
- Replacement drinking fountains ordered. 4-6 week delivery date.

Irrigation Maintenance

- Continue to replace broken irrigation heads. Hot spots throughout the property evident by lack of rainfall.
- Insight inspections April 3rd and 10th found 20 valves that were covered by turf and/or dirt. Mapping process and training are going well.
- Replaced irrigation controller faceplate at Buttonbush Loop Park. Repaired all broken lines and heads.
- Replaced electrical breaker at Primrose Willow Park and reset controller. Found 3 buried valves and replaced 1 solenoid.

4Cii

Seventh Order of Business

7A

**Harmony
Community Development District**

Financial Report

March 31, 2012

Prepared by



**Harmony
Community Development District**

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**Harmony
Community Development District**

Financial Statements

(Unaudited)

March 31, 2012

Balance Sheet
March 31, 2012

<u>ACCOUNT DESCRIPTION</u>	<u>GENERAL FUND</u>	<u>2001 DEBT SERVICE FUND</u>	<u>2004 DEBT SERVICE FUND</u>	<u>2004 CAPITAL PROJECTS FUND</u>	<u>TOTAL</u>
ASSETS					
Cash - Checking Account	\$ 63,841	\$ -	\$ -	\$ -	\$ 63,841
Cash On Hand/Petty Cash	500	-	-	-	500
Assessments Receivable	90,035	-	-	-	90,035
Interest/Dividend Receivables	1,065	-	-	-	1,065
Due From Other Funds	-	9,850	-	-	9,850
Investments:					
Certificates of Deposit - 36 Months	127,778	-	-	-	127,778
Money Market Account	480,242	-	-	-	480,242
Construction Fund	-	-	-	62,823	62,823
Prepayment Account	-	3,750	3,229	-	6,979
Reserve Fund	-	1,416,606	859,953	-	2,276,559
Revenue Fund	-	599,187	47,729	-	646,916
Prepaid Items	1,031	-	-	-	1,031
TOTAL ASSETS	\$ 764,492	\$ 2,029,393	\$ 910,911	\$ 62,823	\$ 3,767,619
LIABILITIES					
Accounts Payable	\$ 58,826	\$ -	\$ -	\$ -	\$ 58,826
Accrued Expenses	33,705	-	-	-	33,705
Deferred Revenue	13,872	-	-	-	13,872
Due To Other Funds	9,851	-	-	-	9,851
TOTAL LIABILITIES	116,254	-	-	-	116,254
FUND BALANCES					
<i>Unspendable:</i>					
Prepaid Items	\$ 1,031	\$ -	\$ -	\$ -	\$ 1,031
<i>Restricted For:</i>					
Debt Service	-	2,029,393	910,911	-	2,940,304
Operating Reserve	-	-	-	62,823	62,823
Assigned to:					
Operating Reserves	350,000	-	-	-	350,000
Reserves - Renewal & Replacement	135,000	-	-	-	135,000
Reserves - Renewal & Replacement	50,000	-	-	-	50,000
<i>Unassigned:</i>	112,207	-	-	-	112,207
TOTAL FUND BALANCES	\$ 648,238	\$ 2,029,393	\$ 910,911	\$ 62,823	\$ 3,651,365
TOTAL LIABILITIES & FUND BALANCES	\$ 764,492	\$ 2,029,393	\$ 910,911	\$ 62,823	\$ 3,767,619

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Period Ending March 31, 2012

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	VARIANCE (\$) FAV(UNFAV)
REVENUES				
Interest - Investments	\$ 1,500	\$ 750	\$ 1,760	\$ 1,010
Interest - Tax Collector	-	-	25	25
Special Assmnts- Tax Collector	622,472	518,725	334,482	(184,243)
Special Assmnts- CDD Collected	913,955	456,978	456,977	(1)
Special Assmnts- Discounts	(24,900)	(20,750)	(12,948)	7,802
Other Miscellaneous Revenues	-	-	1,410	1,410
TOTAL REVENUES	1,513,027	955,703	781,706	(173,997)
EXPENDITURES				
Administrative				
P/R-Board of Supervisors	9,600	4,800	4,000	800
FICA Taxes	734	366	306	60
ProfServ-Arbitrage Rebate	1,200	1,200	600	600
ProfServ-Dissemination Agent	500	500	500	-
ProfServ-Engineering	15,000	7,500	3,583	3,917
ProfServ-Legal Services	23,000	11,502	19,357	(7,855)
ProfServ-Mgmt Consulting Serv	55,984	27,990	27,992	(2)
ProfServ-Property Appraiser	779	779	-	779
ProfServ-Special Assessment	11,822	11,822	11,822	-
ProfServ-Trustee	11,000	11,000	9,186	1,814
Auditing Services	8,000	8,000	4,000	4,000
Communication - Telephone	380	192	7	185
Postage and Freight	1,200	600	478	122
Insurance - General Liability	23,733	23,733	23,262	471
Printing and Binding	5,000	2,502	2,841	(339)
Legal Advertising	1,000	498	158	340
Misc-Assessmnt Collection Cost	12,449	10,375	6,431	3,944
Misc-Contingency	2,800	1,398	60	1,338
Office Supplies	1,500	750	347	403
Annual District Filing Fee	175	175	175	-
Total Administrative	185,856	125,682	115,105	10,577
Field				
ProfServ-Field Management	109,839	50,381	52,226	(1,845)
Total Field	109,839	50,381	52,226	(1,845)

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Period Ending March 31, 2012

