

**HARMONY COMMUNITY  
DEVELOPMENT DISTRICT**

**MAY 31, 2012**

**AGENDA PACKAGE**

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# Harmony Community Development District

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May 24, 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, May 31, 2012 at 9:00 A.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 April 26, 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 – Lakeshore Park Expansion Concept Plan**
6. **Presentation of Fiscal Year 2013 Proposed Budget**
  - A. Discussion of Fiscal Year 2013 Proposed Budget
  - B. Consideration of Resolution 2012-1 Approving the Fiscal Year 2013 Proposed Budget and Setting a Public Hearing
7. **District Manager's Report**
  - A. April 2012 Financial Statements
  - B. Invoice Approval #145 and Check Run Summary
  - C. Public Comments/Communication Log
  - D. Website Statistics
  - E. Acceptance of Audit for Fiscal Year 2011
  - F. Consideration of Arbitrage Rebate Calculation Report for Series 2004 Capital Improvement Revenue Bonds
  - G. Report on Number of Registered Voters – 633
  - H. Reimbursement of Legal Fees Related to the 2005 Assessment
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, April 26, 2012, at 6:00 p.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
Ray Walls	Supervisor

Also present were:

Gary L. Moyer	Manager: Moyer Management Group
Tim Qualls	Attorney: Young vanAssenderp, P.A.
Wendy Andrews-Fine	Luke Brothers
Greg Golgowski	Harmony Development Company
Todd Haskett	Harmony Development Company
Mike McMillan	Luke Brothers
Pete Lucadano	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 6:00 p.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 March 29, 2012, Meetings**

Mr. Evans reviewed the minutes of the March 29, 2012, regular meeting and requested any additions, correction, or deletions.

Mr. Berube stated page 5, TruGreen LandCare is referenced in several places throughout the minutes. I do not believe that LandCare is affiliated with TruGreen.

Mr. Haskett stated that is correct, it should be LandCare Specialists.

Mr. Berube stated we need to remove references to TruGreen and just make it LandCare. In the discussion on page 23 about the new playground for the Green neighborhood, there was a question about the fences. I asked if it will be fenced, and Mr. Tome's response should be that it will not be fenced.

Mr. Haskett stated that is correct; it will not be fenced.

Mr. Walls stated page 9 in the middle should read, "Mr. Walls stated I would like staff to begin working on the RFP for landscaping services." Page 31 toward the bottom should read, "Mr. Walls asked did we also get a rate decrease?"

On MOTION by Mr. Walls, seconded by Mr. Berube, with all in favor, unanimous approval was given to minutes of the March 29, 2012, regular meeting, as amended.

**THIRD ORDER OF BUSINESS**

**Audience Comments**

A Resident asked what is the current plan for all the mulch paths between the street and the sidewalks? What I saw in the bylaws, it is supposed to be irrigated with sod.

Mr. Evans asked what specific areas?

Mr. Berube stated he is referring to the CDD easement area in front of most houses. What is happening is, there is a large number of people who are converting that from sod to mulch with small green plants. That falls into a gray area as to whether or not we can do anything about it.

Mr. Evans asked is this for individual homes?

Mr. Berube stated yes.

Mr. Evans asked these residents have taken it upon themselves to make this change?

Mr. Berube stated yes, if it interferes with the tree line along the streets, on the interior areas.

The Resident stated it started in the green areas where it was planted, and I understand why they did it, but now it looks like a checkerboard instead of nice, traditional grass. I was curious if there is a ruling on this. I could not see anything except sod and irrigation, which is the responsibility of the home owner.

Mr. Evans stated that is all that I am aware of, the sodding and the tree maintenance, which we have been performing on the trees.

Mr. Haskett stated that is an HOA matter because the home owner is responsible for that area. They are not in the areas that the CDD maintains, and it is being addressed through the HOA. There is a Florida-Friendly landscaping guide available on [www.harmonyfl.com](http://www.harmonyfl.com), but some people are not following that and have been in violation. The HOA is handling those violations.

**FOURTH ORDER OF BUSINESS**

**Subcontractor Reports**

**A. Aquatic Plant Maintenance – Bio-Tech Consulting**

Mr. Golgowski 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. Golgowski stated several years ago, we stocked all the ponds with grass carp in a very nominal way; we were pretty conservative with it. Over time, some of those carp grew quite large and others disappeared. We might be getting to the point where we want to add more back into the ponds again. They seemed to be getting pretty effective. That is something that is on the horizon that we are looking into to try to minimize costs. I will provide more information on this when it is available.

Mr. Berube stated this contract expires October 1, 2012. I am not advocating that we make a change from Bio-Tech in any way. I think they do a good job. We have discussed this before as part of our planting routine in certain ponds, that we are hoping to reduce the chemical treatments. I know we have gone back and forth on this issue, but I think we ought to ask Bio-Tech, as part of their contract renewal for pricing on both continuation of monthly service and also reducing it to quarterly service. We have been watching these ponds for three years. Despite the treatment, the ponds look like what they look like. Right now, there are a lot of algae blooms, and that goes back and forth. I am not sure we need to be spraying all these chemicals in the ponds. I have talked about this a little with Mr. Steve Boyd regarding pond treatments. The SFWMD permit says that we have to manage the ponds. The ponds are connected to some degree, but rarely are more than three connected through cross-over pipes, and they are really a storage basin. Even if they filled up with weeds, their primary purpose is to catch excess water, and a pond full of weeds will still catch water and allow it to do what it is supposed to do until the pond gets full and overflows the banks to go somewhere else. I am not advocating that we let them get filled up and clogged with weeds or algae. I am raising this point as part of their contract renewal. I think we could try quarterly maintenance to try to save some money and the chemical load and see what happens. If it does not work, then we can go back to what we are doing now. We have that option.

Mr. Evans stated Mr. Larry Medlin addressed this in a previous meeting when we discussed being proactive versus reactive. If we experiment with only quarterly treatments, we may end up taking on a role of reactive.

Mr. Berube stated there is always a risk.

Mr. Evans stated relative to the ponds as far as their function, they are designed for stormwater storage and retention, but we also have to deal with the runoff and dispersing the water. If there are too many weeds in there, they will end up clogging the drains in the outfall systems, so then the whole system does not work properly. Those are the things that need to be taken into consideration. It is something we can discuss during a future workshop that we will discuss setting fairly soon related to the budget process.

**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 mulching was completed on April 13, and we are pretty sure we are at 100% in looking at everything. I feel good about that. We are doing some other items of unscheduled maintenance, including warranty work. We spent the last two weeks laying turf over at the front side of the dog park, and we will be replacing that shortly. Today, we had our newest addition to the company, Flower Power, who came out here with her crew working with my staff installing flowers on the property and making sure the property is taken care of.

Mr. LeMenager asked are there flowers at the west entrance now?

Mr. McMillan stated yes.

Mr. LeMenager stated I noticed that yesterday when I drove in, and I wondered where they went.

Mr. Berube stated I saw a woman out ripping them out and replacing them.

Mr. LeMenager stated they were nice flowers. Did they need replacing?

Mr. McMillan stated they were under contract. It is one of those things where it is better to be proactive instead of waiting until they start to wilt and die. We did the planting a little late in February for one of the events that was happening, so pursuant to the contract, we went ahead and replaced those.

Mr. Berube stated I would take issue that the mulching is complete. When I look in Town Square, there are a lot of tree rings that are not mulched. I do not know what is happening with the crepe myrtles, either. Some are mulched and some are completely unmulched. There are a number of tree rings that do not look like they were mulched

during this cycle. I spent time with the Relay for Life last week and looked at them, and it does not appear that Town Square has been mulched. Am I missing something?

Mr. McMillan stated for Town Square, there are two different things to be accounted for. As you drive onto the property, we added some flower beds near the crepe myrtles, so they did not have flowers for a couple days. There were some tree rings where the mulch had been ground up due to mower use. We touched those up last week. I left notes for the crew to take care of it, as well as the manager who filled in for me. We walked Town Square to make sure we covered everything.

Mr. Haskett stated Town Square was mulched in November, and there was some deterioration of the mulch.

Mr. Berube stated it is hard to tell when mulching goes on for nearly half the year. Then it becomes a problem. I noticed tree rings for a dozen trees throughout the community that are not mulched. After the beating I gave you last month, I hate to come down too hard, but one thing I noticed in the notes continuously is the comment that you want to stay in keeping with the contract specifications. You just mulched the entire project, and there is not a three-inch breather ring around a single tree or plant in this place. That was part of the old contract, and I noticed that Mr. Haskett kept it in the next contract proposal. I do not see a three-inch breather ring anywhere on all the mulch that went down.

Mr. McMillan stated I discussed that with Mr. Haskett. We looked at a couple specific areas, and as far as breathing area, we made sure that when we went up to the tree itself, we did lighter mulching so that we are not mounding it up to the tree to suffocate it and to prevent disease and other infestations. We made sure to keep a light layer up to the tree.

Mr. Haskett stated I can go back and check them to make sure. There can be some sprinkles of mulch within three inches of the tree to make it look clean.

Mr. Berube stated we discussed this previously and I read the new contract specifications, and it is included again. To me, a three-inch breather ring means three inches of ground showing around the base of any plant or tree. That clearly is not the way it is. It comes down to the details, and I keep reading in Mr. McMillan's notes that he wants to adhere to contract specifications. Then stick with it. The roses at Lakeshore Park around the fountain do not look crisp.



Mr. Haskett stated yes, they are looking weak.

Mr. Walls stated I had those same roses on my list of questions to ask.

**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. Evans stated we received an invoice from Insight Irrigation that was not included in the agenda package. The monthly field report indicates that they located 20 valves that were covered up.

Mr. Haskett stated that was as of the 15<sup>th</sup>. They were just out here yesterday again.

Mr. Evans stated this process is identifying a lot of the valves and locations of them that we did not even know were there, or they were covered up.

Mr. Haskett stated that is correct. They have gone from Town Square all the way to the end of Five Oaks Drive at the roundabout by Cat Lake. There were about 34 valves that were covered up and we were unable to find them. It is a great process. Mr. Rick Druckenmiller has been learning a lot about how to find valves. I previewed the mapping system with Insight Irrigation. Now it has all those valves on those three controllers so far, and you can stand there with your iPhone and GPS program, and it will show you where the valve is, so there is no more hunting and looking for them. It can sometimes take an hour or two to find a single valve. This has been really helpful. With the invoice I presented you with, Insight Irrigation is looking for a \$600 draw on the \$6,000 contract for this service, which I think is reasonable. However, the contract did not mention a draw stage; therefore, this is for the Board to consider.

Mr. Evans asked is it your feeling that they have completed more than 10% of their contracted work?

Mr. Haskett stated yes.

Mr. Berube stated Mr. Druckenmiller has an iPhone that could be used in conjunction with this. Do we need to consider some other method that might be easier than an iPhone for accessing this information? If he is looking at a big area on a little iPhone screen, do we need a pad or laptop of some sort?

Mr. Haskett stated I think that is something we can factor into the budget for next year. we will conclude this process sometime in June, so we will be in the budget season

and will have a better understanding of what tools we might need in the field. An iPad would be an optimal tool because you can also run Maxicom from it. As we get farther into the process, I will come back to you with our recommendations of what tools might be needed to be more efficient.

Mr. Berube stated that would put us on the track for bringing Maxicom in-house, as well.

Mr. Haskett stated eventually, yes it will.

Mr. Qualls stated the contract does indicate that the contractor will be paid upon completion of the entire project. You can certainly pay him sooner if you choose, but that is the language in the contract.

Mr. Evans stated we can discuss that further when we consider the other invoices.

#### **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.

Mr. Berube stated Mr. Thomas Belieff and I talked a couple times this month about some questions he had about the boat and aluminum rails for the side. I told him to get it done right because it is important.

Mr. Haskett stated that is correct.

Mr. LeMenager asked is the bass boat out of commission?

Mr. Haskett stated no, it is back in the water. It was out of service for a while.

Mr. LeMenager stated there was no use for it, and I thought it was a fairly popular boat.

Mr. Haskett stated it is. We made some repairs to it.

Mr. LeMenager stated I noticed someone used the sailboat.

### **FIFTH ORDER OF BUSINESS**

#### **Developer's Report**

##### **i. Fencing at Lakeshore Park**

Mr. Haskett stated I received a request for chain-link fences around the playground equipment at Lakeshore Park. It is getting a little dilapidated and kids are constantly jumping over it to retrieve a soccer ball. I would ask the Board to consider allowing us to remove the chain-link fence. It is far enough away from the road that we do not think it will create a hazard since kids are playing on the outside of the fence currently. If you approve the removal of the fence, we are also considering reusing the fence at the far end of Lakeshore Park for a possible small dog park. That would serve some of the Green

neighborhood residents as well as Cypress, Drake and the Estates. We would be making good use of the materials on hand.

Mr. LeMenager asked what do parents of young children think about this? The fence is not to keep people out; it is to keep toddlers in.

Mr. Berube stated I raised this issue with Mr. Haskett, and perhaps others did, also. The fence is getting pretty decrepit, as is the one at the dog park around that playground. It is pretty bad. The gate is somewhat of a hazard as well. It does not swing open all the way, and it has a fold-down latch on it. We are over there pretty frequently with my granddaughter, and little kids are not careful about these things. I cannot imagine any parent being concerned about kids getting out. Part of the proposal that I offered to Mr. Haskett was to remove the fence but continue with the landscaping that is there to delineate the park area. About half is already covered with ligustrums. If the fence is removed, I think we should continue with that kind of plant material since it will tend to keep kids in. It will probably work as well as the fence does, and it will spruce up the area. That was my thought. If we keep the fence, then we will need to spend some money on refurbishing it since it is pretty beat up. We will need to redo the gate. We do not allow fences anywhere in the community in people's yards, but yet the CDD installs chain-link fences and we say it is acceptable for us. There needs to be a chain-link fence for the dog park. To Mr. Haskett's proposal for another dog park, if we want to do that, then we should make it nice like the vinyl fence that we have in the other park. I would hate to see us remove the chain-link fence at the playground and put it up in another spot. The dog park idea is admirable, but let us be classy about it.

Mr. LeMenager stated part of the purpose of Dog Trot Trail was for people to take their dogs on it to easily get to the dog parks.

Mr. Tome stated the offer of putting the fence back up for a dog park was to try to recycle the material.

Mr. LeMenager stated keep it in storage, because I am sure we can use the materials for the current dog parks as needed.

Mr. Berube asked are we all in agreement to remove the fence?

Mr. LeMenager stated it does not matter to me, but I do not have children.

Mr. Walls stated I think it is a fine idea.

Mr. Berube stated I think it looks lousy. Do we want to do both?

Mr. Walls stated I think the dog park will get use in this area. We cannot put it up in the state it is in now but if it can be refurbished to an extent, that would be fine.

Mr. Berube stated I was just thinking about the precedent we have already set with putting up chain-link fences at the dog parks.

On MOTION by Mr. Berube, seconded by Mr. LeMenager, with all in favor, unanimous approval was given to remove the chain-link fences at the two playgrounds outside the dog park and at Lakeshore Park, and to authorize staff to fill in the areas with the continuation of landscaping.

**ii. Park Enhancements in the Green Neighborhood**

Mr. Evans stated last month, you discussed some park enhancements in the Green neighborhood and were going to submit a proposal whereby the District would engage this work and the developer will contribute to allow the District to move forward with this work. What is the status of that?

Mr. Tome stated I have talked with Mr. Qualls about this issue, and it is on hold for now, waiting until we can piggyback another proposal that is being done by another municipality. There will always continue to be opportunities for that, but we were trying to work out some things about the size we wanted to do or should do. We are not ready today to present anything, but Mr. Qualls is working with us and we think we have a good plan and clear direction legally to make this happen.

Mr. Qualls stated that is correct. I have done research on this issue. The District does have express authority to accept gifts. The District has the express authority to maintain, construct and improve parks. What I want to be certain of moving forward is that the section in Chapter 189, Florida Statutes, talking about piggybacking provides that we can do so as long as the specifications in the RFP for the proposal would meet the District's specifications for an RFP. We just need to make sure everything is in order, but it is my opinion that Florida Law gives this District the authority to accept a gift from the developer and for the District to then go out and build a playground.

Mr. LeMenager asked am I hearing that the developer is proposing over \$195,000 worth of improvements?

Mr. Tome stated no.

Mr. LeMenager stated then I do not see where we need an RFP.

Mr. Berube stated we want to piggyback with another State contract.

Mr. Qualls stated it is where another government goes out to bid. Rather than having to go through that RFP process, you simply piggyback on top of theirs and get the same rates that government obtains in order to procure the playground equipment.

Mr. Berube stated hopefully the other government did their homework and received a good price.

Mr. Moyer stated it is fairly typical for smaller governments to try to do that with larger governments.