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	VARIANCE (\$) FAV(UNFAV)
Landscape				
R&M-Grounds	32,994	16,500	9,559	6,941
R&M-Irrigation	15,767	15,767	22,426	(6,659)
R&M-Tree Trimming Services	15,000	7,500	-	7,500
R&M-Trees and Trimming	21,115	10,557	9,558	999
R&M-Turf Care	283,001	141,504	139,001	2,503
R&M-Shrub Care	110,539	55,272	53,769	1,503
Miscellaneous Services	10,000	4,998	28,026	(23,028)
Total Landscape	488,416	252,098	262,339	(10,241)
Utilities				
Electricity - General	35,000	17,502	13,071	4,431
Electricity - Streetlighting	385,000	192,498	189,088	3,410
Utility - Water & Sewer	105,000	52,500	42,351	10,149
Total Utilities	525,000	262,500	244,510	17,990
Operation & Maintenance				
Contracts-Lake and Wetland	35,000	17,502	17,095	407
Communication - Telephone	8,000	4,002	2,172	1,830
R&M-Common Area	18,806	9,402	8,485	917
R&M-Equipment	15,000	7,500	6,613	887
R&M-Pools	70,000	34,998	43,441	(8,443)
R&M-Roads & Alleyways	1,000	498	4,041	(3,543)
R&M-Sidewalks	6,000	3,000	-	3,000
R&M-Parks & Amenities	8,500	4,248	1,534	2,714
R&M-Hardscape Cleaning	6,000	3,000	2,836	164
Misc-Contingency	15,610	7,806	26,685	(18,879)
Misc-Security Enhancements	5,000	-	854	(854)
Cap Outlay - Other	15,000	-	-	-
Total Operation & Maintenance	203,916	91,956	113,756	(21,800)
TOTAL EXPENDITURES	1,513,027	782,617	787,936	(5,319)
Excess (deficiency) of revenues Over (under) expenditures	-	173,086	(6,230)	(179,316)
Net change in fund balance	\$ -	\$ 173,086	\$ (6,230)	\$ (179,316)
FUND BALANCE, BEGINNING (OCT 1, 2011)	654,468	654,468	654,468	
FUND BALANCE, ENDING	\$ 654,468	\$ 827,554	\$ 648,238	

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Period Ending March 31, 2012

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	VARIANCE (\$) FAV(UNFAV)
REVENUES				
Interest - Investments	\$ 800	\$ 402	\$ 373	\$ (29)
Special Assmnts- Tax Collector	1,037,460	864,550	560,903	(303,647)
Special Assmnts- CDD Collected	432,195	312,185	312,185	-
Special Assmnts- Discounts	(41,498)	(34,580)	(21,713)	12,867
TOTAL REVENUES	1,428,957	1,142,557	851,748	(290,809)
EXPENDITURES				
Administrative				
Misc-Assessmnt Collection Cost	20,749	17,290	10,784	6,506
Total Administrative	20,749	17,290	10,784	6,506
Debt Service				
Principal Debt Retirement	325,000	-	-	-
Principal Prepayments	-	-	30,000	(30,000)
Interest Expense	1,098,375	549,187	549,188	(1)
Total Debt Service	1,423,375	549,187	579,188	(30,001)
TOTAL EXPENDITURES	1,444,124	566,477	589,972	(23,495)
Excess (deficiency) of revenues Over (under) expenditures	(15,167)	576,080	261,776	(314,304)
Net change in fund balance	\$ (15,167)	\$ 576,080	\$ 261,776	\$ (314,304)
FUND BALANCE, BEGINNING (OCT 1, 2011)	1,767,617	1,767,617	1,767,617	
FUND BALANCE, ENDING	\$ 1,752,450	\$ 2,343,697	\$ 2,029,393	

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Period Ending March 31, 2012

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	VARIANCE (\$) FAV(UNFAV)
REVENUES				
Interest - Investments	\$ 800	\$ 396	\$ 1,725	\$ 1,329
Special Assmnts- CDD Collected	1,197,400	-	-	-
TOTAL REVENUES	1,198,200	396	1,725	1,329
EXPENDITURES				
Debt Service				
Principal Debt Retirement	245,000	-	-	-
Interest Expense	985,500	492,750	492,750	-
Total Debt Service	1,230,500	492,750	492,750	-
TOTAL EXPENDITURES	1,230,500	492,750	492,750	-
Excess (deficiency) of revenues Over (under) expenditures	(32,300)	(492,354)	(491,025)	1,329
Net change in fund balance	\$ (32,300)	\$ (492,354)	\$ (491,025)	\$ 1,329
FUND BALANCE, BEGINNING (OCT 1, 2011)	1,401,936	1,401,936	1,401,936	
FUND BALANCE, ENDING	\$ 1,369,636	\$ 909,582	\$ 910,911	

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Period Ending March 31, 2012

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	VARIANCE (\$) FAV(UNFAV)
REVENUES				
Interest - Investments	\$ -	\$ -	\$ 16	\$ 16
TOTAL REVENUES	-	-	16	16
EXPENDITURES				
TOTAL EXPENDITURES	-	-	-	-
Excess (deficiency) of revenues Over (under) expenditures	-	-	16	16
Net change in fund balance	\$ -	\$ -	\$ 16	\$ 16
FUND BALANCE, BEGINNING (OCT 1, 2011)	-	-	62,807	
FUND BALANCE, ENDING	\$ -	\$ -	\$ 62,823	

Notes to the Financial Statements
March 31, 2012

General Fund

▶ **Assets**

- **Cash and Investments** - See Cash and Investment Report on page 12 for further details.
- **Assessments Receivable** - Delinquent assessments from FY2006 and Birchwood Acres for March 2012.
- **Interest Receivable** - Accrued interest earned on CD.

▶ **Liabilities**

- **Accounts Payable** - Expenditures paid in April 2012.
- **Accrued Expenses** -

OUC Electricity - General	\$ 2,000
OUC - Streetlighting	31,705
Total	\$ 33,705

- **Deferred Revenue** - Delinquent assessments from FY2006.
- **Due to Other Funds** - Assessments received in March and transferred to Debt Service Fund in April.

Debt Service Funds

▶ **Assets**

- **Cash and Investments** - See Cash and Investment Report on page 12 for further details.

Capital Project Funds

▶ **Assets**

- **Cash and Investments** - See Cash and Investment Report on page 12 for further details.

Miscellaneous Notes

- ▶ Principal prepayments were made in November 2011 for Series 2001 in the amount of \$30,000.
- ▶ Per the Board's direction, the Tax Collector has received the appropriate certificate of correction and will be amending the relevant 2011 combined notices and that affected property owners will be receiving a refund for FY2006 delinquent assessments, in January.

The notes are intended to provide additional information helpful when reviewing the financial statements.

Notes to the Financial Statements
March 31, 2012

General Fund

Financial Overview / Highlights

- ▶ FY 2012 Assessments collected by the tax collector are at approximately 53% compared to 51% last year at this time.
- ▶ Total general fund expenditures are at approximately 101% of the YTD (prorated) budget. Significant variances are explained below.

General Fund - Revenues and Expenditures

Account Name	YTD Budget	YTD Actual	Variance (%)	Explanation
Revenues				
Interest - Investments	\$ 750	\$ 1,760	235%	Interest earned on operating and investment accounts
Expenditures				
<u>Administration</u>				
ProfServ - Legal Services	\$11,502	\$19,357	168%	Young van Assenderp, P.A. - Invoices as of February 2012. Unfavorable variance due to review of assessment issues.
Insurance - General Liability	\$23,733	\$23,262	98%	Public Risk Agency - Paid in Full for FY 2012.
Printing and Binding	\$2,502	\$2,841	114%	Over Budget: Copies used in the preparation of agenda packages. Details have been provided by recording department.
Misc. - Contingency	\$1,398	\$60	4%	Bank Fee for Debit Card account.
<u>Field</u>				
ProfServ-Field Management	\$50,831	\$52,226	103%	Over Budget: Payroll and overhead costs for full-time field manager/dockmaster and assistant field manager. Unfavorable variance due to approximately 10 hours overtime from both Field Manager and Assistant.

Notes to the Financial Statements
March 31, 2012

General Fund

Expenditures (continued)

<u>Account Name</u>	<u>YTD Budget</u>	<u>YTD Actual</u>	<u>Variance (%)</u>	<u>Explanation</u>
<u>Landscape</u>				
R&M - Irrigation	\$15,767	\$22,426	142%	Over Budget: Line item includes 2 mos for Luke Bros Inc. monthly fee for irrigation and maintenance (The contract for this service ended in December 2011) and additional irrigation repairs through Jan 2012 for approx. \$2,700. Monthly fees from Maxi-com and Walker Tech. In October 2011, invoice from Harmony Golf Preserve - reimbursement for 50% of the weather station repair. Invoices through March 2012 from FIS Outdoor, for irrigation supplies are approx. \$2,855. Unfavorable variance due to expenditure for \$7,323 from Clarke Equipment for utility vehicle.
Miscellaneous Services	\$4,998	\$20,026	401%	Over Budget: Invoices from Luke Brothers Inc. for installation of mulch, Holly, Palmetto, Birch, Bahia grass and various trees within the District. Unfavorable variance due to recent invoice for seasonal tree pruning for \$13k in March 2012. (As per proposal) Expenditures have exceeded budgeted amount.
<u>Operation & Maintenance</u>				
R&M-Pools	\$34,998	\$43,441	124%	Unfavorable variance due to invoice from Classic Marcite for installation of quartz in pool and due to timing of budget allocation.
R&M-Roads & Alleyways	\$498	\$4,041	811%	Unfavorable variance due to invoice from Florida Site & Seed, Inc. for emergency pipe repair in Cypress Neighborhood.
R&M-Hardscape Cleaning	\$2,500	\$2,836	113%	Invoice from Ledesma Innovations Inc. for pressure washing post and rails within the District. Unfavorable variance due to timing of budget allocation.
Misc-Contingency	\$7,806	\$26,685	342%	Invoices for employee uniforms and gate for storage facility. Unfavorable variance due to invoice from Creative Shade Solutions Inc. for shade structures within the District.
Misc-Security Enhancements	\$0	\$854	113%	Invoice from ID Wholesaler for ID Badge, DVR, wireless router and internet service for security.

Notes to the Financial Statements
March 31, 2012

Debt Service Fund Series 2001

<u>Account Name</u>	<u>YTD Budget</u>	<u>YTD Actual</u>	<u>Variance (%)</u>	<u>Explanation</u>
Revenues				
Interest - Investments	\$ 402	\$ 373	93%	Interest earned on operating and investment accounts
Special Assmnts - Tax Collector	\$ 864,550	\$ 560,903	65%	Non-Ad Valorem assessment collected by the tax collector on all the platted parcel.

Debt Service Fund Series 2004

<u>Account Name</u>	<u>YTD Budget</u>	<u>YTD Actual</u>	<u>Variance (%) Fav (Unfav)</u>	<u>Explanation</u>
Revenues				
Interest - Investments	\$ 396	\$ 1,725	436%	Interest earned on operating and investment accounts

Harmony

Community Development District

Non-Ad Valorem Special Assessments
Osceola County Tax Collector - Monthly Collection Report
For the Fiscal Year Ending September 30, 2012

Date Received	Net Amount Received	Discount/ (Penalties) Amount	Collection Cost	Gross Amount Received	Allocation by Fund		
					General Fund Assessments	Series 2001 Debt Service Fund Assessments	
ASSESSMENTS LEVIED FY 2012					\$ 1,703,448	\$ 622,472	\$ 1,031,779
Allocation %					100%	36.54%	(1) 60.57%
11/08/11	\$ 2,383	\$ 135	\$ 49	\$ 2,567	\$ 959	\$ 1,608	
11/23/11	40,419	1,718	825	42,963	16,049	26,914	
12/14/11	676,916	28,780	13,815	719,511	268,782	450,729	
12/30/11	70,550	2,929	1,440	74,919	27,987	46,932	
01/09/12	9,691	306	198	10,195	3,808	6,386	
02/16/12	27,824	635	567	29,026	10,843	18,183	
03/15/12	15,320	158	313	15,790	5,899	9,892	
03/15/12	405	-	8	413	154	259	
TOTAL	\$ 843,508	\$ 34,662	\$ 17,214	\$ 895,384	\$ 334,482	\$ 560,902	
% COLLECTED					52.56%	52.56%	52.56%
TOTAL OUTSTANDING					\$ 808,064	\$ 287,990	\$ 470,877

Note (1) Difference with Budget is due to prepayments of debt

Harmony

Community Development District

Cash and Investment Report March 31, 2012

General Fund

<u>Account Name</u>	<u>Bank Name</u>	<u>Investment Type</u>	<u>Maturity</u>	<u>Yield</u>	<u>Balance</u>
Checking Account- Operating	CenterState Bank	Interest Bearing Account	n/a	0.05% / 0.15%	\$61,567
Checking Account	BankUnited	Business Checking Account	n/a	n/a	\$100
Checking Account	CenterState Bank	Business Checking Account	n/a	0.23%	\$2,174
				Subtotal	\$63,841
Cash On Hand		Petty Cash	n/a	n/a	\$500
Certificate of Deposit	CenterState Bank	36 month CD	7/6/2014	1.25%	\$127,778
Money Market Account	CenterState Bank	Money Market Account	n/a	0.15%	\$277,691
Money Market Account	Florida Shores Bank	Money Market Account	n/a	0.67%	\$101,689
Money Market Account	BankUnited	Money Market Account	n/a	0.70%	\$100,862
				Subtotal	\$480,242