## **SIXTH ORDER OF BUSINESS**

### **Discussion of the Landscaping RFP and Scheduling a Workshop**

Mr. Evans stated I appreciate the staff from Luke Brothers being here at tonight's meeting. The reason we are considering an RFP is due to a lot of concerns that we have had with the landscaping over a period of time and the consistent questions relative to quality, performance, and the like. That has brought the Board to a point where we are considering sending out an RFP to rebid this contract. This can be either a good thing or a bad thing for Luke Brothers. First, we are trying to tighten up the bickering, so we are incorporating all of our ideas and presumed levels of quality into writing what our expectations are. I think we have a very good basis for an RFP, and it may be that we offer Luke Brothers a contract renewal, or it may be that we have to go in a different direction. Because it has been the number-one hot topic of discussion of our meetings, I think we are going to head in the direction of working on an RFP. I believe the other Board members feel the same way, that we have not achieved the progress that we would have liked to have achieved. I am not getting into a finger-pointing contest, but we have not gotten to where we really want to be. I do not know if it is communication or pricing or what the issues are. We are trying not to micromanage Luke Brothers, but we are also trying to provide you with as much observation, insight and comments as we possibly can. It is borderline at times. Before we review the RFP with our comments, I would like to give Luke Brothers an opportunity to address the Board relative to your ongoing service.

Mr. Lucadano stated I appreciate the time and opportunity to do that. I feel terrible that I was not able to attend your previous meeting because I was having constructive knee surgery at the time of the meeting and did not get an update until later that evening. Please forgive me for missing that meeting. I felt responsible, too, because certain issues

of frustration for the Board had come to a head and they are extremely justified. I appreciate the fact that you gave our company a lot of time and exposure to what your issues and concerns are at that meeting. I did not come to give you a speech other than to be the honest, straight-forward businessman that I am. While I feel like we have made progress in the past with some of the things that we experienced previously and have gotten somewhat up to speed with the program, what the Board discussed the last meeting is not acceptable to any of us. I could not agree more with the comments, the frustrations, and the issues. We had to make some more changes with respect to the way we oversee this program and the way that we perform. Obviously, a lot of progress has been made since the last meeting, but fire drills do not do anyone any good. It is not good business and it is certainly not what you are paying for. You are paying for consistency. As we get ready to go through another growing season, I am very comfortable with the decision being completely in your hands. We have extended some incentives for you to consider for renewal, and those incentives and considerations are completely in your hands. It is our job to make sure we do the job right going through the growing season. I can tell you that we have made a lot of little tweak changes internally, but at the end of the day, what you want to see are the results. You want to see the job get done and Mr. Haskett not have to micromanage. It is our commitment to make sure that we have changed systems and procedures out here so that we get to a much better place that when you assess our performance on a monthly basis, it is a small list of items versus overall general concerns of non-performance.

Mr. LeMenager stated this document represents the RFP from last time, and I do not think what we did last time worked very well. I put together a concept of what I have in mind. If we are going to do it, then we should discuss what it is we want to accomplish. My concept, which I will distribute, basically involves breaking this down into smaller pieces. This document still had irrigation in it, so I was not sure why we received it because we removed that component.

Mr. Moyer stated you are correct; it is the document we used last time.

Mr. Berube stated there are details that changed, and there is a newer one dated April 2012. It looks the same, but some of the details have changed.

Mr. LeMenager stated what I listed on the left column are the various functions that we are talking about: turf care, sports turf, flowers, shrubs and ground cover, trees over

and under 10 feet, irrigation and litter removal. I highlighted where we are today. Basically our contract with Luke Brothers takes care of the first five items on the list. Trees under 10 feet are done on an as-needed basis, and we now take care of the irrigation system and litter removal. In thinking about how all this works and discussions we have had in planning for the future in where we want to go, and also taking into account the \$195,000 threshold, it struck me that perhaps we ought to think about breaking this up into smaller pieces. I remember one comment Mr. Moyer made at least a year ago when we discussed removing certain functions, like irrigation or litter removal, that it might actually attract more bidders to just want to mow the turf, people who are not interested in the entire management of a project. Our comments recently about flower beds, the fact that to prepare for the big festival, they went and got an outside firm to do that work. Perhaps we need a specialist outside firm. I am thinking in terms of how we want to structure this. I actually see this going forward as potentially four or five separate contracts, as opposed to one. Only one will need an RFP, turf care, since it is the only one that is over \$195,000. The current budget for turf care is \$283,000. That is the only one where we actually need to do an RFP. The others are smaller, and while we will still follow our procedures, they are not as onerous.

Mr. Berube stated I have mentioned before with the expansion of CDD employee responsibilities, we should consider hiring one or two more staff members to perform the tree trimming services and handle the mulch, which are broken out on Mr. LeMenager's list. We already have someone on staff with nursery experience, Mr. Belieff. I think he could use more to do, and planting annuals could fall under his purview. He is breaking this out and potentially making it able to be brought under our umbrella, should we decide to go that way.

Mr. LeMenager stated that could be done easily, as opposed to what we did before, which is negotiating a much larger contract to try to remove a couple pieces. To the extent we have four or five contracts, it is pretty easy for this Board to say that we are at a point in our development where this is something we want to bring in-house.

Mr. Berube stated we have already demonstrated that we can do that.

Mr. Walls stated Mr. LeMenager's proposal has a lot of logic behind it. What scares me is that a lot of these are interconnected systems. It is not like there is a border between the turf and the flower beds. They are all connected. To me, I want to have one person or

one company that I go to and tell them I want it all to look good, this is how we want you to do it, go forth and do it. When you start talking about four, five or six different companies doing these types of things, that is managing four, five or six companies. That means having to meet with that many companies. I understand the logic behind it, but the concept behind making it work would be very difficult. I am of a mind to go with what we have now. The only thing I would entertain in breaking some of this out is if we did it in-house and we could be certain that we have the manpower and the expertise to do these things.

Mr. LeMenager stated my concept for the sports turf is to contract with the golf course. Why do we need someone else to do our sports turf when the golf course is right here? Point of fact, the golf course came to the rescue once on the sports turf.

Mr. Berube stated we discussed turning the whole thing over to the golf course at one point, and there was any number of reasons for that.

Mr. LeMenager stated that is clearly one of the things that they maintain, if they are interested.

Mr. Berube stated I like the concept, but I think we almost get back there with what we have now. My concern is that we have limited time between now and October. I am sure Mr. Lucadano would extend his contract if needed, which he has done for us a number of times before.

Mr. LeMenager stated we should not rush, but we should get it done right.

Mr. Berube stated I am not suggesting we rush. If we break everything out this way, then we cannot make any comparisons on what we are really getting. I think the RFP breaks most of these things out already because we ask for pricing for each line item. That would give us a true comparison to the current contract, line item by line item.

Mr. LeMenager asked do we want to give people the ability to contract for only part of the job? Do we only want one big company? Can we not achieve better results by getting specialists in? The trees are one thing that stand out.

Mr. Berube stated they are hanging down now.

Mr. LeMenager stated we have a strange system where we have them trimmed above 10 feet and below 10 feet. In terms of the investment made by the CDD in infrastructure, we spent a small fortune on trees. I think that is one thing that Celebration still spends a



lot of money on in their CDD, taking care of all the trees and having specialists who just take care of the trees.

Mr. Berube stated if we run the RFP as it is, I have to think that any contractor who bids on it and reads this may think that they will be awarded all or part of this contract, maybe not all of it. We are not giving them this package and asking for just one flat fee. We are asking for prices line by line, so if we want to separate some of it out, I do not see any reason why we cannot do that.

Mr. LeMenager asked can we do that?

Mr. Qualls stated I believe so.

Mr. Moyer stated yes, you can if you write the specifications that way and put them on notice that you have the right to do that.

Mr. Berube stated this may be all or nothing, or it may be pieces.

Mr. LeMenager stated I would like to encourage smaller firms to bid on part of it. Can we get a specialist tree company to take care of the trees in total for a nice price? We have a plan in place of maintaining trees on a bi-annual basis.

Mr. Berube stated that goes to the expansion of the CDD if we want to do it that way, because we will burden Mr. Haskett with getting proposals from various tree companies. How much can we fairly ask him to do in regard to this?

Mr. LeMenager stated I do not see why that cannot be part of this process. Let us hear from the developer with respect to their thoughts?

Mr. Tome stated one thing you also have to consider in this process is the compound area related to dumpsters, fuel, trucks, pesticides, equipment, and those kinds of things. If you start inviting three and four different companies, you will need three and four times the area in regard to specific spaces they can use.

Mr. LeMenager stated that would not be the case with respect to tree care because they would come a couple times a year. They will not be here all the time.

Mr. Tome stated that might be true for tree care, but you are referring to the massive canopy tree care that is done every two years. There is ongoing tree care that happens all the time, or should be happening all the time, to maintain the trees 10 feet and under. They are trimming constantly and dumpsters are getting filled up and taken out of here, so that will happen with trees, turf and everything else. When the annuals get pulled, they need to go somewhere. Just thinking about personnel and management time, you also

need to consider the logistics of where these companies will go and how they stage, as well as the economics of benefit you get when you have one or two companies versus four or five. A 20-yard dumpster costs so much to keep and pull. It may be that the District would rent the dumpster in the case of multiple companies, so there may be other things to consider. I think you need to think about those as well.

Mr. Haskett stated time wise, I would be busier overseeing four or five different companies. Before we did this RFP, we had multiple contracts with companies in 2008, and that is why we combined it all into one RFP. We had multiple companies with multiple employees with multiple overheads and insurances. We saved money by having it all under one contract that was itemized, which also worked to our benefit when we removed irrigation and litter control. It might be beneficial to have one company and as you move forward, if you are not satisfied with that one specific service, we can pull that out of the contract. At that point, we can get proposals for that one service that would not require an RFP as long as it was not the turf portion. I personally prefer one bulk contract with one company. It is much more manageable.

Mr. Berube stated Mr. Lucadano has been through our RFP process before and filled out this bid form. From your perspective, you have seen the level of detail in it. If this came to you as an all-inclusive or piecemeal contract, is there potentially a savings and would you price that differently? If you were awarded the entire work, I imagine you would price it one way, whereas if you were to price them all individually, the prices will probably be higher for the individual items.

Mr. Lucadano stated that is correct. As Mr. Moyer specified, there are occasions where large contracts will do that, so large companies, including ours, will then shift to a different level of pricing. What you do is run worst-case scenarios and bid it on each individual service. If we have to bring our trucks in just to trim trees or plant flowers, it is a completely different pricing schedule than we currently have where we can set up and stage and have workers report directly to the site. When you are working with all the green space, it allows you to do things that are much more affordable.

Mr. Berube stated if we made it clear that you may only get turf care and nothing else, your price for turf care may increase.

Mr. Lucadano stated that is correct, it will definitely increase.

Mr. Berube stated we may save some money on individual services for smaller pieces, but we may also pay more for turf care, presuming other companies think along these same lines.

Mr. Evans stated they will have to take that approach. We are forcing them to piecemeal this, which is like buying a car in parts.

Mr. Berube stated that is true; it gets much more expensive.

Mr. Walls stated we still have to pay their overhead.

Mr. Berube stated I like the ability of separating it out, and I think we are maintaining that. I think we are at the point where we do not have time to adjust bringing some of these work efforts in-house. I am not sure we are at the point where we can do that.

Mr. LeMenager stated I do not see that there is a big time constraint. I was an opponent of going through this process, but if we are going to do it, then let us not just do a carbon copy of what we did last time.

Mr. Evans stated there are a lot of comments that we need to incorporate. A lot of this was a formal RFP that we spent an enormous amount of time preparing. I have a number of comments, as well. I would like to review the scope of services, page by page.

Mr. Berube stated irrigation and litter removal are still included in this.

Mr. LeMenager asked why are they included?

Mr. Evans stated it talks about irrigation, and there is a component part relative to irrigation that is their responsibility.

Mr. Berube asked is that part of the pricing component?

Mr. Qualls stated no.

Mr. Walls stated it addresses that we perform the maintenance, but if they break something, they pay for it.

Mr. Berube stated page 2, operation procedures and staffing levels, I want to know how many employees will be assigned here five days a week, 40 hours a week, 52 weeks a year.

Mr. Walls stated I was going to suggest something for section 2.2.4 since we talk about requiring a project manager and then an onsite field supervisor. Because of the discussions we have had, I think we need to make it clear that the staffing levels need to be adequate to complete the job, whatever that language might be. I do not think we need

to set the numbers here. I think we should go ahead and make it clear since we have had that discussion so many times.

Mr. Evans stated I agree with Mr. Walls. I think we can get into micromanaging too much by saying they need x number of people here y number of days. We are really not talking about performance at that point; we are talking about the number of bodies. We want to establish a level of quality for our expectations of what we expect. I do not care if there are 5 or 50 people here; it should be whatever it takes to reach that goal. You may have trainees out here or more efficient employees who can get the job done faster. You may have specialists for certain parts of the scope. It can fluctuate greatly. We have discussed that a lot, how many people were here and when, if they were here for the whole day and what day. That is a tough thing to tie down. I have been a general contractor for almost 30 years. I never know how many people are going to show up on my crews. I may have a roofing crew that shows up with three guys or 10 guys. It is a matter of how many people and the quality of those people who showed up that gets the job done. I agree with Mr. Walls that I would rather tighten up on what our expectations are and have a contact person. That is great if we have a field superintendent, but that is something we need to define.

Mr. Berube asked for personnel, will the contractor assign a current employee or will they hire someone new? If they are hiring someone new, not only do they have to learn Harmony but they also have to learn the practices for the company that just hired them. We have been through the learning curve experience before. If it is a current employee, how far away does he live or will he be based locally?

Mr. Evans stated it states that he has to be on call 24/7, so there have to be reasonable response times.

Mr. Walls stated it even goes so far as to state what the response times should be in the number of hours.

Mr. Evans asked is there a change we want to make to section 2.2? It is defined that they have a project manager who is knowledgeable, and my interpretation is that they will not be here onsite full time. It also defines a full-time onsite field supervisor, who will be here full time. That will be someone who is supervising the crews and be our main contact for daily activities. Mr. Walls raises a good point that staffing shall be sufficient to adequately satisfy the conditions of this contract. Is that acceptable?

Mr. Berube stated yes.

Mr. Evans stated I will leave it to staff to include that language, as appropriate, probably in section 2.2.4, as Mr. Walls suggested. Section 2.2.6 says that the District shall not provide a facility on the project site. What is intended by "facility?" Is that a working space?

Mr. Walls stated I took it to mean a storage area.

Mr. Haskett stated that is the intent.

Mr. Evans stated it goes on to say that we will provide a place for their storage, as designated from time to time. I do not understand what the "facility" is, if it is office space or what it is. I would like that better defined. We are providing them with storage space that is fenced in and they can store their materials. We addressed that, but I did not know what the other types of facilities are that we are not providing.

Mr. Walls stated it is not permanent because it is not our land.

Mr. Qualls stated it is unclear what is meant, so we need to clarify that. The way I understood it was that the District would not construct a building in which to store all of the equipment but that the contractor can store things here temporarily with permission.

Mr. Evans stated I suggest it be worded that the District will not provide a storage facility. Section 2.8, "consultants" should be capitalized as a defined term on pages 4 and 5. Section 2.9.1, I would like it expanded on what we are referring to as these documents received for document control. Are they referring to the consultant? Or is it by said contractor? I do not know to whom it applies.

Mr. Walls stated it would seem it refers to documents they receive from the District, is how I read it.

Mr. Qualls stated it contemplates documents issued by the contractor.

Mr. Berube stated I think it says if the contractor receives documents from us, he needs to keep them, and if he gives documents to us, he also has to keep a copy of those. In other words, all documents have to be kept.

Mr. Qualls asked is this section necessary? How will we enforce it, with a quarterly document check?

Mr. Berube stated it refers to a log. I do not know what the data is that we are requiring.

Mr. Walls stated that is what I am wondering. It goes on to refer to data.

Mr. Evans stated I do not know what data we are requiring.

Mr. Berube stated it could include emails.

Mr. Evans stated if it is not something that we need, then let us not include it just to complicate matters.

Mr. Qualls stated I agree.

Mr. Evans stated we simply submit comments and he will provide us with a log and monthly reports. The only data that I can even think of is related to Insight Irrigation and irrigation issues, but that will come in their reports. I do not see an exchange of proprietary information.

Mr. Haskett stated the documents that I keep from Luke Brothers include information on the product applications and MSDS sheets. That is also included in another section.

Mr. Evans asked do we need this section on document control?

Mr. Haskett stated I do not think so.

Mr. Evans stated let us delete it.

Mr. Berube stated sections 2.10 and 2.11 could also be deleted since they are related to 2.9.

Mr. LeMenager stated ownership of data should stay.

Mr. Evans stated we need to figure out the data.

Mr. LeMenager stated to the extent it is logs of what is happening, if we ever change contractors in the future, we will want to make sure we have the right to have that information.

Mr. Evans stated we have their monthly and weekly reports already in hand.

Mr. Walls stated other sections require that they give us certain data.

Mr. LeMenager stated there is nothing wrong in clarifying that we own it and to make that simple statement.

Mr. Evans stated section 2.12, the third line says "throughout the entire landscape."

Mr. Berube stated maybe they meant to say "entire property."