Debt Service and Capital Projects Funds

<u>Account Name</u>	<u>Bank Name</u>	<u>Investment Type</u>	<u>Maturity</u>	<u>Yield</u>	<u>Balance</u>
Series 2001 Prepayment Fund	US Bank	US Bank Open-Ended Commercial Paper	n/a	0.15%	\$3,750
Series 2001 Reserve Fund	US Bank	US Bank Open-Ended Commercial Paper	n/a	0.15%	\$1,416,606
Series 2001 Revenue Fund	US Bank	US Bank Open-Ended Commercial Paper	n/a	0.15%	\$599,187
Series 2004 Prepayment Fund	US Bank	US Bank Open-Ended Commercial Paper	n/a	0.15%	\$3,229
Series 2004 Reserve Fund	US Bank	US Bank Open-Ended Commercial Paper	n/a	0.15%	\$859,953
Series 2004 Revenue Fund	US Bank	US Bank Open-Ended Commercial Paper	n/a	0.15%	\$47,729
Series 2004 Construction Fund	US Bank	US Bank Open-Ended Commercial Paper	n/a	0.15%	\$62,823
				Subtotal	\$2,993,277
				Total	\$3,665,638

**Harmony
Community Development District**

**Monthly Debit Card Purchases
March 31, 2012**

Date	Vendor	Description	Amount
3/6/2012	North South Supply	Irrigation Supplies	17.75
3/7/2012	North South Supply	Irrigation Supplies	27.88
3/12/2012	Sunoco	Equipment Fuel	140.00
3/12/2012	Tractor Supply Co.	Golf Cart Maintenance	55.97
3/26/2012	Sunoco	Equipment Fuel	140.00
		Total	\$ 381.60

7B

Community Development District

Invoice Approval Report # 144

April 16, 2012

Payee	Invoice Number	A= Approval R= Ratification	Invoice Amount
<u>ADVANCED MARINE SERVICES</u>	5744	A	\$ 244.74
	56999	A	\$ 194.67
	56991	A	\$ 66.99
	57033	A	\$ 48.12
			Vendor Total
<u>AT & T</u>	993377858X03262012	R	\$ 276.23
	993377858X02262012	R	\$ 268.64
			Vendor Total
<u>A-Z BACKFLOW INC.</u>	12-300A	R	\$ 343.50
		Vendor Total	\$ 343.50
<u>BIO-TECH CONSULTING INC</u>	14041	A	\$ 1,530.00
	14073	A	\$ 1,530.00
			Vendor Total
<u>BRIGHT HOUSE NETWORKS</u>	032012-41601	R	\$ 49.95
		Vendor Total	\$ 49.95
<u>BROWARD COUNTY</u>	041012-47856	R	\$ 33.10
		Vendor Total	\$ 33.10
<u>CENTURY LINK</u>	312281648	R	\$ 50.43
	032512-08324	R	\$ 45.88
			Vendor Total
<u>CITY OF ST CLOUD</u>	030912	R	\$ 33,705.37
		Vendor Total	\$ 33,705.37
<u>FEDEX</u>	7-835-58334	R	\$ 57.35
		Vendor Total	\$ 57.35
<u>FIS OUTDOOR</u>	2792670-00	R	\$ 297.55
	2797572-02	R	\$ 120.00
	2792670-01	R	\$ 10.75
	2797572-00	R	\$ 566.29
	2797572-01	R	\$ 126.25
			Vendor Total

Community Development District

Invoice Approval Report # 144

April 16, 2012

Payee	Invoice Number	A= Approval R= Ratification	Invoice Amount
<u>GRAU & ASSOCIATES</u>	8892	A	\$ 3,500.00
		Vendor Total	<u>\$ 3,500.00</u>
<u>HOME DEPOT CREDIT SERVICES</u>	24534	R	\$ 223.93
	4012420	R	\$ 88.15
	9166347	R	\$ 216.81
	6055109	R	\$ 34.14
	8013112	R	\$ 111.06
	4026747	R	\$ 90.88
	4014813	R	\$ 66.72
		Vendor Total	<u>\$ 831.69</u>
<u>KISSIMMEE UTILITY AUTHORITY</u>	032612	R	\$ 6,715.72
	040212-33920	R	\$ 196.00
		Vendor Total	<u>\$ 6,911.72</u>
<u>LUKE BROTHERS INC.</u>	1203-93461	A	\$ 36,220.75
	J016761	A	\$ 320.00
	J016762	A	\$ 1,712.50
	J016763	A	\$ 441.50
	J016764	A	\$ 268.50
		Vendor Total	<u>\$ 38,963.25</u>
<u>OSCEOLA WINDOW & DOOR CO.</u>	031412	R	\$ 878.00
		Vendor Total	<u>\$ 878.00</u>
<u>RENTAL WORLD OF ST CLOUD</u>	02-148354-01	R	\$ 4.00
	02-147460-01	R	\$ 399.00
		Vendor Total	<u>\$ 403.00</u>
<u>ROBERTS POOL SERVICE & REPAIR</u>	030112	A	\$ 990.00
		Vendor Total	<u>\$ 990.00</u>
<u>SEVERN TRENT ENVIRONMENTAL SERVICES</u>	2059644	A	\$ 14,651.03
		Vendor Total	<u>\$ 14,651.03</u>
<u>SPIES POOL LLC</u>	234533	A	\$ 508.75
	234371	A	\$ 277.75
	235170	A	\$ 265.00
		Vendor Total	<u>\$ 1,051.50</u>

Invoice Approval Report # 144

April 16, 2012

Payee	Invoice Number	A= Approval R= Ratification	Invoice Amount
<u>SYMBIONT SERVICE CORP.</u>	55508	A	\$ 98.55
	55537	A	\$ 95.00
Vendor Total			\$ 193.55
<u>THE SHERWIN -WILLIAMS CO</u>	6310-7	R	\$ 47.67
		Vendor Total	
<u>WALKER TECHNICAL SERVICES</u>	1003	A	\$ 250.00
		Vendor Total	
<u>YOUNG VAN ASSENDERP, P.A.</u>	11729	A	\$ 1,844.39
		Vendor Total	
Total			\$ 110,081.61
			Total \$ 110,081.61

**Harmony
Community Development District**

Check Register

March - March 31, 2012

Harmony CDD
 Check Register by Fund
 For the Period from 3/1/2012 to 3/31/2012
 (Sorted by Check No.)

Fund No.	Check No.	Check Date	Payee	Invoice No.	Invoice Description	G/L Account Name	G/L Account #	Check Amount
GENERAL FUND - 001								
001	52593	03/29/12	ADVANCED MARINE SERVICES	56896	MILDREW REMOVER	R&M-Equipment	546022-53910	\$62.01
001	52605	03/30/12	AT & T	993377858	2/19-3/18	Communication - Telephone	541003-53910	\$276.23
001	52591	03/21/12	A-Z BACKFLOW INC.	12-300A	BACKFLOW TESTING	R&M-Parks & Amenities	546135-53910	\$343.50
001	52594	03/29/12	BIO-TECH CONSULTING INC	13670	AQUATIC PLANT MAINT-NOV	Contracts-Lake and Wetland	534021-53910	\$1,530.00
001	52594	03/29/12	BIO-TECH CONSULTING INC	13870	AQUATIC PLANT MAINT-DEC,JAN	Contracts-Lake and Wetland	534021-53910	\$1,530.00
001	52594	03/29/12	BIO-TECH CONSULTING INC	13870	AQUATIC PLANT MAINT-DEC,JAN	Contracts-Lake and Wetland	534021-53910	\$1,530.00
001	52578	03/07/12	BRIGHT HOUSE NETWORKS	022012-416401	#1046416-01 2/28-3/27	Misc-Security Enhancements	549911-53910	\$41.57
001	52583	03/13/12	BRIGHT HOUSE NETWORKS	022912-46415	#1046415-01 3/6-4/5	R&M-Common Area	546016-53910	\$9.90
001	52606	03/30/12	BRIGHT HOUSE NETWORKS	032012-41601	#1046416-01 3/28-4/27	R&M-Common Area	546016-53910	\$49.95
001	52579	03/07/12	BULL BAY NURSERY LLC	664	10 PINE TREES	Miscellaneous Services	549001-53902	\$210.00
001	52584	03/13/12	CENTURY LINK	022512-08324	#311908324 2/25-3/24	Communication - Telephone	541003-53910	\$45.88
001	52584	03/13/12	CENTURY LINK	030412-58819	#312158819 3/4-4/3	Communication - Telephone	541003-53910	\$45.88
001	52587	03/16/12	CENTURY LINK	312281648	#312281648 3/7-4/6	Communication - Telephone	541003-53910	\$50.43
001	52588	03/16/12	CITY OF ST CLOUD	030912	BILLING PERIOD 2/8-3/8	Electricity - Streetlighting	543013-53903	\$31,478.78
001	52588	03/16/12	CITY OF ST CLOUD	030912	BILLING PERIOD 2/8-3/8	Electricity - General	543006-53903	\$2,226.59
001	52585	03/13/12	FEDEX	7-812-74715	#0012-7 2/24	Postage and Freight	541006-51301	\$7.97
001	52585	03/13/12	FEDEX	7-805-46929	#0012-7 2/17-2/22	Postage and Freight	541006-51301	\$15.33
001	52560	03/07/12	FIS OUTDOOR	2753582-00	IRRIGATION SUPPLIES	R&M-Irrigation	546041-53902	\$771.84
001	52560	03/07/12	FIS OUTDOOR	CR2753582-00	OVERCHARGE	R&M-Irrigation	546041-53902	(\$20.00)
001	52560	03/07/12	FIS OUTDOOR	2781796-00	IRRIGATION SUPPLIES	R&M-Irrigation	546041-53902	\$425.91
001	52560	03/07/12	FIS OUTDOOR	2778595-00	IRRIGATION SUPPLIES	R&M-Irrigation	546041-53902	\$1,206.83
001	52560	03/07/12	FIS OUTDOOR	CR2782895-00	RETURNS	R&M-Irrigation	546041-53902	(\$183.62)
001	52595	03/29/12	FOLSOM SERVICES INC	0000008860	REPAIRED LIGHT FIXTURE/FLAGPOLE	Misc-Contingency	549900-53910	\$895.04
001	52586	03/13/12	GRAINGER	9738059629	SUPPLIES	R&M-Common Area	546016-53910	\$546.75
001	52589	03/16/12	GRAINGER	9772768496	FLOODLIGHTS	R&M-Common Area	546016-53910	\$85.93
001	52596	03/29/12	GRAU & ASSOCIATES	8723	FY 2011 AUDIT PROGRESS BILLING	Auditing Services	532002-51301	\$4,000.00
001	52597	03/29/12	GUSTAVO GONZALEZ	215	3 DVR/S3 ACCESS CONTROL SYST/WIRELESS ROUTERS	Misc-Security Enhancements	549911-53910	\$800.00
001	52592	03/26/12	HOME DEPOT CREDIT SERVICES	24534	LAKESHORE PARK BATHROOMS	R&M-Parks & Amenities	546135-53910	\$223.93
001	52592	03/26/12	HOME DEPOT CREDIT SERVICES	4012420	LAKESHORE PARK BATHROOMS	R&M-Parks & Amenities	546135-53910	\$88.15
001	52592	03/26/12	HOME DEPOT CREDIT SERVICES	9166347	BASS BOOT REPAIRS	R&M-Equipment	546022-53910	\$216.81
001	52592	03/26/12	HOME DEPOT CREDIT SERVICES	6055109	MISC IRRIGATION SUPPLIES	R&M-Irrigation	546041-53902	\$34.14
001	52592	03/26/12	HOME DEPOT CREDIT SERVICES	4026747	MISC MAINT ITEMS	R&M-Common Area	546016-53910	\$90.88
001	52592	03/26/12	HOME DEPOT CREDIT SERVICES	4014813	HARDWARE/SEASONAL GARDEN	R&M-Common Area	546016-53910	\$86.72
001	52592	03/26/12	HOME DEPOT CREDIT SERVICES	8013112	PAINT/HARDWARE	R&M-Common Area	546016-53910	\$111.06
001	52582	03/07/12	KISSIMMEE UTILITY AUTHORITY	022412	BILLING PERIOD 1/18-2/16	Utility - Water & Sewer	543021-53903	\$7,287.07
001	52607	03/30/12	KISSIMMEE UTILITY AUTHORITY	032612	BILLING PERIOD 2/16-3/18	Utility - Water & Sewer	543021-53903	\$6,715.72

Harmony CDD
Check Register by Fund
For the Period from 3/1/2012 to 3/31/2012
(Sorted by Check No.)