Mr. Evans asked is it the entire landscaped area, the defined work area, the scope of services?

Mr. Haskett stated it might be better to say "throughout the entire property" or "District property."

Mr. Walls stated there are different words used. Some places uses "community."

Mr. Berube stated it should probably say "service area." If we do the whole property, that encompasses a lot of area.

Mr. Qualls stated I will use "service area" and make it a global change.

Mr. LeMenager stated it is everything designated on the map as orange.

Mr. Evans stated page 7 under section 2.15, it reads "and/or overwatering or insufficient watering from the irrigation system as directed by the District Manager." If you go to section 4.5.1, it talks that they are not responsible for overwatering or underwatering because the District has taken on that responsibility. Yet here it still says they are responsible for it, so that needs to be deleted.

Mr. Walls stated the first sentence on page 7 also uses the phrase "entire project."

Mr. Qualls stated that will be part of the global change to "service area."

Mr. Walls stated the first sentence in the last paragraph on page 7 says "Coordination of the construction, operation and general maintenance at Harmony is considered one of the many critical activities of the Contractor." Is that accurate?

Mr. Berube stated no. It is correct for operation and general maintenance, but I do not think construction is accurate. The landscapers are not going to be building anything.

Mr. Evans stated I saw some other areas that had to do with painting and pressure washing, and things of that nature, also. The third paragraph under Coordination references "Harmony Board of Supervisors" and that should be "Harmony CDD Board of Supervisors." I agree with Mr. Walls that the last paragraph is not correct referencing construction.

Mr. Berube stated we can just delete "construction" and have it refer to operation and general maintenance.

Mr. Evans stated or it can say "The fulfillment of these contractual obligations."

Mr. Walls stated I do not think we need to specify those things.

Mr. Evans stated so we can delete the first part of that sentence, and it can read "Consideration of the performance of the contractual obligations is considered one of the many critical activities of the Contractor."

Mr. Haskett stated the purpose of that paragraph was to say what the District does, which it coordinates all those things. It was not really intended to say the landscape contractor would be doing all those things.

Mr. Berube stated it does say "one of the many critical activities."

Mr. Walls asked do we need all that language?

Mr. Evans stated probably not.

Mr. Walls stated we could just simply list the parties that they might be working with.

Mr. Berube stated this came out of the old RFP that we prepared.

Mr. Moyer stated this scope came primarily from Celebration, where they do have contracts for construction. It surprised me that it was retained in the Harmony scope.

Mr. Walls stated the second paragraph on page 8 under Scheduled Operations and Maintenance refers to irrigation and litter removal.

Mr. Evans stated the only reason I did not comment on the irrigation is because they do have responsibilities for irrigation. If they break something, they have a responsibility to repair it.

Mr. Berube stated they are also to pick up the litter before they mow the grass.

Mr. Walls stated on page 10, I believe 4.1.4(a) conflicts with 4.1.6 related to pest control.

Mr. Evans stated 4.1.4 talks about a preventive program for disease and insect control, and 4.1.6 talks about pest control.

Mr. Qualls stated it seems that there is a discrepancy in the number of applications. Is it supposed to be two or four?

Mr. Evans stated they are different kinds of turf.

Mr. Berube stated on 4.1.4(a), insect and disease sprays are listed first. Section 4.1.6(a) indicates four applications for pest control or insect control. The difference is, insect and disease control are in 4.1.4(a), and in 4.1.6(a), it is just insect control. I think if we remove "insect" in 4.1.4(a) to read "A preventative program shall provide two (2) disease sprays and two (2) herbicide treatments." That eliminates the conflict and says they provide four pest applications.

Mr. LeMenager asked why do we have both 4.1.4(a) and 4.1.6(a)?

Mr. Berube stated disease and insect control are different from pest control, I guess.

Mr. Evans stated under the title for 4.1.4, we will delete "and Insect" so it will be simply "Disease Control."

Mr. Berube stated in the next sentence, delete "insects and" and in 4.1.4(a), delete "insect and."

Mr. Walls asked do we need to define disease?



Mr. Jack Vital stated I have been sitting here listening for 30 minutes while you are reviewing a contract. I wanted to make one comment that will take two minutes, and I must have missed agenda item three, although I was here. I do not want to interrupt your thought, but how much longer are you going to be drafting this contract?

Mr. Evans stated we are drafting an RFP, and we are about halfway through it. I will allow you the privilege of asking your question.

Mr. Vital stated on the small dog park, there is a hole near the shelter about the size of a baseball that is deep. It is not in the grass; it is on the brick. It is an easy job to fill it in. We try to keep the water pan on top of it. This may seem like a silly request, but some dog is going to break a leg as they are running.

Mr. Berube stated I see Mr. Haskett making appropriate notes to take care of this item.

Mr. Evans stated for future reference, audience comments is one of the first things on our agenda. That is the time that we normally allow the residents to speak. We are trying to avoid someone sitting through this whole long meeting because we want to hear your comments early.

Mr. Vital stated I was here and waiting out front for someone to tell me where the meeting was being held. They were running around trying to find out where the meeting was, and apparently I arrived in this room just as you were finishing that item.

Mr. LeMenager stated also for future reference, go to the CDD's website. There is a page where you can report problems with the District office. We receive a log of all calls and emails from residents on a monthly basis. Then it can be addressed very quickly and you do not have to wait for one of these meetings to raise an issue like that.

Mr. Berube stated we appreciate your question.

Mr. Vital asked what is going on the other side of the roadway that is being constructed? Is it commercial?

Mr. Tome stated years ago, the golf course built a maintenance facility building, and it is now a big green building that is on the back nine that used to be in that area. Many years ago, it used to be where the farm loading and unloading area was. There is a little clean up that we are doing from when the facility was there. It is not retail or commercial, just cleaning up some dirt.

Mr. Evans stated back to the scope on 4.1.5. Is this in keeping with what we are doing?

Mr. Haskett stated yes.

Mr. Walls stated on 4.1.5(b), I think we should add some language that says the Contractor will coordinate with the District to align the application dates with the irrigation schedule. We will need to water in when they fertilize.

Mr. Berube stated notification needs to be made to the District Manager.

Mr. Qualls asked how about "The Contractor will coordinate with the District Manager regarding application schedules?"

Mr. Berube stated yes. Do we state it strongly enough that they need to keep fertilizer out of the streets?

Mr. Evans stated no.

Mr. Haskett stated that is why I added under field supervisor the part that they shall be Green Industries Best Management Practices certified. If you are certified, then you know you need to keep it out of the streets, which is part of the requirements; otherwise, you lose your license.

Mr. Walls asked will that be a requirement for everyone?

Mr. Haskett stated everyone who applies fertilizer has to have a license.

Mr. Berube stated that makes sense.

Mr. LeMenager stated I would like to move 4.1.8 out of turf care and into 4.3, shrubs and groundcover. It is completely illogical where it is now.

Mr. Evans stated it says "Contractor shall be responsible for the installation of 1,600 annuals per four (4) rotations a year." Is that a total of 1,600 per year, or 1,600 per rotation?

Mr. Berube stated it is 1,600 per rotation, so we will have 6,400 annuals in a 12-month period.

Mr. Evans stated I would like to make that clear.

Mr. Qualls stated it is basically 1,600 annuals per quarter.

Mr. Berube stated yes.

Mr. Walls stated on 4.1.5(h) on page 11, I wanted to add "consecutive" after "ten" so that it reads "ten (10) consecutive working days." "Community" will also be replaced with "service area."

Mr. Berube stated I agree; we need to make sure that fertilization does not take more than 10 consecutive working days.

Mr. LeMenager stated I still wish we would consider asking the golf course to maintain the sports turf. It is not a big job.

Mr. Berube stated we did that once before and there was a reason they could not.

Mr. Walls asked on 4.2.3, should (c) precede (a) or (b), the frequency of application? That is really the base of this item.

Mr. Evans stated it talks first that they will apply it on an as-needed basis.

Mr. Walls stated I presume that is for preventative measures.

Mr. Berube asked what does (b) mean?

Mr. Evans asked is (c) not less than two applications? Is it supposed to mean that the Contractor shall apply herbicides on an as-needed basis, but not less than twice a year in February and May?

Mr. Haskett stated that is correct. February and May are the optimum times for Celebration Bermuda.

Mr. Walls asked is that preventative?

Mr. Haskett stated yes.

Mr. Qualls asked it should read "The custom brand of fertilizer shall be applied to shrubs and landscape?"

Mr. Haskett stated no, this is a herbicide.

Mr. Berube stated we are on 4.2.3 on page 14. The whole (a), (b), (c), (d) thing does not seem to fit.

Mr. Walls stated I agree; it does not flow logically.

Mr. Berube stated we talk about applying the herbicides, then we talk about the resistance to herbicides between Celebration and Bermuda, then we go to the frequency of application, then back to the District Manager recommends using Ronstar. Something is out of sequence. Is there a reason we need to explain that Celebration exhibits resistance to herbicides as does 419 Bermuda? Should a professional landscaper already know that, especially one with Florida Green Industries Best Management Practices?

Mr. Haskett stated you would think so. We obtained this information from the Celebration Bermuda grower.

Mr. Berube asked do we have Celebration turf here?

Mr. Haskett stated yes. The sports turf is the variety Celebration Bermuda.

Mr. Walls stated the question is, do we tell them to do it twice a year or only on an as-needed basis.

Mr. Qualls stated I think I made that consistent by changing it to read "not less than two times a year" and then for frequency, "at least two times a year." in other words, you want to leave room if you want more applications.

Mr. Evans stated yes.

Mr. Walls stated they should do it when it needs it.

Mr. LeMenager stated it should be at least two times a year, in February and May.

Mr. Berube stated this is general herbiciding for green grass areas, not specific applications for tree rings and plant beds. That is addressed separately.

Mr. LeMenager stated this is just for sports turf, nothing else.

Mr. Walls stated 4.2.5(b) should include the same language as before, where the fertilizing should be coordinated with the District's watering schedule.

Mr. Qualls asked do you want to put the fertilizing right before the watering?

Mr. Berube stated yes.

Mr. Qualls stated I will make that clear as part of the coordination that fertilization takes place right before watering or language to that effect.

Mr. Berube stated 4.2.4 says the Contractor shall apply fungicides on an as-needed basis. Do we want to specify the frequency? Is there a schedule for fungicides?

Mr. Haskett stated no.

Mr. Berube asked it is applied in response to a problem?

Mr. Haskett stated yes.

Mr. Walls stated 4.2.5(h) should read "ten (10) consecutive working days."

Mr. Evans stated 4.3.3(a), "plans" should be corrected to "plants."

Mr. Berube stated 4.3.2(a) says weeding is done by hand pulling or chemical means. What is your preference for removal of weeds in beds? This is the time to emphasize your preference. I prefer hand pulling.

Mr. Haskett stated depending on how big the weed is, hand pulling can actually promote more weed growth. When you pull the weed with the big root ball on it, it can disperse dirt and weed seeds. Sometimes it is better to apply a post-emergent herbicide on it, such as Round Up. I prefer to keep both methods.

Mr. Berube stated 4.3.4 refers to pest and disease control. We had a discussion earlier on insect and disease control, and there was a different application for both. In 4.3.4, we have an application of disease control for the same six applications.

Mr. Qualls stated I can strike "disease" from this section since this section relates to pest control and the one prior was for disease control.

Mr. Walls stated I think this one is fine because it references shrubs and groundcover.

Mr. Berube stated 4.3.5(a) says "Pine nugget bark mulch shall be installed one time a year between November and January." Are the dates November 1 to January 1, or November 30 to January 31?

Mr. Haskett stated November 1 and January 31.

Mr. Walls asked what is the benefit of the three-inch base clearing?

Mr. Haskett stated you want to keep it away from the base of the tree. You never want to plant a tree deeper than it has been growing because when mulch decomposes, it can create moisture at the base of the tree, leading to disease and insect infestations.

Mr. Walls stated I have never heard of anyone doing it.

Mr. Evans stated when plants are installed, they will leave them about an inch high, not flush with the ground.

Mr. LeMenager asked why do we create rings around trees and mulch up to the edge? Why do we not just let the grass grow? I can see that maybe on the streets, but what about the parks? Why not let the grass grow up to the edge?

Mr. Berube it retains moisture.

Mr. Evans stated the grass also absorbs a lot of nutrients.

Mr. Haskett stated our main concern is mowing so that they do not get too close to the tree with the mower.

Mr. Evans stated grass roots are much higher than tree roots, and the grass will absorb a lot of the nutrients before it ever gets to the tree roots.

Mr. Berube stated 4.3.5(d) addresses the playground area. Are we talking about the actual areas underneath the swings?

Mr. Haskett stated yes.

Mr. Berube asked is this an addition to our current contract?

Mr. Haskett stated yes, it is an addition. In the past, we had experienced some unexpected expenses for playground mulch because it deteriorates over time and we have

to keep a 12-inch cushion of mulch there. I wanted to incorporate it into the new contract so that they are responsible for it. Six inches of mulch each year should be sufficient for that.

Mr. Berube stated to be clear, the way I read it, they have to add six inches of mulch to whatever is already there.

Mr. Haskett stated that is correct.

Mr. Berube stated in theory, they are going to need to rake it all level first.

Mr. Haskett stated so they can keep it maintained instead of the District doing that.

Mr. Berube stated there are holes that are two feet deep.

Mr. Haskett stated that is correct.

Mr. Berube asked do we want to clarify the ten-foot rules on trees? Mr. LeMenager mentioned it with his proposal.

Mr. Evans stated they are really two totally different activities.

Mr. Berube stated I understand.

Mr. Evans stated maintenance 10 feet and below is really for clearance and suckers and things of that nature. Above the 10 feet, you are really getting into the crown of the tree, with the exception of the magnolias. It is two different elements.

Mr. Berube stated I agree. To be clear, 4.4.1(c) means that all trees should be clear from the ground up to 10 feet. From the base of the tree to the lowest hanging branch should be nothing but the trunk of the tree up to 10 feet.

Mr. Walls stated I do not know if it means that. You can have branches lower than 10 feet, as long as they do not hit someone in the head.

Mr. LeMenager stated not on all our street trees. You should not actually see your first branches, when they are healthy, until 12 or 14 feet up, which is where the first branches will start.

Mr. Berube stated that is what I am saying: our minimum standard is up to 10 feet.

Mr. Evans stated I think you also have to factor in the maturity of the tree. We are planting it at three-inch or four-inch D.V.H.O., so they will not have a 10-foot clearance.

Mr. Haskett stated I do not know if we need further clarification on that because landscape companies recognize the branching of trees and the height of the limbs.

Mr. Berube stated Mr. LeMenager mentioned it earlier that we should have clear space from the ground up to ten feet on established trees.

Mr. Haskett stated I would prefer to describe them as canopy trees rather than just a tree. Canopy trees include sycamores, live oaks, laurel oaks, and so forth that provide a canopy, whereas a magnolia or a crepe myrtle is not considered a canopy tree.

Mr. Berube stated 4.4.1(c) should refer to canopy trees.

Mr. Walls stated when you say the tree is ten feet or less in height, you do not mean the overall height of the tree.

Mr. Haskett stated that is correct.

Mr. Walls stated that needs to be clarified. When you read that section, it reads for a tree that is 10 feet in height.

Mr. LeMenager stated you are correct, it needs to be clarified because it has always read that way.

Mr. Berube stated that means trees over 10 feet tall do not get trimmed.

Mr. Qualls asked should it be tree limbs instead of trees?

Mr. LeMenager stated no.

Mr. Berube stated 4.4.1(c) should read "Canopy tree pruning is limited to the limbing of trees" and then we need to clarify further. It is clear space that we are after.

Mr. Qualls stated it is not based on the overall height of the tree.

Mr. Moyer stated that is correct.

Mr. Walls stated they have to take care of the trees up to the 10-foot mark.

Mr. Berube asked should we call that "lifting" or "elevating?"

Mr. Haskett stated elevating.

Mr. Berube stated so it should read "Canopy trees shall be elevated to 10 feet, as required, to maintain safe pedestrian height clearance."

Mr. Walls stated I do not think we need to go into this detail. I think we say that the Contractor takes care of the first 10 feet of the tree. That is essentially what we are saying.

Mr. Berube stated that is correct.

Mr. Qualls asked how shall we define "canopy tree?"

Mr. Berube stated not a magnolia, not a crepe myrtle.

Mr. Haskett stated the people in the industry know what a canopy tree is.

Mr. LeMenager stated it is all described on page 21. It is sort of defined, and I do not think we need to do it any further.

Mr. Berube asked so should we just leave 4.4.1(c) as it is?

Mr. Walls stated it says they do not have to worry about a tree if it is taller than 10 feet, so it needs to be modified.

Mr. Qualls stated I will clarify that section.

Mr. LeMenager stated I finally understand what 4.4.1(c) is saying, which is to direct the Contractor on what to do for trees that are less than 10 feet tall. Page 21 describes what to do for trees that are over 10 feet tall. It is basically saying for trees shorter than 10 feet, do not do anything except take off limbs.