Fund No.	Check No.	Check Date	Payee	Invoice No.	Invoice Description	G/L Account Name	G/L Account #	Check Amount
001	52598	03/29/12	LUKE BROTHERS INC.	J015167	LANDSCAPE WORK:INST TREES/GRASS ETC.	Miscellaneous Services	549001-53902	\$3,352.00
001	52598	03/29/12	LUKE BROTHERS INC.	J015262	LANDSCAPE WORK:INST TREES/GRASS ETC.	Miscellaneous Services	549001-53902	\$2,085.64
001	52598	03/29/12	LUKE BROTHERS INC.	J016264	LANDSCAPE WORK:INST LAUREL/FIRE BRUSH/FLOWERS	Miscellaneous Services	549001-53902	\$594.50
001	52598	03/29/12	LUKE BROTHERS INC.	J016265	LANDSCAPE WORK:INST RED OAK/TREE/FLOWERS	Miscellaneous Services	549001-53902	\$1,014.50
001	52598	03/29/12	LUKE BROTHERS INC.	J016263	LANDSCAPE WORK:INST OF GARLIC/HAWTHORNE/FIRE BR	Miscellaneous Services	549001-53902	\$555.00
001	52598	03/29/12	LUKE BROTHERS INC.	1202-93245	MTHLY LAWN SERVICE-FEB	R&M-Turf Care	546130-53902	\$7,833.07
001	52598	03/29/12	LUKE BROTHERS INC.	1202-93245	MTHLY LAWN SERVICE-FEB	R&M-Turf Care	546130-53902	\$9,943.13
001	52598	03/29/12	LUKE BROTHERS INC.	1202-93245	MTHLY LAWN SERVICE-FEB	R&M-Turf Care	546130-53902	\$2,474.38
001	52598	03/29/12	LUKE BROTHERS INC.	1202-93245	MTHLY LAWN SERVICE-FEB	R&M-Turf Care	546130-53902	\$2,816.18
001	52598	03/29/12	LUKE BROTHERS INC.	1202-93245	MTHLY LAWN SERVICE-FEB	R&M-Turf Care	546130-53902	\$1,699.50
001	52598	03/29/12	LUKE BROTHERS INC.	1202-93245	MTHLY LAWN SERVICE-FEB	R&M-Shrub Care	546131-53902	\$8,961.56
001	52598	03/29/12	LUKE BROTHERS INC.	1202-93245	MTHLY LAWN SERVICE-FEB	R&M-Trees and Trimming	546099-53902	\$1,592.93
001	52598	03/29/12	LUKE BROTHERS INC.	1202-93245	MTHLY LAWN SERVICE-FEB	R&M-Grounds	546037-53902	\$800.00
001	52598	03/29/12	LUKE BROTHERS INC.	J016470	TREE WORK	Miscellaneous Services	549001-53902	\$13,000.00
001	52590	03/19/12	OSCEOLA WINDOW & DOOR CO.	031412	LAKESHORE PARK RESTROOM PROJECT	R&M-Parks & Amenities	546135-53910	\$878.00
001	52599	03/29/12	RENTAL WORLD OF ST CLOUD	02-146079-03	STRIPPER,GAS FLOOR SCARIFER	R&M-Equipment	546022-53910	\$97.50
001	52599	03/29/12	RENTAL WORLD OF ST CLOUD	02-146561-02	TRENCHER	R&M-Equipment	546022-53910	\$112.50
001	52600	03/29/12	ROBERTS POOL SERVICE & REPAIR	021512	POOL MAINT-FEB	R&M-Pools	546074-53910	\$1,180.00
001	52600	03/29/12	ROBERTS POOL SERVICE & REPAIR	020212	VALVE REPLACED-IFOUNTAIN @LAKESHORE PARK	R&M-Pools	546074-53910	\$125.00
001	52601	03/29/12	SEVERN TRENT ENVIRONMENTAL SERVICES	2059112	MGT FEES-FEB	ProfServ-Mgmt Consulting Serv	531027-51201	\$4,665.33
001	52601	03/29/12	SEVERN TRENT ENVIRONMENTAL SERVICES	2059112	MGT FEES-FEB	ProfServ-Field Management	531016-53901	\$9,397.16
001	52601	03/29/12	SEVERN TRENT ENVIRONMENTAL SERVICES	2059112	MGT FEES-FEB	ProfServ-Field Management	531018-53901	\$627.60
001	52601	03/29/12	SEVERN TRENT ENVIRONMENTAL SERVICES	2059112	MGT FEES-FEB	Postage and Freight	541006-51301	\$15.74
001	52601	03/29/12	SEVERN TRENT ENVIRONMENTAL SERVICES	2059112	MGT FEES-FEB	Printing and Binding	547001-51301	\$399.40
001	52601	03/29/12	SEVERN TRENT ENVIRONMENTAL SERVICES	2059112	MGT FEES-FEB	Office Supplies	551002-51301	\$55.00
001	52601	03/29/12	SEVERN TRENT ENVIRONMENTAL SERVICES	2059112	MGT FEES-FEB	Communication - Telephone	541003-51301	\$0.62
001	52601	03/29/12	SEVERN TRENT ENVIRONMENTAL SERVICES	2059112	MGT FEES-FEB	Postage and Freight	541008-51301	\$11.23
001	52602	03/29/12	SPIES POOL LLC	234372	POOL SUPPLIES	R&M-Pools	546074-53910	\$303.35
001	52603	03/29/12	WALKER TECHNICAL SERVICES	994	MAXI-COM MONITORING-MARCH	R&M-Irrigation	546041-53902	\$250.00
001	52604	03/29/12	YOUNG VAN ASSENDERP, P.A.	11673	LEGAL FEES-JAN	ProfServ-Legal Services	531023-51401	\$5,090.14
001	52604	03/29/12	YOUNG VAN ASSENDERP, P.A.	11704	LEGAL FEES-JAN	ProfServ-Legal Services	531023-51401	\$3,700.89
							Fund Total	\$146,549.03

Total Checks Paid	\$146,549.03
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HARMONY CDD LOG