Mr. Qualls stated if that is what it should say, I will revise it. We treat trees differently if they are under 10 feet in height than we do for trees taller than 10 feet.

Mr. Berube stated a new tree might be shorter than 10 feet tall.

Mr. Qualls stated there is a special program for shorter trees.

Mr. LeMenager stated that is correct.

Mr. Qualls stated I will make that clear.

Mr. Berube stated page 22 references individual isolated trees. Should we specify 4.4.5 to be "non pine" trees? We do not mulch pine trees.

Mr. Haskett stated that is correct. We mulch individual pine trees but not multiple pine trees within a planting bed.

Mr. Berube stated then it is fine the way it is.

Mr. Evans stated section 4.5 is related to 2.12 for irrigation.

Mr. Berube stated 4.5(d) says "The Contractor is expected to communicate any problems, questions, concerns, etc. with the District Manager and the Maxicom personnel." Mr. Haskett is the Maxicom personnel. I would like to say "including hot spots or dry areas" or some reference to that effect. I know the contractor will be out looking at the grass every day, as does Mr. Haskett, but if they notice a dry area, they should not wait for three weeks until it is all brown before they say something in case we miss it.

Mr. Qualls asked does the Contractor need to be aware of the work product from Insight Irrigation?

Mr. Berube stated no.

Mr. Evans stated 4.5.1(a) refers you back to Section 2.12. Section 4.5.1 says this is the District's responsibility, but when you go to Section 2.12, the first paragraph talks



about overwatering or insufficient watering from the irrigation system and says, "The Contractor shall replace or reimburse the District..." That implies that it is at the expense of the Contractor. It goes on to say "... over watering or insufficient watering from the irrigation system" and I think that should be deleted, not the whole sentence but just the section that makes the Contractor obligated for the replacement or reimbursement as a result of over watering of insufficient watering.

Mr. Qualls stated they have to replace it if it is the result of insect or disease damage but not irrigation damage.

Mr. Evans stated that is correct. It is their responsibility to monitor, and we have provided them with the means and method by which to address insects, fungus, disease, and so forth, other than acts of God. Section 4.5.3(b), "Contract" should be "Contractor." Section 5.2.2(a), "contractor" should be capitalized at the very end of the sentence.

Mr. Berube stated if we switch contractors, right now I think Luke Brothers allows us to throw trash in their dumpster.

Mr. Haskett stated that is correct.

Mr. Berube stated we need to make a notation as part of this request to let them know we will need space in their dumpster for reasonable quantities of trash to be dumped every month.

Mr. Qualls asked what is "our stuff?"

Mr. Berube stated our trash pickup from the doggie pots and all the trash that we remove. Luke Brothers was kind enough to give us space in their dumpster. I do not know how much we use, maybe five or 10 yards.

Mr. Haskett stated during the budget process, we really need to consider our own dumpster because we need to have our trash dumped more often than their scheduled monthly or bi-monthly pick up. Trash piles up pretty quickly and needs to be removed more often, especially picking up the doggie pot trash.

Mr. Evans stated so no changes on that section. Section 5.2.2(c), "contractor" should be capitalized at the end of the sentence.

Mr. Berube asked have we needed to charge Luke Brothers for any repairs yet?

Mr. Haskett stated no, not yet but we are getting ready to.

Mr. Evans stated Section 5.3 says "If a repair to a damaged facility is deemed an emergency and immediate repair is judged necessary by the Contractor." They still need to receive authorization from the District Manager.

Mr. Qualls stated that may prove time consuming.

Mr. Evans stated if there is a line break or something similar, they need to deal with it and immediately report it to the District.

Mr. Qualls stated they do not need permission to repair it, but they need to make sure everyone is aware that it has been repaired.

Mr. Evans stated in the context of an emergency for an immediate repair, they need to do it. We have already stated that they will bill us on an hourly basis for any repairs on a time and material basis. Subsequently, they need to inform us as to the nature of the emergency. If all of a sudden there is an irrigation break, by the time they start calling around to get in contact with Mr. Haskett or a representative of the District, you may have a major washout.

Mr. Berube stated the reality is that this contractor is probably not going to be prepared to repair a major irrigation break. Even if you tell them to go ahead and repair it, they will have a certain amount of staging time anyway.

Mr. LeMenager stated I do not think we want them making a major irrigation repair.

Mr. Berube stated we have three staff members with iPhones. Mr. Haskett has a phone. Someone should always be available, plus we have an onsite irrigation technician. I appreciate the point, though.

Mr. Evans asked what emergency might they have? That is the only one I can think of, and they are not really handling irrigation.

Mr. Haskett stated in the event of a hurricane and trees blow over.

Mr. Qualls stated if it is work outside the scope, this will be an additional expenditure. I would advise there being some sort of check and balance.

Mr. Berube stated this puts them on notice to call someone.

Mr. Walls stated I think you can say District Manager or his designee.

Mr. Qualls stated that was a global changed we wanted to make, and it looks like it was not made globally. It should always read "District Manager and/or District Manager personnel."

Mr. Evans stated in 5.4(a), we are asking them to provide clean up and touch-up finishes to paint, stucco, etc. as necessary. I do not think that is applicable.

Mr. Walls stated this would be activities they would do in addition to the contract and get paid separately for it.

Mr. Berube stated that is correct.

Mr. Evans stated I cannot see them performing this type of work.

Mr. Walls stated I would not think so.

Mr. Qualls stated the thought is if they scrape it with a mower, they should touch it up. Should we just eliminate that language?

Mr. Walls stated they should do that as part of their scope of service.

Mr. Qualls stated I will delete that bullet point.

Mr. Evans stated site cleanup and pressure washing for special events should be deleted.

Mr. Berube stated they will not be performing that type of work; we have our own staff for that.

Mr. Evans stated they will not mow undeveloped areas because the only undeveloped areas are owned by the developer.

Mr. Berube stated we can probably delete the last bullet point also, for selective weeding and pruning in wooded areas.

Mr. Evans stated I do not know where that would be.

Mr. Walls stated we do not have any wooded areas.

Mr. Berube stated effectively, that wipes out 5.4(a).

Mr. Qualls stated I will delete the last sentence before the bullet points and then all four bullet points.

Mr. Berube stated that is correct. If Mr. Haskett needs something done, we can ask them to do it.

Mr. Qualls asked is 5.4(b) for work to be performed if requested by the Contractor or by the District?

Mr. Berube stated the wording is a little ambiguous. It is saying the Contractor might request to do additional work. You could read it either way.

Mr. Qualls stated I think we should clarify any ambiguities. If the District wants extra work done, we can authorize it for an additional cost.

Mr. Berube stated instead of "Contractor," it should read "District Manager and/or District Manager personnel."

Mr. Evans stated it can also read "if recommended to be performed by the Contractor." If they are recommending that we do something, not requesting, then it is at our discretion whether or not to proceed with that recommendation for work that is outside the scope.

Mr. Walls stated Section 2.2.3, the last sentence should read "Documentation of these certifications and experience should be provided [not provide] to the District Manager."

Mr. Qualls stated I want to clarify what Mr. Walls suggested for an additional section 2.2.4.

Mr. Walls stated I would like to include language that says they have to maintain adequate staffing levels to complete the work satisfactorily.

Mr. Evans stated included in this agenda item is the discussion of a workshop, which we pretty much just had relative to the RFP.

Mr. Berube stated we will need a workshop to review the bids when they are received. Can that happen as quickly as the next meeting?

Mr. LeMenager stated no.

Mr. Evans stated we have not yet discussed submitting this.

Mr. Qualls stated one other thing to consider is the criteria by which you are going to evaluate the bidders.

Mr. Evans stated when we discussed these previously, we talked about the criteria for the applications.

Mr. Qualls stated your rules indicate about eight general criteria.

Mr. LeMenager stated we had a scoring sheet that, in the end, we did not use. I was totally surprised at how the losers did not sue us and win. I think Mr. vanAssenderp did a wonderful job at keeping us from being sued. We had a nice set of criteria, and we did not do that at all. We did not follow our published procedures.

Mr. Evans stated I thought we did. I know there were requirements and service providers had to meet certain specifications, and they did not. They just missed it. Because they did not satisfy that criteria, their bids were eliminated.

Mr. LeMenager stated we did not actually evaluate the ones who did submit everything. No one filled out the score sheets.

Mr. Evans stated I did. If someone does not satisfy the criteria and you excuse it, then you are passing a benefit to those that the others may not have received. We are compelled to adhere to the rules that we set forth in our bid proposals.

Mr. Moyer asked when staff completes revising the scope of services, is it the Board's desire that we publish it and move forward with an RFP?

Mr. Berube stated yes, I think so.

Mr. LeMenager stated we have not taken a vote on it.

Mr. Moyer stated I would like direction on the record as to how you would like to proceed.

Mr. Walls stated I am ready to move forward with an RFP.

Mr. Berube stated I am ready, also.

Mr. Evans asked when is our next workshop?

Mr. Berube stated we do not have one scheduled.

Mr. Evans asked when is our budget workshop? Most people, when they are bidding on a project, they want to know when we will award it and when they will commence. Then they start planning what their chances of being awarded the bid.

Mr. Berube stated we are running out of time.

Mr. Walls stated we are five months away from the current contract expiration.

Mr. Evans stated if we bid something too soon, there is a factor of uncertainty with them bidding too soon since they may not know for four or five months how serious the client is.

Mr. LeMenager stated just as with the previous contractor, if they lose, the quality of service is going to decline drastically for the last portion of their contract term. You have to determine if you want to change contractors in the middle of the heavy growing season, and I think maybe we do not want to do that. If you want to change contractors, you are much better doing that during the dry season when it does not have as much impact.

Mr. Walls asked does the process itself take about a month, by the time we receive the bids?

Mr. Moyer stated I think realistically, we give them three weeks to prepare a bid. We need a week to advertise the RFP, so it will be a month before we even receive bids. Then

we receive them and we have to review it for a couple weeks, Board and staff. I would think the soonest it could happen is six weeks, but realistically, two months.

Mr. Haskett stated we will also need a pre-bid meeting.

Mr. Moyer stated that is correct.

Mr. Walls stated we will need probably a month for a new company to try to ramp up.

Mr. Moyer stated that is correct.

Mr. Haskett stated it will take a few weeks for them to gear up.

Mr. Walls stated we are at that point now.

Mr. Berube stated if we were ready to proceed today, we would be right at October 1.

Mr. Evans stated we also have to look at how it will impact our budget, especially if the bids come in much higher than they did last time.

Mr. Moyer stated it would be nice to be finished with this process in mid-August because then we could adjust our budget based on those bids.

Mr. Berube stated we may need that 1% that I suggested.

Mr. LeMenager stated we can cut another line item.

Mr. Evans stated I think by our workshop, we need to be in a position to know these numbers, and we will need the bids to be valid for a certain period of time, either 60 or 90 days.

Mr. Moyer stated we will specify that information.

Mr. Berube stated if we have a workshop in June, which is an evening meeting, it is fairly easy to have the workshop prior to the meeting.

Mr. Moyer stated that is probably when we will have the bids. We will provide the budget next month, and you could schedule a workshop for June.

Mr. Berube asked can we have a workshop for the budget and for the bids?

Mr. Evans asked will we have a public bid opening?

Mr. Moyer stated yes.

Mr. Evans stated that is when the reality check will happen that Mr. LeMenager raises.

Mr. Walls asked what is the history of protests on something like this?

Mr. Qualls stated they have increased due to the economy.

Mr. Walls stated we are having a lot of trouble with that now, and that will hold us up for who knows how long.

Mr. Qualls stated that is correct.

Mr. Walls stated I think we need to proceed in getting this bid.

Mr. Qualls asked is the Board comfortable with the criteria?

Mr. Walls stated yes.

Mr. LeMenager stated I am not. I want to review it and discuss it at a meeting.

Mr. Moyer stated we can do that at the next meeting. We will not be accepting bids until after the May Board meeting.

Mr. Qualls stated we can review the criteria at the next meeting.

Mr. Evans stated we need to review it before we have the RFP available because it will be part of the RFP.

Mr. Berube stated we already have a guideline.

Mr. LeMenager stated I will not be at the May meeting.

Mr. Qualls stated Mr. LeMenager can email me his suggested changes. Another option is to have one Board member work with staff on the criteria. It is just one sheet.

Mr. Evans stated please email it to us so we can review it. Mr. Haskett is spending the vast majority of his time doing CDD work instead of developer activities. If we get a new contractor, he is going to be going up this learning curve again.

Mr. Berube stated he has been doing that for the past three years, and it needs to stop.

Mr. Moyer stated the criteria we have used in the past allots 25 points for personnel, which includes the location of their headquarters, adequacy, staffing, and those types of things. Experience is 30 points, which includes past record of experience and references. Understanding the scope of work is 15 points, and price is 30 points, further broken down into 15 points for the lowest bid, 10 points for the reasonableness of the unit prices and 5 points for increases and total annual price for the renewal term.

Mr. Walls stated I am fine with the criteria. I have no problem with this format. It is sufficiently broad.

Mr. Moyer stated I agree.

Mr. Berube stated it is not so confining.

Mr. Evans stated perhaps we need to review it to see if there are categories that we need to embellish.

Mr. LeMenager stated based on my experience in having done this before, I would put more emphasis on price.

Mr. Berube stated it is nearly one-third of the total points now.

Mr. LeMenager stated I think it should be higher.

Mr. Evans stated our obligation is to maintain the assets of the District properly.

Mr. Berube stated we do not have to accept the lowest bid.

Mr. Evans stated that is correct. It is not how cheaply we can do it, but we have an obligation. It is not a selective obligation. We have to maintain the investment. If we start cutting because we are trying to get a target number of what the assessments should be, then we are not doing our job. I have the same problem going on right now in my HOA where they have locked in the amount of assessments. They are not putting out mulch but telling all the home owners they have to do that themselves. The place looks awful, and certain things are happening because that HOA Board, which I used to be a member of but am not anymore, decided they are not going to raise the rates. It is very noticeable now. We are locked in on what we can increase the HOA rates to. It will be a long climb to get the property back up to where it was. I just found out that they depleted the reserves that I had set up for roof repairs and other things. They robbed it to pay some other things.

Mr. Walls stated I am not advocating increasing the assessments, but the money we collect through the CDD goes directly to where we live. When we pay our taxes to the County or the State, it goes to many different places. The CDD assessments go right here, and we can see what they are spent on, which are things that we use every day. That is why I am fine in writing that check than others that I write.

Mr. Evans stated I have been on a lot of different Boards, and there are very few Boards who review their expenditures to the magnitude that this Board does. That is a compliment to everyone involved. All the Supervisors and staff review all this information to look for value and appropriate expenditures that is incomparable to any other organization, including other Districts.

Mr. Gologowski stated it was mentioned earlier that the aquatic weed control services contract expires October 1, 2012. Do you want to go out to bid for that?

Mr. Berube stated no, not unless we have to, which I do not think we do because we are under the threshold. I just wanted a comparison of monthly versus quarterly services. everything else should remain the same. I would think the quarterly service should be better, but we can discuss that when we see the prices.



Mr. Moyer asked is the Board ready to advertise for the landscape RFP? If so, I would ask the Board make a motion to authorize staff to proceed.

On MOTION by Mr. Walls, seconded by Mr. Berube, with all in favor, unanimous approval was given to bid landscape maintenance services.

Mr. Berube asked where will this be advertised? In the Orlando Sentinel?

Mr. Moyer stated we are using the Osceola News Gazette.

Mr. Berube asked is that big enough for this RFP?

Mr. Moyer stated probably not. I think to pick up some of the major contractors out of Orlando, we probably need to put it in the Orlando Sentinel.

Mr. Qualls stated I agree.

Mr. Berube stated I also agree, despite my earlier recommendation to advertise in the Osceola News Gazette.

Mr. Moyer stated we will still publish it in the Gazette. We will advertise in both.

## **SEVENTH 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 I updated the balance sheet to clarify fund balance, and I also provided the information on our non-ad valorem collections for April, which we are about 92% collected rather than 53% that was in your agenda package originally. We are in much better financial shape on the revenue side.

Mr. Haskett stated on page 3 under tree trimming services, we had a budget of \$15,000. There is an actual year-to-day of zero, but we received the invoice for \$15,000 that should have been allocated into that line item. I am not sure what line it was taken out of or how it was accounted for. That is when arborist services were done.

Mr. Evans stated it could have gone into miscellaneous services.

Mr. Haskett stated that is possible since that number is off.

Mr. Berube stated I thought there was something in the notes about that. It did go into miscellaneous services according to the notes, so it needs to come out of there and go into tree trimming services.

Mr. LeMenager stated we are still over budget on miscellaneous services.

Mr. Haskett stated miscellaneous contingency included the invoice from Creative Shade Solutions. Could that not come from capital outlay – other since it is a capital improvement?

Mr. Berube stated it is not supposed to be in this year's budget. It was supposed to come from last year's budget, but it was paid from this year's budget because of the timing.

Mr. LeMenager asked can we put it in last year's budget?

Mr. Moyer stated no, we have already closed those books.

Mr. Berube stated we received the invoice pretty late. We were able to pay some other things in last year's budget, but not this.

Mr. Walls asked did we pay for the water fountains from capital outlay last month?

Mr. Berube stated I thought we applied that to parks and amenities. I do not think it matters. Is there a reason Mr. Haskett is requesting that budget line?

Mr. Haskett stated I am trying to balance out the miscellaneous services numbers and the miscellaneous contingencies.

Mr. Berube stated six months ago, we approved changing out a lot of water meters, and Toho Water Authority (TWA) started doing that. They started on the potable meters and were very slow changing the irrigation meters. I kept chasing them on that issue, and they kept responding that they were working on something else. As it turns out, they came back and they are reducing the water meter fees anyway, probably as a result of the inquiry from us saying their fees are pretty expensive. I received this information a month or so ago. I went to the meeting last night and it has been approved by their Board, so the meter fees will decrease between 45% and 75%, without us changing anything. On the other side, there will be an additional monthly building and administrative fee on the bills, which is \$1.78 per month, and the consumption is going to rise dramatically. They are taking the meter fees and reducing them significantly, but the consumption rates will be on an inclining scale. The more water you use, the more expensive it will be. The good news is, we are under the 50<sup>th</sup> percentile on almost all of our meters. Because of the meter sizes, we use less water than the average user of those meter sizes, bringing us below the 50<sup>th</sup> percentile, so our water costs, based on average use, will also decrease. We will not

have to spend any money, and all our utility bills will be reduced. It was the best deal possible.

Mr. Moyer asked so we are not changing out the meters?

Mr. Berube stated that is correct. We changed a few. They did the potable ones immediately and they never billed us for that. We are already saving money on that. The whole project of changing out the rest of the meters has pretty much stopped, but our water bills will reflect the changes whenever this goes into effect, June or July. The bills will decrease, we do not have to spend any additional money, we do not have to worry about changing our meter sizes to ones that are too small, and it worked out beautifully.

**B. Invoice Approval #144 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. Berube stated we are still being billed by Century Link for telephones.

Mr. Golgowski stated I will look into it because that should have ended.

Mr. Berube stated one is dated March 7. We used to have three phone lines.

Mr. Golgowski stated that is correct, and now we have two.

Mr. Berube stated I thought we were getting rid of those two because we have two wireless connections.

Mr. Golgowski stated we need a phone line to reach the weather station, so the weather station needs a phone line and we need one at the other end to dial up. So we only lost one phone line.

Mr. Berube stated then the invoice is fine because we are being billed for two lines. I thought we were getting rid of them and going down to one line.

Mr. Golgowski stated no, we need two phone lines.

Mr. Qualls stated there is an invoice from Broward County.

Mr. Moyer stated we register vehicles in Broward County because their office is closer to the ST administrative office.

Mr. Berube stated there is an invoice for a whirl-away sweeper.

Mr. Haskett stated that is for the pressure washer.

Mr. Berube stated there were two invoices from Symbiont Service Corp. I know one is for the pool heater, but there are a couple notes listed. Apparently on the first service call, the note says the heaters were left off so as not to cause further damage to the

remaining heater. The second note says he took pictures of chemicals used for pools. Is there something going on that needs attention?

Mr. Haskett stated several years ago the first heater went out. Now the second heater went out. It was the internal coil. The reason it states that they left it off to prevent further damage is because they were testing our well water as well as the pool chemicals to determine what the issue was. They determined that both heaters had basically failed years ago, but because the second heater was a slave to the first one, it did not go out immediately. Therefore, it was the coil inside the pump that wore out from wear and tear. When we get into the budget process, I will recommend that we do not replace the secondary unit. They will tell us that we need to replace it, but since my time on this project since 2003, I have rarely heard the second heater come on as a backup. Most of the time, the primary heater handles that. The heater was back on within a matter of days after they ran their tests to make sure we were not doing anything wrong and that the pool company was not doing anything wrong.

Mr. Berube asked do we ever cycle these in the summertime to prevent the acidification of the water inside these coils?

Mr. Haskett stated there is a bypass valve on it. It does continue to cycle, but we do not divert the water from the heater. We just turn the unit off so the water still flows through it, but it is not activating the thermostat to heat the water.

Mr. Berube asked the coil does have water flowing through it so it is not sitting dry?

Mr. Haskett stated that is correct.

Mr. Evans stated I would like to include the invoice from Insight Irrigation for their partial draw request in the amount of \$600.

On MOTION by Mr. Berube, seconded by Mr. LeMenager, with all in favor, unanimous approval was given to the invoices, including the invoice from Insight Irrigation for \$600 for partial payment, as discussed.
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Mr. Berube stated Mr. Moyer is going to need to do some shuffling in the budget because this will apply to one of the two irrigation budget line items, and they are both over budget for the year.

Mr. Moyer stated we will transfer monies into those accounts.

**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.

**E. Consideration of an Engagement Letter with Grau & Associates to Perform the Audit for Fiscal Year 2012**

Mr. Moyer stated this is the standard form audit engagement letter from Grau & Associates to perform the audit for fiscal year 2012, in the amount of \$7,250.

On MOTION by Mr. LeMenager, seconded by Mr. Berube, with all in favor, unanimous approval was given to the engagement letter with Grau & Associates to perform the audit for fiscal year 2012, in the amount of \$7,250.

**F. Qualifying Information for the General Election**

Mr. Moyer stated we need to make available to the public that there will be an election in November for three seats. There are two ways to qualify as identified in the material. One is by petition, which needs to be submitted by May 7, 2012. The other is to pay a \$25 qualifying fee. The qualifying period opens June 4 at noon and closes June 8 at noon. We provided the candidate petition form for anyone who desires to use that form to qualify by petition.

Mr. Evans asked which seats expire, other than mine?

Mr. LeMenager stated Ms. Kassel's seat and my seat.

Mr. Evans asked are you running again?

Mr. LeMenager stated I am and I have already completed the paperwork.

**EIGHTH ORDER OF BUSINESS**

**Staff Reports**

**A. Attorney**

**i Osceola County School Board**

Mr. Qualls stated as a matter of information, I reviewed the interlocal agreement between the District and the School Board regarding swimming lessons. As Mr. LeMenager mentioned, this does renew on an annual basis, but it is important to note that it is the school's job to provide water safety instructors, safety aides, a teacher and a lifeguard, and also to provide a certificate of insurance to the district five days before the

swimming lessons. I think it is important to stay on top of that and make sure those items are being provided.

**ii Legal Counsel Invoices**

Mr. Qualls stated you asked us to review our legal bills and itemize them for work that was done related to the 2005 assessment matter and to share that information with Severn Trent. The amount was over \$9,000, and that information will be sent to the District manager. We will email an actual itemized list. Some of the bills may have been paid.

**B. Engineer**

There being nothing to report, the next order of business followed.

**NINTH ORDER OF BUSINESS**

**Supervisor Requests**

Mr. Berube stated last month, we discussed having Severn Trent reimburse the District for legal bills associated with that assessment issue, and I presume you are just waiting on that final number. We agreed to accept the offer from Severn Trent for them to pay about \$13,000 for those outstanding assessments, and I presume the legal fees are in addition to that amount.

Mr. Moyer stated that is correct.

Mr. Berube asked how will we receive that money?

Mr. LeMenager asked did we receive the \$13,000 yet?

Mr. Moyer stated no. I suspect Mr. Bob Koncar will make a similar offer on attorney fees. His letter said they will credit that amount on a monthly basis in increments over the next twelve months, about \$1,100 per month on your invoices. We will track that.

Mr. Berube stated we have had two billing cycles, and those credits have not shown up yet. That is why I asked.

Mr. Moyer stated I will track that, and I am sure they will do what they agreed to do, but I will confirm that.

Mr. Berube stated we are coming up to budget time, and I know we are all opposed to increasing the assessments. I know we are also looking for additional monies, and I asked Mr. Moyer how this plays out. If we were to increase the assessments 1%, which is probably less than \$30 for the average home here, that generates \$41,360 on this year's budget for additional operation and maintenance revenue. I am not suggesting that we do this, but I am looking at the numbers. If you look back at the record over the past four or five years, our assessments have decreased, as have people's property taxes.

Mr. LeMenager stated our assessments have not decreased.

Mr. Berube stated yes, they have decreased every single year.

Mr. LeMenager stated no they have not; they have been the same amount.

Mr. Berube stated on a percentage basis, they have dropped 0.1% or 0.19%. It is minor, though.

Mr. LeMenager stated that is a decrease of \$1.

Mr. Berube stated at some point, this needs to turn around and go the other way.

Mr. LeMenager stated I am absolutely opposed to Mr. Berube's comments. I think our CDD operation and maintenance assessments are too expensive as it is. We have the third or fourth most expensive district in the County behind Reunion. DR Horton has some big messes in the County. This is a wonderful golf course community, sort of out in the middle of nowhere. There is no way we should be the most expensive place to live. We need to think about how to tighten our belts and think about having realistic expectations of what a community of 1,200 should have in terms of benefits. I will not speak for anyone else, but I will not vote in favor of any increases.

Mr. Evans stated I would not make a blanket statement that we are the most expensive in the County. You need to really look at what you are paying for. The biggest expenses we have include electricity for street lights, and if you want them, you have to pay for them. If you want your landscape taken care of, you have to pay for it no matter where you live. Harmony is a community with more amenities and facilities than anywhere else in Central Florida. If you want to live here with all the parks and everything else you see, someone has to pay for them. We cannot receive bailouts. If you look at the debt side of the equation, most people do not like paying the debt. You have options. Either you could have paid more for your house when you bought it and not have the benefit of the financings at the time, which were very beneficial at the time that it was done, or you pay for it later. It is a matter of when it is paid. It is like a second mortgage, and in reality, it was and very much is. But it paid for the improvements for major roadways. If funds had not been secured, two things would have happened. The cost of your homes would have been more expensive. If the District had not been organized, you would not have had the authority to go out and collect the operation and maintenance assessments through the tax collector. There are huge benefits you have by being in a special District, as opposed to just having an HOA because the HOA goes through

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foreclosure proceedings to collect, versus being able to use the tax collector where we can receive the revenue stream from a tax certificate sale if they do not pay their taxes. That allows us to pay our bills. You have to look at it both ways, from the operation and maintenance side as well as from the debt service side.

Mr. Walls stated I think all that is great, but I would pay a premium any day to fish on Buck Lake, and I am not an advocate of increasing assessment.

**TENTH ORDER OF BUSINESS**

**Adjournment**

The next meeting will be Thursday, May 31, 2012, at 9:00 a.m.

The meeting adjourned at 8:20 p.m.

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Gary L. Moyer, Secretary

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Robert D. Evans, Chairman



## **Fourth Order of Business**

**4B**



**HARMONY CDD MONTHLY LANDSCAPE MAINTENANCE REPORT**

*May 2012*

LINE ITEM	#	SUB-SECTION	#	PERFORMANCE NOTES	
				COMPLETED	WILL BE COMPLETED
Turf Care	4.1	Mowing	4.1.1 4.1.2 4.1.3	<ul style="list-style-type: none"> <li>Developed, undeveloped and HWY192 turf has been adjusted to the following heights per turf. 4" for St. Augustine, 3" for Bahia, 2" for Zoysia turf.</li> </ul>	<ul style="list-style-type: none"> <li>Mowing rotations will be completed each week.</li> <li>Zoysia is being cut once a week.</li> </ul>
		Pest Control	4.1.4 4.1.6	<ul style="list-style-type: none"> <li>There has been minimal insect activity within the turf around the property.</li> </ul>	<ul style="list-style-type: none"> <li>We have been proactively treating for insects at various small areas throughout the property with a systemic insecticide.</li> </ul>
		Fertilization	4.1.5	<ul style="list-style-type: none"> <li>Fertilization has been completed.</li> </ul>	<ul style="list-style-type: none"> <li>An industry expert has been consulted to ensure consistent turf quality is maintained throughout property.</li> </ul>
		Annuals	4.1.8	<ul style="list-style-type: none"> <li>Maintenance of the flowers has been continued throughout the month.</li> </ul>	<ul style="list-style-type: none"> <li>Maintenance on existing flowers will continue throughout the month.</li> </ul>
Sports Turf	4.2	Mowing	4.2.1	<ul style="list-style-type: none"> <li>Mowing is being completed twice a week.</li> </ul>	<ul style="list-style-type: none"> <li>We will continue to mow twice a week.</li> </ul>
		Pest Control	4.2.2 4.2.3	<ul style="list-style-type: none"> <li>IPM has been performed as needed.</li> </ul>	<ul style="list-style-type: none"> <li>IPM will be performed as needed.</li> </ul>
		Fertilization	4.2.5	<ul style="list-style-type: none"> <li>The soccerfield is greening up from the drought with additional irrigation and fertilization.</li> </ul>	<ul style="list-style-type: none"> <li>We will continue with supplemental fertilizations both liquid and granular due to high activity.</li> </ul>
Shrubs / Groundcover Care	4.3	Pruning	4.3.1	<ul style="list-style-type: none"> <li>Shrub pruning has been taking place throughout the property through the month of May in parks and common grounds per the schedule.</li> </ul>	<ul style="list-style-type: none"> <li>Shrub pruning will be completed throughout May for both the main property and the interior parks.</li> </ul>
		Weeding	4.3.2	<ul style="list-style-type: none"> <li>Weeding had been completed by all crews working in areas for parks and common ground.</li> <li>Sureguard has been applied with Round-up which acts as a growth inhibitor for potential weeds.</li> </ul>	<ul style="list-style-type: none"> <li>We are still working with the crews to handle the weeds in their areas of work for the day.</li> <li>We will continue to focus on bed weed control throughout the property.</li> </ul>
		Fertilization	4.3.3	<ul style="list-style-type: none"> <li>IPM has been performed as needed.</li> </ul>	<ul style="list-style-type: none"> <li>We will keep an eye on shrubs throughout the property for needed fertilizations as we have been for the past year.</li> </ul>
		Pest Control	4.3.4	<ul style="list-style-type: none"> <li>A systemic insecticide has been applied to shrubs around the property to proactively avoid infestations.</li> </ul>	<ul style="list-style-type: none"> <li>We will perform IPM as needed throughout the property.</li> </ul>
		Mulching	4.3.5	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>
Tree Care	4.4	Pruning	4.4.1	<ul style="list-style-type: none"> <li>Trees are being elevated as work is being completed by our detail crew in specific areas.</li> </ul>	<ul style="list-style-type: none"> <li>Trees will be elevated as needed during the detail rotations.</li> </ul>
		Fertilizer	4.4.3	<ul style="list-style-type: none"> <li>Fertilization is being applied as needed.</li> </ul>	<ul style="list-style-type: none"> <li>We will continue to fertilize the queen palms monthly as we did last summer to promote healthy growth and appearance at the Swim Club.</li> </ul>
Unscheduled Maintenance	5	Unscheduled Maintenance	5.4	<ul style="list-style-type: none"> <li>Completed turf replacement at Dog Park.</li> </ul>	

**4C** i

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# THE TOWN OF HARMONY

## District Dock & Maintenance Activities Report

April 15, 2012 – May 15, 2012

### Boat Maintenance

- All boats were cleaned as needed.
- Bass boat placed in service.
- Small pontoon renovations 99% complete. Will be placed back in service by 5/18.

### Buck Lake Activities

- First Friday Fishing (May 4th), 20 + in attendance.
- Boat Orientation Class – Held Saturday 5<sup>th</sup>, six attended.

### Facility / Park Maintenance Activities

- 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.
- Replacement drinking fountains ordered. 4-6 week delivery date.
- LSP playground fence removal started May 8<sup>th</sup>, 75% complete.

### Irrigation Maintenance

- Continue to replace broken irrigation heads. Hot spots throughout the property evident by lack of rainfall.
- Insight inspections continuing weekly. Mapping process and training are going well.
- Replaced irrigation controller faceplate on clock 17 (Butterfly Trail). Relocated clock 17 faceplate to clock 3 (Main Entrance).
- Replaced solenoids located within clock 21 and clock 6.
- Repaired two mainline leaks along Cat Brier Trail (Clock 8).