DATE	CONCERN	LOCATION	ACTION TAKEN	STATUS	NAME	PHONE
1/5/2012	tree is leaning badly and needs staking	Claybrick road by tunnel	Staked	Complete TH	Nancy Albert	406-781-5059
1/30/2012	holes in large dog park off of Primrose		Holes filled	Complete TH	Kerul Kassel	
1/30/2012	concern over appearance of vacant lots	6827 Sundrop St.	Todd addressed the situation	Complete TH	Donald Robinson	423-658-7486
2/1/2012	graffiti on sidewalk	Brackenfern & Cat Brier	Graffiti Removed	Complete TH	Randy Odden	
2/8/2012	dog watering stations keep running	dog wash	Valves adjusted and lubricated	Complete TH	Kerul Kassel	
2/14/2012	wants to know legal stand on fishing	3320 Catbrier Lane	Owner spoke with Attorney	Complete TH	Rebecca Swafford	407-749-9036
2/20/2012	several fire ant mounds	perimeter of dog parks	Luke Bros to address	Complete TH	Kerul Kassel	
2/20/2012	garbage truck damaging curbs	Cupseed & Primrose Willow	runs over the curbs	Complete TH	Steve Bailey	
2/22/2012	tree trimming stopped before her house	3307 Primrose Willow	will be complete week of 2-24-12	Complete TH	Tricia	321-402-9771
2/27/2012	pool is too cold 72--74 degrees	Swim Club	heater is broken, under inspection	Complete TH	Andre	407-334-5283
2/29/2012	dog watering stations keep running	Dog Park	Fountains need replaced	TH	Kerul Kassel	
3/2/2012	non-resident using amenities, dog parks,	dog parks, etc	Letter sent to owner from G. Moyer	Complete TH	Robert Byars	
3/6/2012	area around pool is unkempt, dirty	Ashley Park Pool	Several issues unfounded, correcting	TH	Linda	407-892-4559
3/12/2012	large hole in Lakeshore Park field		Paul Calabro filling in hole	Complete	Kerul Kassel	407-892-7811
3/15/2012	family fishing in pond	Ashley Park/golf course	Developer to install No Fishing Signs	TH	Renee Mancari	219-229-5501
3/19/2012	exposed hardware cloth under trees	small dog park	needs mulch, will be complete by 3/31	TH	Kerul Kassel	
3/19/2012	resident unhappy with 24 hour boat notice		hard to plan around weather, etc.	Pending	Shirley Madarosian	321-442-2913
3/27/2012	need large stones near trees & benches	large dog park	Scheduled in May	TH	Kerul Kassel	
3/27/2012	human water fountain running continuously	dog park	Ordered replacement	TH	Kerul Kassel	
3/27/2012	hardware cloth sticking up from under mulch	dog park	Repaired	TH	Kerul Kassel	
3/28/2012	no fishing sign missing	Brackenfern & Buttonbush	Replacement Installed	Complete TH	Jeanna McGinness	
3/28/2012	2 common parks not maintained well	7036 Buttonbush	trees need trimming	Corrected TH	Nimi	407-891-0684
3/30/2012	pergola's top structure is damaged	Ashley Park Pool	Repaired	TH	Renee Mancari	219-229-5507
4/5/2012	splash pad not working	Lakeshore Pavilion	rests every 15 minutes	Complete	Dan Miller	407-892-5380
4/6/2012	missing brick in small dog park		Repaired	TH	Kerul Kassel	
4/6/2012	stake of double gate is bent	dog wash area in large dog park	Repaired	TH	Kerul Kassel	

7D

Harmony CDD
Website Statistics as of April 16, 2012
(counter setup March 25, 2011)

OVERVIEW

• Total Visitors:	2,467	• Visitors, March:	407
• Total Page Views:	16,509	• Page Views, March:	2,009
• Total Spiders:	12,871	• Visitors, April:	188
• Total Feeds:	710	• Page Views, April:	1,191

OPERATING SYSTEMS

• Windows XP:	5,167	• Windows Server 2003:	303
• Windows 7:	2,710	• Windows 2000:	180
• Windows Vista:	1,068	• iPad:	152
• MAC OS X Snow Leopard:	595	• Mac OS X Lion:	149
• iPhone:	410	• Android Linux:	122

BROWSERS

• Mozilla:	3,861	• Internet Explorer 9:	1,102
• Internet Explorer 8:	2,288	• Google Chrome:	951
• Internet Explorer 6:	1,955	• Firefox:	844
• Internet Explorer 7:	1,795	• Firefox 3:	761
• Safari:	1,271	• Opera:	193

SEARCH ENGINES

• Google:	655	• Ask:	3
• Yandex:	79	• Incredimail	1
• Yahoo:	58	• Dogpile	1

TOP PAGES

• Home:	5,787	• About Harmony:	541
• /robots.txt	893	• /index.php	419
• Agendas:	604		

TOP DAYS

• April 4, 2012	289	• February 27, 2012	230
• April 6, 2012	256	• February 9, 2012	229
• June 30, 2011	232		

LAST PAGES

Date	Page	OS	Browser
• April 16, 2012	Home	Windows 7	Chrome
• April 16, 2012	Assessments	Android Linux	Safari
• April 16, 2012	Assessments	Android Linux	Safari
• April 16, 2012	Public Records	Android Linux	Safari
• April 16, 2012	Home	Android Linux	Safari
• April 16, 2012	About Harmony	Android Linux	Safari
• April 16, 2012	About Harmony	Android Linux	Safari
• April 16, 2012	About Harmony	Android Linux	Safari
• April 16, 2012	Home	Android Linux	Safari
• April 16, 2012	Home	Android Linux	Safari

LATEST SEARCH TERMS *(shown as typed in the search engines)*

• April 16, 2012	harmony cdd
• April 16, 2012	harmony community development district
• April 12, 2012	harmony florida cdd
• April 12, 2012	ashley park pool + harmony
• April 10, 2012	harmony cdd ph
• April 8, 2012	admin@harmonycdd.org
• April 8, 2012	admin@harmonycdd.org
• April 6, 2012	harmony cdd celebration
• April 6, 2012	harmony cdd celebration
• April 6, 2012	harmony cdd celebration

TOP SEARCH TERMS *(shown as typed in the search engines)*

• Harmony CDD	214	• cdd harmony	6
• harmonycdd.org	108	• harmony community water problems	5
• harmony community development district	58	• cache:6MgNJJuCPNAoJwww.harmonycdd.org/harmony fl	5
• harmony fl cdd	35	• harmony,fl cdd	4
• www.harmonycdd.org	31	• "HARMONY COMMUNITY DEVELOPMENT DISTRICT"	4
• harmony florida cdd	27	• harmonycdd.com	4
• harmonycdd	20	• admin@harmonycdd.org	4
• Harmony logo	9	• harmony florida cdd board	4
• cdd stories	8	• harmony residential association in osceola	3
• harmony+cdd.org	7		
• harmony community school florida	7		

7E



Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

2700 North Military Trail • Suite 350
Boca Raton, Florida 33431
(561) 994-9299 • (800) 299-4728
Fax (561) 994-5823
www.graucpa.com

March 27, 2012

Board of Supervisors
Harmony Community Development District
210 N University Drive, Suite 702
Coral Springs, FL 33071

We are pleased to confirm our understanding of the services we are to provide Harmony Community Development District, Osceola County, Florida ("the District") for the fiscal year ended September 30, 2012. We will audit the financial statements of governmental activities, and each major fund, which collectively comprise the basic financial statements of Harmony Community Development District as of and for fiscal year ended September 30, 2012. This letter serves to renew our agreement and establish the terms and fee for the 2012 audit.

Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's discussion and analysis
2. Budgetary comparison schedule for the general fund

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of additional information, if applicable, when considered in relation to the basic financial statements taken as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the District and other procedures we consider necessary to enable us to express such opinions. If our opinion on the financial statements is other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with laws, regulations and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and compliance will include a statement that the report is intended solely for the information and use of management, those charged with governance, others within the entity, and specific legislative or regulatory bodies and is not intended to be and should not be used by anyone other than these specified parties. If during our audit we become aware that the District is subject to an audit requirement that is not encompassed in the terms of this

engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. As part of the audit, we will prepare a draft of your financial statements and related notes. You are responsible for making all management decisions and performing all management functions relating to the financial statements and related notes and for accepting full responsibility for such decisions. You will be required to review and approve those financial statements prior to their issuance and have a responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements. And, you will be required to acknowledge in the management representation letter our assistance with the preparation of the financial statements and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you are required to designate a qualified management-level individual with suitable skill, knowledge, or experience to be responsible and accountable for overseeing our services.

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the respective financial position of the governmental activities and each major fund of the District and the respective changes in financial position in conformity with U.S. generally accepted accounting principles.

Management is responsible for making all financial records and related information available to us and for ensuring that management and financial information is reliable and properly recorded. Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. As part of our engagement, we may propose standard, adjusting, or correcting journal entries to your financial statements. You are responsible for reviewing the entries and understanding the nature of any proposed entries and the impact they have on the financial statements.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and the timing and format related thereto.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because an audit is designed to provide reasonable, but not absolute assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Controls

Our audit will include obtaining an understanding of the District and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants, if applicable. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Audit Administration, Fees, and Other

We understand that your employees will prepare all confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Grau & Associates and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to a cognizant or oversight agency for audit or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability

Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Grau & Associates personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies. Notwithstanding the foregoing, the parties acknowledge that various documents reviewed or produced during the conduct of the audit may be public records under Florida law. The District agrees to notify Grau & Associates of any public record request it receives that involves audit documentation.

Our fee for these services will not exceed \$7,250 for the September 30, 2012 audit. The fee for each annual renewal will be agreed upon separately.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. Invoices will be submitted in sufficient detail to demonstrate compliance with the terms of this agreement. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The District has the option to terminate this agreement with or without cause by providing thirty (30) days written notice of termination to Grau & Associates. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate.

This agreement is automatically renewed each year thereafter subject to the mutual agreement by both parties to all terms and fees.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2010 peer review report accompanies this letter.

We appreciate the opportunity to be of service to Harmony Community Development District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Grau & Associates



Antonio J. Grau

RESPONSE:

This letter correctly sets forth the understanding of Harmony Community Development District.

By: _____

Title: _____

Date: _____



PEER REVIEW PROGRAM

is proud to present this

Certificate of Recognition

to

GRAU & ASSOCIATES

For having a system of quality control for its accounting and auditing practice in effect for the year ended June 30, 2010, which has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA, and which was complied with during the year then ended to provide the firm with reasonable assurance of conforming with professional standards.

A handwritten signature in black ink, appearing to read "Daniel J. Heintz". The signature is written in a cursive style and is positioned above a horizontal line.

Daniel J. Heintz, Chair
AICPA Peer Review Board
2010

7F

CANDIDATE PETITION

*Notes: - All information on this form becomes a public record upon receipt by the Supervisor of Elections.
- It is a crime to knowingly sign more than one petition for a candidate. [Section 104.185, Florida Statutes]
- If all requested information on this form is not completed, the form will not be valid as a Candidate Petition form.*

I, _____ the undersigned, a registered voter
(Print name as it appears on your voter information card)

in said state and county, petition to have the name of _____
placed on the Primary/General Election Ballot as a: [check/complete box, as applicable]

Nonpartisan No party affiliation _____ Party candidate for the office of

(Insert title of office and include district, circuit, group, seat number, if applicable)

Date of Birth or Voter Registration Number
(month/day/year)

Street Address

City

County

State

Zip Code

Signature of Voter

Date Signed (month/day/year)
[to be completed by Voter]

Qualifying to Run for Office

2012 Qualifying Dates

Noon, June 4, 2012 – Noon, June 8, 2012

What happens when you go to the Supervisor of Elections office to qualify? You will file a loyalty oath, a financial disclosure Form 1 and either pay the \$25 qualifying fee or file a certification for 25 signatures.

Qualifying Fees

\$25.00 (Unless qualifying by petition)

Qualifying by Petition

In order to qualify by petition and thereby have the qualifying fee waived, a person needs to gather the signatures of 25 qualified voters residing within the Harmony CDD. The Division of Elections has prescribed the format of the petition, a copy of which can be obtained on the Division of Elections website, <http://election.dos.state.fl.us/>

The deadline to submit petitions to the Supervisor of Elections is **Noon, May 7, 2012**. (Candidates must still qualify during the candidate qualifying period). Please note that petitions may be submitted prior to the deadline.

There is a verification fee of \$.10 per signature to ensure the signers are valid residents within the CDD. Cash is accepted. The Supervisor of Elections recommends bringing your petitions in person.

If you want to campaign, you are permitted to do so as long as you do not expend any funds. If you are going to expend money for signage, business cards, etc., even if it is your own money, you must open a campaign account and will need to file the required forms. You will also need to appoint a campaign treasurer and designate a campaign depository. If campaigning, signatures may not be obtained until the candidate has filed his or her appointment of campaign treasurer and designation of campaign depository.

Contact the Supervisor of Elections for more specific information on qualifying by petition.

Qualifying Officers

The Qualifying Officer for Special District Offices is the Supervisor of Elections.

Osceola County Supervisor of Elections

Mary Jane Arrington
2509 East Irlo Bronson Memorial Highway
Kissimmee, FL 34744
Phone: (407) 742-6000
www.oscelections.org