4C ii



## **Fifth Order of Business**



## **Lakeshore Park Expansion – Concept Plan**

### **Background**

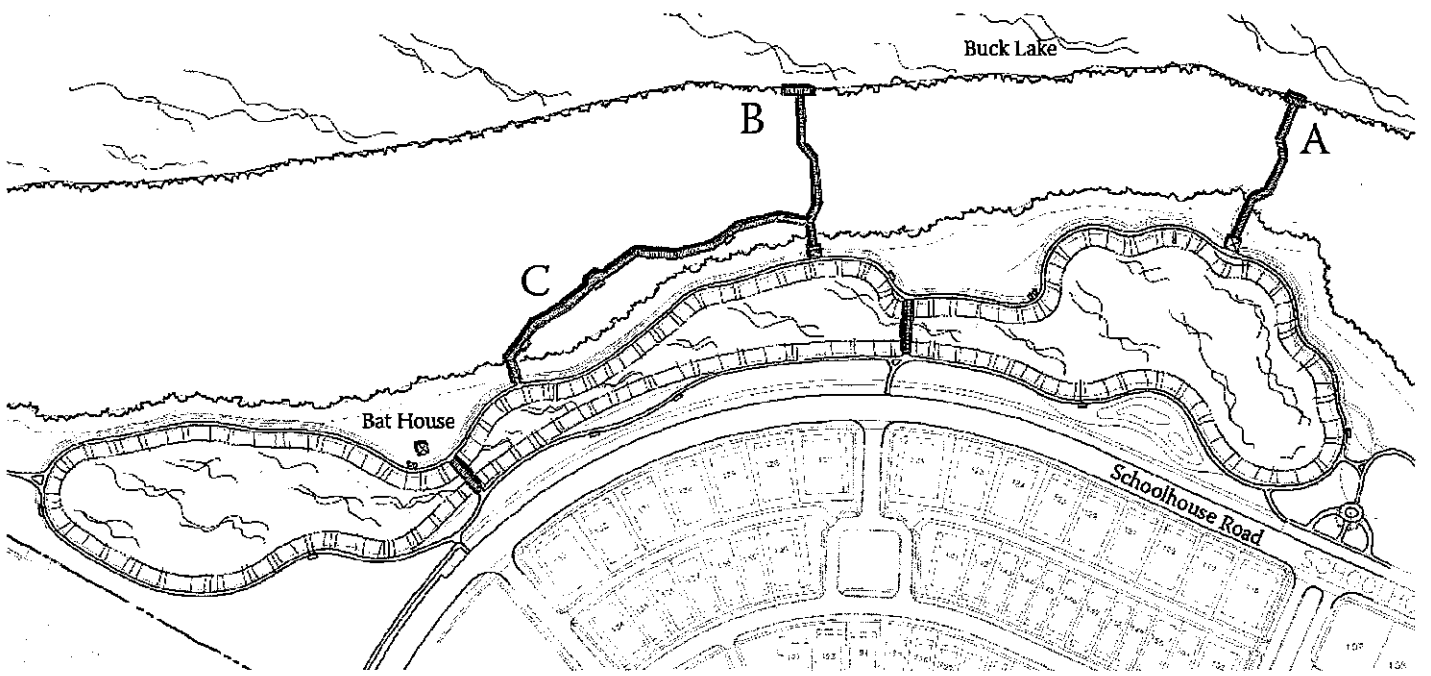
The Harmony Development Co. thinned the lakeshore vegetation adjacent to Lakeshore Park at two locations earlier this year. This was done in an effort to create more visual access to the lake, but it may have created the chance to have physical access as well.

To see how these locations could be used and expand the value of Lakeshore Park to Harmony residents, the Development Co. commissioned the preparation of a conceptual trail plan what will provide access to these two locations and create a path network for the undeveloped portions of Lakeshore Park.

### **Proposal**

The Concept Plan provides for a top of bank path encircling the pond and connects with the sundial area of the western edge of the developed Lakeshore Park, as well as to the Lakeshore Trail that heads westward and to Schoolhouse Road at two street intersections. The trail would have an unpaved surface with occasional sitting locations. Two footbridges, roughly 6' x 60' and 70' will be built across the pond to create trail loops and "shortcuts" to the Buck Lake side of the pond. Two 4' wide boardwalks will meet this pond trail at small (say 12'x12') shelters and would each provide access to a lakeshore platform (say 10'x20'). A new trail (item C on the drawing) is shown just inside the treeline to provide a woods walk. This will be initially built as a simple natural earth pathway with a boardwalk upgrade provided at a later date as the need requires.

As the plan involves both lands owned by Birchwood Acres within the lake treeline and the Harmony CDD around the park pond, the project is seen as a joint effort between the two parties. Actual construction is subject to environmental resource permitting and conservation easement approval by the South Florida Water Management District.



- A - Passive lake reflection deck with porch swing
- B - Fishing focused deck - built in benches
- C - Future Phase, forest boardwalk experience

## **Sixth Order of Business**

**6A**

# **HARMONY**

Community Development District

## ***Annual Operating***

**Fiscal Year 2013**

Version 1 - Proposed Budget:  
(Printed on 5/17/2012 3pm)

Prepared by:



**HARMONY**

Community Development District

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**Harmony**  
Community Development District

**Operating Budget**  
Fiscal Year 2013

# HARMONY

Community Development District

General Fund

## Summary of Revenues, Expenditures and Changes in Fund Balances Fiscal Year 2013 Proposed Budget

ACCOUNT DESCRIPTION	ACTUAL FY 2011	ADOPTED BUDGET FY 2012	ACTUAL	PROJECTED	TOTAL	ANNUAL
			THRU APR-2012	MAY - SEP-2012	PROJECTED FY 2012	BUDGET FY 2013
<b>REVENUES</b>						
Interest - Investments	\$ 5,208	\$ 1,500	\$ 2,069	\$ 1,478	\$ 3,547	\$ 2,500
Judgements and Fines	411	-	-	-	-	-
Interest - Tax Collector	130	-	41	-	41	-
Special Assmnts- Tax Collector	622,750	622,472	585,155	37,317	622,472	622,472
Special Assmnts- CDD Collected	914,364	913,955	533,140	380,814	913,955	913,955
Special Assmnts- Discounts	(10,697)	(24,900)	(13,059)	-	(13,059)	(24,899)
Other Miscellaneous Revenues	-	-	1,420	-	1,420	-
<b>TOTAL REVENUES</b>	<b>1,532,166</b>	<b>1,513,027</b>	<b>1,108,767</b>	<b>419,609</b>	<b>1,528,376</b>	<b>1,514,028</b>
<b>EXPENDITURES</b>						
<i>Administrative</i>						
P/R-Board of Supervisors	11,800	9,600	5,600	3,500	9,100	11,200
FICA Taxes	903	734	428	268	696	857
ProfServ-Arbitrage Rebate	3,000	1,200	600	600	1,200	1,200
ProfServ-Dissemination Agent	500	500	500	-	500	500
ProfServ-Engineering	7,637	15,000	3,583	5,016	8,599	11,000
ProfServ-Legal Services	27,231	23,000	21,892	15,892	37,784	20,000
ProfServ-Mgmt Consulting Serv	54,091	55,984	31,357	22,398	53,755	55,984
ProfServ-Property Appraiser	-	779	-	779	779	779
ProfServ-Special Assessment	11,422	11,822	11,822	-	11,822	11,422
ProfServ-Trustee	10,748	11,000	9,186	1,614	10,800	10,800
Auditing Services	8,000	8,000	7,500	-	7,500	8,000
Communication - Telephone	317	380	146	104	250	380
Postage and Freight	847	1,200	668	477	1,145	1,200
Insurance - General Liability	21,575	23,733	23,262	-	23,262	27,293
Printing and Binding	4,912	5,000	3,629	2,592	6,221	5,000
Legal Advertising	1,017	1,000	158	113	271	1,000
Misc-Assessmnt Collection Cost	7,447	12,449	11,442	1,007	12,449	12,449
Misc-Contingency	178	2,800	60	43	103	2,800
Office Supplies	1,055	1,500	408	291	699	1,500
Annual District Filing Fee	175	175	175	-	175	175
<b>Total Administrative</b>	<b>172,855</b>	<b>185,856</b>	<b>132,416</b>	<b>54,695</b>	<b>187,111</b>	<b>183,539</b>
<i>Field</i>						
Payroll-Salaries	60	-	-	-	-	-
ProfServ-Field Management	79,562	109,839	62,102	48,486	110,588	119,113
<b>Total Field</b>	<b>79,622</b>	<b>109,839</b>	<b>62,102</b>	<b>48,486</b>	<b>110,588</b>	<b>119,113</b>



**Summary of Revenues, Expenditures and Changes in Fund Balances  
Fiscal Year 2013 Proposed Budget**

ACCOUNT DESCRIPTION	ACTUAL FY 2011	ADOPTED BUDGET FY 2012	ACTUAL	PROJECTED	TOTAL	ANNUAL
			THRU APR-2012	MAY - SEP-2012	PROJECTED FY 2012	BUDGET FY 2013
<b>Landscape</b>						
Utility - Refuse Removal	5,096	-	-	-	-	-
Contracts - Grounds	31,449	32,994	12,059	8,614	20,673	29,994
R&M-Irrigation	66,425	15,767	25,274	12,696	37,970	16,400
Contracts - Tree Canopy Trimming	15,000	15,000	13,000	-	13,000	15,000
Contracts - Trees and Trimming	21,511	21,115	11,151	7,965	19,116	19,115
Contracts - Turf Care	278,001	283,001	162,167	115,834	278,001	278,001
Contracts - Shrub Care	107,540	110,539	62,731	44,808	107,539	107,540
Miscellaneous Services	14,737	10,000	17,769	1,978	19,747	23,000
<b>Total Landscape</b>	<b>539,759</b>	<b>488,416</b>	<b>304,151</b>	<b>191,894</b>	<b>496,045</b>	<b>489,050</b>
<b>Utilities</b>						
Electricity - General	29,112	35,000	15,110	10,793	25,903	35,000
Electricity - Streetlighting	377,280	385,000	220,619	157,545	378,164	389,000
Utility - Water & Sewer	107,261	105,000	51,914	40,081	91,995	105,000
<b>Total Utilities</b>	<b>513,653</b>	<b>525,000</b>	<b>287,643</b>	<b>208,419</b>	<b>496,062</b>	<b>529,000</b>
<b>Operation &amp; Maintenance</b>						
Contracts-Lake and Wetland	20,565	35,000	18,625	12,650	31,275	35,000
Communication - Telephone	3,557	8,000	2,860	2,383	5,243	8,000
R&M-Common Area	20,048	18,806	9,617	6,869	16,486	18,800
R&M-Equipment	15,719	15,000	7,990	5,707	13,697	15,000
R&M-Pools	33,543	70,000	44,756	16,969	61,725	40,000
R&M-Roads & Alleyways	-	1,000	4,041	2,886	6,927	1,000
R&M-Sidewalks	-	6,000	-	2,000	2,000	4,000
R&M-Parks & Facilities	1,300	8,500	1,534	1,096	2,630	8,500
R&M-Hardscape Cleaning	2,836	6,000	2,836	2,026	4,862	5,000
Misc-Contingency	12,243	15,610	3,140	1,000	4,140	43,526
Misc-Security Enhancements	8,823	5,000	854	500	1,354	2,500
Cap Outlay - Other	6,393	15,000	28,583	5,000	33,583	12,000
Cap Outlay - Recreation Impr	15,825	-	-	-	-	-
Cap Outlay - Vehicles	7,594	-	-	-	-	-
<b>Total Operation &amp; Maintenance</b>	<b>148,446</b>	<b>203,916</b>	<b>124,836</b>	<b>59,086</b>	<b>183,922</b>	<b>193,326</b>
<b>TOTAL EXPENDITURES</b>	<b>1,454,335</b>	<b>1,513,027</b>	<b>911,148</b>	<b>562,579</b>	<b>1,473,727</b>	<b>1,514,028</b>
Excess (deficiency) of revenues Over (under) expenditures	77,831	-	197,619	(142,970)	54,649	0
Net change in fund balance	77,831	-	197,619	(142,970)	54,649	0
<b>FUND BALANCE, BEGINNING</b>	<b>576,637</b>	<b>654,468</b>	<b>654,468</b>	<b>-</b>	<b>654,468</b>	<b>709,117</b>
<b>FUND BALANCE, ENDING</b>	<b>\$ 654,468</b>	<b>\$ 654,468</b>	<b>\$ 852,087</b>	<b>\$ (142,970)</b>	<b>\$ 709,117</b>	<b>\$ 709,117</b>

**Budget Narrative  
Fiscal Year 2013****REVENUES****Interest-Investments**

The District earns interest on its operating accounts.

**Special Assessments-Tax Collector**

The District will levy a Non-Ad Valorem assessment on all the assessable property within the District in order to pay for the operating expenditures during the Fiscal Year. The collection will be provided by the Tax Collector pursuant to Selection 197.3632, Florida Statutes, which is the Uniform Collection Methodology.

**Special Assessment – CDD Collected (Maintenance)**

The District will collect a Non-Ad Valorem assessment on all the un-platted parcels within the District in support of the overall fiscal year budget.

**Special Assessments-Discounts**

Per Section 197.162, Florida Statutes, discounts are allowed for early payment of assessments only when collected by the Tax Collector. The budgeted amount for the fiscal year is calculated at 4% of the anticipated Non-Ad Valorem assessments.

**EXPENDITURES****Administrative****P/R-Board of Supervisors**

Chapter 190 of the Florida Statutes allows for members of the Board of Supervisors to be compensated \$200 per meeting at which they are in attendance. The amount for the Fiscal Year is based upon four supervisors attending 12 meetings and 2 workshops.

**FICA Taxes**

Payroll taxes on Board of Supervisors compensation. The budgeted amount for the fiscal year is calculated at 7.65% of the total Board of Supervisor's payroll expenditures.

**Professional Services – Arbitrage Rebate**

The District will contract with an independent certified public accountant to annually calculate the District's Arbitrage Rebate Liability on the Series of Benefit Special Assessment Bonds. The budgeted amount for the fiscal year is based on signed engagement letters for each Bond series at \$600 each.

**Professional Services – Dissemination Agent**

The District is required by the Securities and Exchange Commission to comply with rule 15c2-12(b)-(5), which relates additional reporting requirements for unrelated bond issues and is performed by Digital Assurance Company. The budgeted amount for the fiscal year is based on standard fees charged for this service.

**Professional Services-Engineering**

The District's engineer, Woolpert Inc., will be providing general engineering services to the District, i.e., attendance and preparation for monthly Board meetings, review of invoices, preparation of requisitions., etc. The budgeted amount for the fiscal year is based on anticipated activity.

**Professional Services-Legal Services**

The District's general counsel, Young van Assenderp, P.A., retained by the District Board, is responsible for attending and preparing for Board meetings and rendering advice, counsel, recommendations, and representation as determined appropriate or as directed by the Board directly or as relayed by the manager.

**Budget Narrative**  
Fiscal Year 2013**EXPENDITURES****Administrative** (continued)**Professional Services-Management Consulting Services**

The District receives Management, Accounting and Administrative services as part of a Management Agreement with Severn Trent Environmental Services, Inc. Also included are costs for Information Technology charges to process all of the District's financial activities, i.e. accounts payable, financial statements, budgets, etc., on a main frame computer owned by Severn Trent in accordance with the management contract and the charge for rentals. The budgeted amount for the fiscal year is based on the contracted fees outlined in Exhibit "A" of the Management Agreement. No increase is expected for FY2013.

**Professional Services - Special Assessment (Advisor)**

The District will be billed annually for calculating and levying the annual operating and maintenance, and debt service assessments, as provided by Severn Trent Management Services.

**Professional Services -Property Appraiser**

The Property Appraiser provides the District with a listing of the legal description of each property parcel within the District boundaries, and the names and addresses of the owners of such property. The District reimburses the Property Appraiser for necessary administrative costs incurred to provide this service. The FY2013 budget for property appraiser costs was based on a unit price per parcel. In prior years, this cost was included in Misc.-Assessment Collection Cost.

**Professional Services- Trustee**

The District pays US Bank an annual fee for trustee services on the Series 2001 and Series 2004 Bonds. The budgeted amount for the fiscal year is \$4,500 for each series plus any out-of-pocket expenses.

**Auditing Services**

The District is required to conduct an annual audit of its financial records by an Independent Certified Public Accounting Firm. The budgeted amount for the fiscal year is based on contracted fees from an existing engagement letter with Grau & Associates.

**Communication-Telephone**

Telephone and fax transmission expenditures.

**Postage and Freight**

Actual postage and/or freight used for District mailings including agenda packages, vendor checks and other correspondence.

**Insurance-General Liability**

The District's General Liability & Public Officials Liability Insurance policy is with Preferred Governmental Insurance Trust (PGIT). They specialize in providing insurance coverage to governmental agencies. The budgeted amount allows for a projected increase in the premium.

**Printing and Binding**

Copies used in the preparation of agenda packages, required mailings, and other special projects.

**Legal Advertising**

The District is required to advertise various notices for monthly Board meetings and other public hearings in the Orlando Sentinel.

**Budget Narrative**  
Fiscal Year 2013

**EXPENDITURES**

**Administrative** (continued)

**Miscellaneous-Assessment Collection Costs**

The District reimburses the Osceola Tax Collector for her or his necessary administrative costs. Per the Florida Statutes, administrative costs shall include, but not be limited to, those costs associated with personnel, forms, supplies, data processing, computer equipment, postage, and programming. The District also compensates the Tax Collector for the actual cost of collection or 2% on the amount of special assessments collected and remitted, whichever is greater. The FY2013 budget for collection costs was based on a maximum of 2% of the anticipated assessment collections.

**Miscellaneous -Contingency**

This includes monthly bank charges and any other miscellaneous expenses that may be incurred during the year.

**Office Supplies**

Supplies used in the preparation and binding of agenda packages, required mailings, and other special projects.

**Annual District Filing Fee**

The District is required to pay an annual fee of \$175 to the Department of Community Affairs.

**Field**

**Professional Services – Field Management**

**\$119,113**

Includes payroll and overhead costs for full-time field manager/dockmaster and assistant field manager and maintenance employee, as provided by Severn Trent Management Services. Primary responsibilities are related to docks and boats, with supplemental activities providing on-site field management and maintenance services. As of 2012, Irrigation duties were added to include; regular inspections, adjustments to controller and irrigation heads, minor system repairs, and purchase of irrigation supplies. A slight increase is anticipated for FY2013.

Contract (Severn Trent Management Services)	
\$9,726 per month - Includes 3.5% annual increase	\$116,713
Overtime – approx \$200 @ 12 months	\$2,400

**Landscape**

**Contracts-Ground**

**\$29,994**

Scheduled maintenance consists of mowing, edging, blowing, fertilizing and applying pest and disease control chemicals to ground cover, as well as planting and replacing various annual and seasonal flowers within the District. Unscheduled maintenance consists of repairs and replacement to any damaged areas.

Existing Contract (Luke Brothers)	\$20,394
Existing Contract (Luke Brothers- Flowers)	\$9,600
<b>Unscheduled maintenance – Added to Misc Services</b>	<b>\$3,000</b>

**Budget Narrative  
Fiscal Year 2013**

**EXPENDITURES**

**Landscape (continued)**

**R&M-Irrigation \$16,400**

Purchase of irrigation supplies. Unscheduled maintenance consists of major repairs and replacement of system components.

System Management (monitoring of the system)	\$3,000
Unscheduled maintenance/repair of Weather Station	\$1,400
Irrigation supplies	\$12,000

**Contracts –Trees Canopy Trimming \$15,000**

Scheduled maintenance consists of canopy trimming for trees above the 10-foot height level, and consulting with a certified arborist.

**Contracts –Trees and Trimming \$19,115**

Scheduled maintenance consists of pruning, maintaining tree basins and fertilizing trees below the 10-foot height level.

Existing Contract (Luke Brothers)	\$19,115
Unscheduled maintenance – Added to Misc Services	\$2,000

**Contracts -Turf Care \$278,001**

Scheduled maintenance consists of mowing, edging, blowing, fertilizing, and applying pest and disease control chemicals to turf within Harmony CDD. Unscheduled maintenance consists of replacement to any damaged areas.

Existing Contract (Luke Brothers)	\$278,001
Unscheduled maintenance – Added to Misc Services	\$5,000

**R&M-Shrub Care \$107,540**

Scheduled maintenance consists of pruning, mulching, fertilizing, applying pest and disease control chemicals, and providing weed control and debris removal to Shrubs within the District. Unscheduled maintenance consists of repairs and replacement to any damaged areas.

Existing Contract (Luke Brothers)	\$107,540
Unscheduled maintenance – Added to Misc Services	\$3,000

**Miscellaneous Services \$23,000**

Unscheduled or one-time landscape maintenance expenses for other areas within the District that are not listed in any other budget category.

**Utility**

**Electricity - General \$35,000**

Electricity for accounts with Orlando Utilities Commissions for the swim club, parks, and irrigation. Fees are based on historical costs for metered use.

**Electricity - Streetlighting \$389,000**

Contract to lease light-poles and fixtures for all street lighting within the District, as per agreement with the Orlando Utilities Commission. Fees are based on historical costs.

**Budget Narrative**  
Fiscal Year 2013**EXPENDITURES****Utility** (continued)**Utility - Water & Sewer****\$105,000**

The District currently has utility accounts with Toho Water Authority (a division of KUA). Usage consists of water, sewer and reclaimed water services.

**Operation & Maintenance****Contracts-Lake and Wetland****\$35,000**

Scheduled maintenance consists of inspections and treatment of nuisance aquatic species. Unscheduled maintenance consists of aquatic plantings and repair of any damaged areas.

Existing Contract (Bio-Tech Consulting)	\$18,360
Unscheduled maintenance	\$16,640

**Communication – Telephone****\$8,000**

Telephone expenses for the dockmaster and assistant and the irrigation line for the computerized Maxicom irrigation system.

**R&M-Common Area****\$18,800**

- Benches: Unscheduled maintenance consists of replacing damaged benches and purchasing benches for added areas
- Miscellaneous cleaning supplies, light bulbs, and other supplies used throughout the District.
- District facility's expenditures relating to new assistant Field Manager
- Other miscellaneous common area expense not provided in other line items. It is anticipated some items originally installed in 2003 will need to be replaced in FY 2012, including trash cans, doggie pots and fountain

**R&M-Equipment****\$15,000**

Supplies, maintenance and equipment needed for the boats.

Boat Operation, supplies and maintenance	\$7,000
Repairs and system upgrade	\$6,000
Miscellaneous	\$2,000

**R&M-Pools****\$40,000**

This includes monthly pool service and any repairs and maintenance for the Swim Club and Ashley Park pools that may be incurred during the year by the District, including repair and replacement of pool furniture, shades, safety equipment, etc. Supplies for the pool and fountains such as chemicals and chlorine are provided by Spies Pool LLC. Various pool licenses and permits required for the pools are based on historical expenses.

Contract (Robert's Pool Service)	\$14,400
Repairs for Furniture	\$3,000
Supplies	\$9,840
Licenses	\$1,050
Unscheduled Maintenance	\$11,710

**R&M Roads and Alleyways****\$1,000**

Unscheduled maintenance of alleyways.

**Budget Narrative**  
Fiscal Year 2013

**EXPENDITURES**

**Operation & Maintenance** (continued)

**R&M Sidewalks**

**\$4,000**

Unscheduled maintenance consists of grinding uneven areas and replacement of concrete sidewalk. Pressure washing areas within the District as needed.

**R&M Parks and Facilities**

**\$8,500**

Maintenance or repairs to the basketball courts and athletic fields, including sod replacement, cleaning of basketball courts, dog parks and all miscellaneous park areas.

Lakeshore Park

\$6,500

Dog Parks

\$1,000

Miscellaneous Park Areas

\$1,000

**R&M-Hardscape Maintenance**

**\$5,000**

Scheduled maintenance consists of pressure washing PVC fencing, bridges, and pavilions, restrooms and other Hardscape. Unscheduled maintenance consists of repairs and replacement of damaged areas, including columns. Done in house as of FY2012.

**Misc-Contingency**

**\$43,526**

The FY2013 contingency represents the potential excess of unscheduled maintenance expenses not included in budget categories or not anticipated in specific line items.

**Misc-Security Enhancement**

**\$2,500**

Represents costs to update and improve security within the District. (Gates, camera's etc.) Unscheduled maintenance; includes repair or replacement of damaged cameras and any required upgrades.

**Capital – Outlay**

**\$12,000**

The District will replace existing equipment or purchase new equipment for District facilities

**Exhibit "A"**  
Allocation of Fund Balances

**AVAILABLE FUNDS**

	<b>Amount</b>
Beginning Fund Balance - Fiscal Year 2013	\$ 709,117
Net Change in Fund Balance - Fiscal Year 2013	0
Reserves - Fiscal Year 2013 Additions	-
<b>Total Funds Available (Estimated) - 9/30/2013</b>	<b>709,117</b>

**ALLOCATION OF AVAILABLE FUNDS**

***Nonspendable Fund Balance***

Prepaid Items	1,031
---------------	-------

***Assigned Fund Balance***

Operating Reserve - First Quarter Operating Capital	378,507 <sup>(1)</sup>
Reserves - Insurance	50,000 <sup>(2)</sup>
Reserves - Renewal & Replacement	185,000 <sup>(3)</sup>
Subtotal	<u>613,507</u>

<b>Total Allocation of Available Funds</b>	<b>614,538</b>
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<b>Total Unassigned (undesignated) Cash</b>	<b>\$ <u>94,579</u></b>
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**Notes**

- (1) Represents approximately 3 months of operating expenditures
- (2) Represents deductibles for Liability and Property insurance
- (3) Represents annual amount of approximate 10 year plan for renewal and replacement



**6B**

**RESOLUTION 2012-1**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF  
THE HARMONY COMMUNITY DEVELOPMENT  
DISTRICT APPROVING THE BUDGET FOR FISCAL  
YEAR 2013 AND SETTING A PUBLIC HEARING  
THEREON PURSUANT TO FLORIDA LAW**

WHEREAS, the District Manager has heretofore prepared and submitted to the Board a proposed operating and/or debt service budget for Fiscal Year 2013; a copy of which is attached hereto, and

WHEREAS, the Board of Supervisors has considered said proposed budget and desires to set the required public hearing thereon;

**NOW, THEREFORE BE IT RESOLVED BY THE BOARD  
OF SUPERVISORS OF THE HARMONY COMMUNITY  
DEVELOPMENT DISTRICT;**

1. The budget proposed by the District Manager for Fiscal Year 2013 is hereby approved as the basis for conducting a public hearing to adopt said budget.
2. A public hearing on said approved budget is hereby declared and set for the following date, hour and place:

Date: Thursday, August 30, 2012

Hour: 6:00 p.m.

Place: 7251 Five Oaks Drive  
Harmony, Florida

Notice of this public hearing shall be published in the manner prescribed in Florida Law.

**Adopted this 31<sup>st</sup> day of May, 2012.**

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Robert D. Evans  
Chairman

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Gary L. Moyer  
Secretary

## **Seventh Order of Business**

**7A**

**Harmony  
Community Development District**

*Financial Report*

*April 30, 2012*

**Prepared by**



**Harmony  
Community Development District**

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**Harmony  
Community Development District**

**Financial Statements**

**(Unaudited)**

**April 30, 2012**

**Balance Sheet**  
April 30, 2012

ACCOUNT DESCRIPTION	GENERAL FUND	2001 DEBT SERVICE FUND	2004 DEBT SERVICE FUND	2004 CAPITAL PROJECTS FUND	TOTAL
<b>ASSETS</b>					
Cash - Checking Account	\$ 261,152	\$ -	\$ -	\$ -	\$ 261,152
Cash On Hand/Petty Cash	500	-	-	-	500
Accounts Receivable	12,572	-	-	-	12,572
Assessments Receivable	76,163	-	-	-	76,163
Interest/Dividend Receivables	1,198	-	-	-	1,198
Due From Other Funds	4,059	-	-	-	4,059
Investments:					
Certificates of Deposit - 36 Months	127,778	-	-	-	127,778
Money Market Account	480,396	-	-	-	480,396
Construction Fund	-	-	-	62,823	62,823
Prepayment Account	-	10,653	3,229	-	13,882
Reserve Fund	-	1,416,606	859,953	-	2,276,559
Revenue Fund	-	1,316,082	740,088	-	2,056,170
Prepaid Items	1,031	-	-	-	1,031
<b>TOTAL ASSETS</b>	<b>\$ 964,849</b>	<b>\$ 2,743,341</b>	<b>\$ 1,603,270</b>	<b>\$ 62,823</b>	<b>\$ 5,374,283</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 100,084	\$ -	\$ -	\$ -	\$ 100,084
Accrued Taxes Payable	106	-	-	-	106
Deferred Revenue	12,572	-	-	-	12,572
Due To Other Funds	-	4,059	-	-	4,059
<b>TOTAL LIABILITIES</b>	<b>112,762</b>	<b>4,059</b>	<b>-</b>	<b>-</b>	<b>116,821</b>
<b>FUND BALANCES</b>					
<b>Unspendable:</b>					
Prepaid Items	\$ 1,031	\$ -	\$ -	\$ -	\$ 1,031
<b>Restricted For:</b>					
Debt Service	-	2,739,282	1,603,270	-	4,342,552
Capital Projects	-	-	-	62,823	62,823
<b>Assigned to:</b>					
Operating Reserve	350,000	-	-	-	350,000
Reserves - Renewal & Replacement	135,000	-	-	-	135,000
Reserves - Self Insurance	50,000	-	-	-	50,000
<b>Unassigned:</b>					
	316,056	-	-	-	316,056
<b>TOTAL FUND BALANCES</b>	<b>\$ 852,087</b>	<b>\$ 2,739,282</b>	<b>\$ 1,603,270</b>	<b>\$ 62,823</b>	<b>\$ 5,257,462</b>
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<b>\$ 964,849</b>	<b>\$ 2,743,341</b>	<b>\$ 1,603,270</b>	<b>\$ 62,823</b>	<b>\$ 5,374,283</b>



**Statement of Revenues, Expenditures and Changes in Fund Balances**  
For the Period Ending April 30, 2012

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	VARIANCE (\$) FAV(UNFAV)
<b>REVENUES</b>				
Interest - Investments	\$ 1,500	\$ 875	\$ 2,070	\$ 1,195
Interest - Tax Collector	-	-	41	41
Special Assmnts- Tax Collector	622,472	622,472	585,155	(37,317)
Special Assmnts- CDD Collected	913,955	533,141	533,140	(1)
Special Assmnts- Discounts	(24,900)	(24,900)	(13,059)	11,841
Other Miscellaneous Revenues	-	-	1,420	1,420
<b>TOTAL REVENUES</b>	<b>1,513,027</b>	<b>1,131,588</b>	<b>1,108,767</b>	<b>(22,821)</b>
<b>EXPENDITURES</b>				
<b>Administrative</b>				
P/R-Board of Supervisors	9,600	5,600	5,600	-
FICA Taxes	734	427	428	(1)
ProfServ-Arbitrage Rebate	1,200	1,200	600	600
ProfServ-Dissemination Agent	500	500	500	-
ProfServ-Engineering	15,000	8,750	3,583	5,167
ProfServ-Legal Services	23,000	13,419	21,892	(8,473)
ProfServ-Mgmt Consulting Serv	55,984	32,655	31,357	1,298
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	7,500	500
Communication - Telephone	380	224	146	78
Postage and Freight	1,200	700	668	32
Insurance - General Liability	23,733	23,733	23,262	471
Printing and Binding	5,000	2,919	3,629	(710)
Legal Advertising	1,000	585	158	427
Misc-Assessmnt Collection Cost	12,449	12,449	11,442	1,007
Misc-Contingency	2,800	1,631	60	1,571
Office Supplies	1,500	875	408	467
Annual District Filing Fee	175	175	175	-
<b>Total Administrative</b>	<b>185,856</b>	<b>137,443</b>	<b>132,416</b>	<b>5,027</b>
<b>Field</b>				
ProfServ-Field Management	109,839	60,291	62,102	(1,811)
<b>Total Field</b>	<b>109,839</b>	<b>60,291</b>	<b>62,102</b>	<b>(1,811)</b>

**Statement of Revenues, Expenditures and Changes in Fund Balances**  
For the Period Ending April 30, 2012

<u>ACCOUNT DESCRIPTION</u>	<u>ANNUAL ADOPTED BUDGET</u>	<u>YEAR TO DATE BUDGET</u>	<u>YEAR TO DATE ACTUAL</u>	<u>VARIANCE (\$) FAV(UNFAV)</u>
<b>Landscape</b>				
R&M-Grounds	32,994	19,250	12,059	7,191
R&M-Irrigation	15,767	15,767	25,274	(9,507)
R&M-Tree Trimming Services	15,000	8,750	13,000	(4,250)
R&M-Trees and Trimming	21,115	12,317	11,151	1,166
R&M-Turf Care	283,001	165,088	162,167	2,921
R&M-Shrub Care	110,539	64,484	62,731	1,753
Miscellaneous Services	10,000	5,831	17,769	(11,938)
<b>Total Landscape</b>	<b>488,416</b>	<b>291,487</b>	<b>304,151</b>	<b>(12,664)</b>
<b>Utilities</b>				
Electricity - General	35,000	20,419	15,110	5,309
Electricity - Streetlighting	385,000	224,581	220,619	3,962
Utility - Water & Sewer	105,000	61,250	51,914	9,336
<b>Total Utilities</b>	<b>525,000</b>	<b>306,250</b>	<b>287,643</b>	<b>18,607</b>
<b>Operation &amp; Maintenance</b>				
Contracts-Lake and Wetland	35,000	20,419	18,625	1,794
Communication - Telephone	8,000	4,669	2,860	1,809
R&M-Common Area	18,806	10,969	9,617	1,352
R&M-Equipment	15,000	8,750	7,990	760
R&M-Pools	70,000	40,831	44,756	(3,925)
R&M-Roads & Alleyways	1,000	581	4,041	(3,460)
R&M-Sidewalks	6,000	3,500	-	3,500
R&M-Parks & Amenities	8,500	4,956	1,534	3,422
R&M-Hardscape Cleaning	6,000	3,500	2,836	664
Misc-Contingency	15,610	9,107	3,140	5,967
Misc-Security Enhancements	5,000	-	854	(854)
Cap Outlay - Other	15,000	-	28,583	(28,583)
<b>Total Operation &amp; Maintenance</b>	<b>203,916</b>	<b>107,282</b>	<b>124,836</b>	<b>(17,554)</b>
<b>TOTAL EXPENDITURES</b>	<b>1,513,027</b>	<b>902,753</b>	<b>911,148</b>	<b>(8,395)</b>
Excess (deficiency) of revenues Over (under) expenditures	-	228,835	197,619	(31,216)
Net change in fund balance	\$ -	\$ 228,835	\$ 197,619	\$ (31,216)
<b>FUND BALANCE, BEGINNING (OCT 1, 2011)</b>	<b>654,468</b>	<b>654,468</b>	<b>654,468</b>	
<b>FUND BALANCE, ENDING</b>	<b>\$ 654,468</b>	<b>\$ 883,303</b>	<b>\$ 852,087</b>	

**Statement of Revenues, Expenditures and Changes in Fund Balances**  
For the Period Ending April 30, 2012

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	VARIANCE (\$) FAV(UNFAV)
<b>REVENUES</b>				
Interest - Investments	\$ 800	\$ 469	\$ 460	\$ (9)
Special Assmnts- Tax Collector	1,037,460	1,037,460	969,925	(67,535)
Special Assmnts- Prepayment	-	-	6,903	6,903
Special Assmnts- CDD Collected	432,195	312,185	614,176	301,991
Special Assmnts- Discounts	(41,498)	(41,498)	(21,646)	19,852
<b>TOTAL REVENUES</b>	<b>1,428,957</b>	<b>1,308,616</b>	<b>1,569,818</b>	<b>261,202</b>
<b>EXPENDITURES</b>				
<b>Administrative</b>				
Misc-Assessmnt Collection Cost	20,749	20,749	18,965	1,784
<b>Total Administrative</b>	<b>20,749</b>	<b>20,749</b>	<b>18,965</b>	<b>1,784</b>
<b>Debt Service</b>				
Principal Debt Retirement	325,000	-	-	-
Principal Prepayments	-	-	30,000	(30,000)
Interest Expense	1,098,375	549,187	549,188	(1)
<b>Total Debt Service</b>	<b>1,423,375</b>	<b>549,187</b>	<b>579,188</b>	<b>(30,001)</b>
<b>TOTAL EXPENDITURES</b>	<b>1,444,124</b>	<b>569,936</b>	<b>598,153</b>	<b>(28,217)</b>
Excess (deficiency) of revenues Over (under) expenditures	(15,167)	738,680	971,665	232,985
Net change in fund balance	\$ (15,167)	\$ 738,680	\$ 971,665	\$ 232,985
<b>FUND BALANCE, BEGINNING (OCT 1, 2011)</b>	<b>1,767,617</b>	<b>1,767,617</b>	<b>1,767,617</b>	
<b>FUND BALANCE, ENDING</b>	<b>\$ 1,752,450</b>	<b>\$ 2,506,297</b>	<b>\$ 2,739,282</b>	

**Statement of Revenues, Expenditures and Changes in Fund Balances**  
For the Period Ending April 30, 2012

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	VARIANCE (\$) FAV(UNFAV)
<b>REVENUES</b>				
Interest - Investments	\$ 800	\$ 462	\$ 2,023	\$ 1,561
Special Assmnts- CDD Collected	1,197,400	-	692,061	692,061
<b>TOTAL REVENUES</b>	<b>1,198,200</b>	<b>462</b>	<b>694,084</b>	<b>693,622</b>
<b>EXPENDITURES</b>				
<b>Debt Service</b>				
Principal Debt Retirement	245,000	-	-	-
Interest Expense	985,500	492,750	492,750	-
<b>Total Debt Service</b>	<b>1,230,500</b>	<b>492,750</b>	<b>492,750</b>	<b>-</b>
<b>TOTAL EXPENDITURES</b>	<b>1,230,500</b>	<b>492,750</b>	<b>492,750</b>	<b>-</b>
Excess (deficiency) of revenues Over (under) expenditures	(32,300)	(492,288)	201,334	693,622
Net change in fund balance	\$ (32,300)	\$ (492,288)	\$ 201,334	\$ 693,622
<b>FUND BALANCE, BEGINNING (OCT 1, 2011)</b>	<b>1,401,936</b>	<b>1,401,936</b>	<b>1,401,936</b>	
<b>FUND BALANCE, ENDING</b>	<b>\$ 1,369,636</b>	<b>\$ 909,648</b>	<b>\$ 1,603,270</b>	

**Statement of Revenues, Expenditures and Changes in Fund Balances**  
For the Period Ending April 30, 2012

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

**Notes to the Financial Statements  
April 30, 2012**

**General Fund**

▶ **Assets**

- **Cash and Investments** - See Cash and Investment Report on page 12 for further details.
- **Accounts Receivable** - Reimbursement for FY2006 Delinquent Assessments.
- **Assessments Receivable** - Birchwood Acres for April 2012.
- **Interest Receivable** - Accrued interest earned on CD.
  
- **Due from Other Funds** - Outstanding FY2006 delinquent assessments for Series 2001 was reversed in January 2012. FY2012 tax collected assessments were reallocated and transferred back to the GF in May 2012.

▶ **Liabilities**

- **Accounts Payable** - Expenditures paid in May 2012.
- **Deferred Revenue** - Delinquent assessments from FY2006.
  
- **Due to Other Funds** - Outstanding FY2006 delinquent assessments for Series 2001 was reversed in January 2012. FY2012 tax collected assessments were reallocated and transferred back to the GF in May 2012.

**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 letter dated February 2012, the District will be reimbursed for the delinquent FY2006 assessments at approx. \$1,300 for the next 11 months. The invoice for administrative management fee will be reduced monthly until March 2013.

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

**Notes to the Financial Statements**  
**April 30, 2012**

**General Fund**

**Financial Overview / Highlights**

- ▶ FY 2012 Assessments collected by the tax collector are at approximately 94% compared to 93% 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
<b>Revenues</b>				
Interest - Investments	\$ 750	\$ 1,760	235%	Interest earned on operating and investment accounts
Other Miscellaneous Revenues	\$ -	\$ 1,420	n/a	Non-refundable pool key deposits Reclassed as revenue, reimbursement for damage to utility trailer, fee charged for document retrieval for record request and replacement key card.
<b>Expenditures</b>				
<u><b>Administration</b></u>				
ProfServ - Legal Services	\$13,419	\$21,892	163%	Young van Assenderp, P.A. - Invoices as of February 2012. Unfavorable variance due to review of assessment issues.
ProfServ - Trustee	\$11,000	\$9,186	84%	Annual fees for Series 2001 and Series 2004 from 12/1/11 - 11/30/12.
Insurance - General Liability	\$23,733	\$23,262	98%	Public Risk Agency - Paid in Full for FY 2012.
Printing and Binding	\$2,919	\$3,629	124%	<b>Over Budget:</b> Copies used in the preparation of agenda packages. Details have been provided by recording department.
Misc. - Contingency	\$1,631	\$60	4%	Bank Fee for Debit Card account.

**Notes to the Financial Statements**  
**April 30, 2012**

**Expenditures (continued)**

<u>Account Name</u>	<u>YTD Budget</u>	<u>YTD Actual</u>	<u>Variance (%)</u>	<u>Explanation</u>
<b><u>Field</u></b>				
ProfServ-Field Management	\$60,291	\$62,102	103%	<b>Over Budget:</b> Payroll and overhead costs for full-time field manager/dockmaster and assistant field manager. Unfavorable variance due to overtime from both Field Manager and Assistant. Details have been provided from management company.
<b><u>Landscape</u></b>				
R&M - Irrigation	\$15,767	\$25,274	160%	<b>Over Budget:</b> 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.
<b><u>Landscape</u></b>				
R&M-Trees Trimming Services	\$8,750	\$13,000	149%	Luke Bros one- time fee for pruning and maintenance for trees above 10-foot height level. Unfavorable variance due to timing of budget allocation.
Miscellaneous Services	\$5,831	\$17,769	305%	<b>Over Budget:</b> 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 invoices for tree work done in FY2011 and installation of mulch in November 2011 and plants in April 2012.
<b><u>Operation &amp; Maintenance</u></b>				
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.



**Notes to the Financial Statements**  
**April 30, 2012**

**Expenditures - Operation & Maintenance (continued)**

<u>Account Name</u>	<u>YTD Budget</u>	<u>YTD Actual</u>	<u>Variance (%)</u>	<u>Explanation</u>
R&M-Roads & Alleyways	\$581	\$4,041	696%	Unfavorable variance due to invoice from Florida Site & Seed, Inc. for emergency pipe repair in Cypress Neighborhood.
R&M-Hardscape Cleaning	\$3,500	\$2,836	81%	Invoice from Ledesma Innovations Inc. for pressure washing post and rails within the District. Unfavorable variance due to timing of budget allocation.
Misc-Contingency	\$9,107	\$3,140	34%	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.
Cap Outlay - Other	\$0	\$28,583	n/a	Unfavorable variance due to invoice from Creative Shade Solutions Inc. for shade structures within the District.

**Debt Service Fund Series 2001**

<u>Account Name</u>	<u>YTD Budget</u>	<u>YTD Actual</u>	<u>Variance (%)</u>	<u>Explanation</u>
<b>Revenues</b>				
Special Assmts - CDD Collected	\$ 312,185	\$ 614,176	197%	Non-Ad Valorem assessments collected bi-annually by the District on all the un-platted parcels.

**Debt Service Fund Series 2004**

<b>Revenues</b>				
Special Assmts - CDD Collected	\$ -	\$ 692,061	N/A	Non-Ad Valorem assessments collected bi-annually by the District on all the un-platted parcels.

# 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	
<b>ASSESSMENTS LEVIED FY 2012</b>					\$ 1,654,251	\$ 622,472	\$ 1,031,779
Allocation %					100%	37.63%	62.37%
11/08/11	\$ 2,383	\$ 135	\$ 49	\$ 2,567	\$ 966	\$ 1,601	
11/23/11	40,419	1,718	825	42,963	16,166	26,797	
12/14/11	676,916	28,780	13,815	719,511	270,742	448,769	
12/30/11	70,550	2,929	1,440	74,919	28,191	46,728	
01/09/12	9,691	306	198	10,195	3,836	6,359	
02/16/12	27,824	635	567	29,026	10,922	18,104	
03/15/12	15,320	158	313	15,790	5,942	9,849	
03/15/12	405	-	8	413	155	258	
04/09/12	646,460	44	13,193	659,696	248,235	411,462	
<b>TOTAL</b>	<b>\$ 1,489,968</b>	<b>\$ 34,705</b>	<b>\$ 30,407</b>	<b>\$ 1,555,080</b>	<b>\$ 585,155</b>	<b>\$ 969,925</b>	

% COLLECTED 94.01%      94.01%      94.01%

<b>TOTAL OUTSTANDING</b>	<b>\$ 99,171</b>	<b>\$ 37,317</b>	<b>\$ 61,854</b>
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Note (1) Difference with Budget is due to prepayments of debt

# Harmony

## Community Development District

### Cash and Investment Report April 30, 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%	\$258,499
Checking Account	BankUnited	Business Checking Account	n/a	n/a	\$1,000
Checking Account	CenterState Bank	Business Checking Account	n/a	0.23%	\$1,653
				<b>Subtotal</b>	<b>\$261,152</b>
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%	\$277,726
Money Market Account	Florida Shores Bank	Money Market Account	n/a	0.67%	\$101,752
Money Market Account	BankUnited	Money Market Account	n/a	0.70%	\$100,918
				<b>Subtotal</b>	<b>\$480,396</b>

#### 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%	\$10,653
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%	\$1,316,082
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%	\$740,088
Series 2004 Construction Fund	US Bank	US Bank Open-Ended Commercial Paper	n/a	0.15%	\$62,823
				<b>Subtotal</b>	<b>\$4,409,435</b>
				<b>Total</b>	<b>\$5,279,261</b>

**Harmony****Community Development District****Monthly Debit Card Purchases  
April 30, 2012**

<b>Date</b>	<b>Vendor</b>	<b>Description</b>	<b>Amount</b>
4/6/2012	R & B Import & Export	Boat Supplies	10.00
4/13/2012	North South Supply inc.	Irrigation Supplies	16.70
4/16/2012	Sunoco	Equipment Fuel	140.36
4/17/2012	Walgreens	Paper Goods	8.49
4/20/2012	North South Supply inc.	Irrigation Supplies	37.52
4/27/2012	Walgreens	Paper Goods	18.00
4/30/2012	Sunoco	Equipment Fuel	149.00
4/30/2012	North South Supply inc.	Irrigation Supplies	74.45
4/30/2012	Wal-Mart	Uniform - Rick D.- Shorts (3 pairs), Shoes	67.35
		Total	<b>\$ 521.87</b>

**7B**

Invoice Approval Report # 145

May 18, 2012

Payee	Invoice Number	A= Approval R= Ratification	Invoice Amount
<b><u>ADVANCED MARINE SERVICES</u></b>	57948	A	\$ 164.68
		Vendor Total	\$ 164.68
<b><u>AT &amp; T</u></b>	993377858X04262012	R	\$ 276.04
		Vendor Total	\$ 276.04
<b><u>BEYER'S WELDING INC.</u></b>	042712	R	\$ 800.00
		Vendor Total	\$ 800.00
<b><u>BIO-TECH CONSULTING INC</u></b>	041912	A	\$ 1,530.00
		Vendor Total	\$ 1,530.00
<b><u>BRIGHT HOUSE NETWORKS</u></b>	033112-41501	R	\$ 44.95
	042012-41601	R	\$ 49.95
	043012-41501	R	\$ 44.95
		Vendor Total	\$ 139.85
<b><u>CENTURY LINK</u></b>	040412-58819	R	\$ 1.90
	040712-81648	R	\$ 50.40
	042512-08324	R	\$ 45.84
	050712-81648	R	\$ 50.40
		Vendor Total	\$ 148.54
<b><u>CITY OF ST CLOUD</u></b>	041012	R	\$ 33,419.74
	041012-34230	R	\$ 10.93
	041012-34231	R	\$ 13.58
	041012-34232	R	\$ 12.74
	041012-34233	R	\$ 10.93
	041012-36151	R	\$ 203.38
	050312	R	\$ 22.00
		Vendor Total	\$ 33,693.30
<b><u>CUNNINGHAM'S INC</u></b>	09466	A	\$ 117.00
		Vendor Total	\$ 117.00
<b><u>FEDEX</u></b>	7-850-31010	R	\$ 8.08
	7-865-69741	R	\$ 46.45
	7-880-96458	R	\$ 8.15
		Vendor Total	\$ 62.68

Community Development District

Invoice Approval Report # 145

May 18, 2012

Payee	Invoice Number	A= Approval R= Ratification	Invoice Amount
<b><u>FIS OUTDOOR</u></b>	2815457-00	R	\$ 201.71
	2820496-00	R	\$ 514.51
	2826254-00	R	\$ 632.13
	2826254-01	R	\$ 221.09
	2836702-01	R	\$ 373.71
	2836702-00	R	\$ 246.83
	Vendor Total		\$ 2,189.98
<b><u>GARYS LOCK &amp; SAFE INC.</u></b>	55107	A	\$ 19.00
	Vendor Total		\$ 19.00
<b><u>GRAINGER</u></b>	9796356328	R	\$ 233.58
	Vendor Total		\$ 233.58
<b><u>HOME DEPOT CREDIT SERVICES</u></b>	1015492	R	\$ 76.91
	7169044	R	\$ 170.73
	5016142	R	\$ 18.06
	4023095	R	\$ 54.83
	6018316	R	\$ 47.17
	4010242	R	\$ 232.43
	Vendor Total		\$ 600.13
<b><u>KISSIMMEE UTILITY AUTHORITY</u></b>	042512	R	\$ 9,563.14
	Vendor Total		\$ 9,563.14
<b><u>LUKE BROTHERS INC.</u></b>	1204-93682	A	\$ 36,220.75
	Vendor Total		\$ 36,220.75
<b><u>MARINE THE DOCK-TERS CONSTRUCTION</u></b>	01015121	R	\$ 1,680.00
	Vendor Total		\$ 1,680.00
<b><u>NAPA AUTO PARTS</u></b>	653802	A	\$ 113.05
	Vendor Total		\$ 113.05
<b><u>OSCEOLA COUNTY HEALTH DEPARTME</u></b>	041712-00621	R	\$ 325.00
	041712-00634	R	\$ 200.00
	041712-00622	R	\$ 200.00
	041712-00687	R	\$ 325.00
	Vendor Total		\$ 1,050.00

Invoice Approval Report # 145

May 18, 2012

Payee	Invoice Number	A= Approval R= Ratification	Invoice Amount
<u>ROBERTS POOL SERVICE &amp; REPAIR</u>	050112	A	\$ 1,280.00
		Vendor Total	<u>\$ 1,280.00</u>
<u>SEVERN TRENT ENVIRONMENTAL SERVICES</u>	2060210	A	\$ 14,190.34
		Vendor Total	<u>\$ 14,190.34</u>
<u>SOUTHERN PARK AND PLAY SYSTEMS INC</u>	0006782	R	\$ 4,937.25
		Vendor Total	<u>\$ 4,937.25</u>
<u>SUN PUBLICATIONS DBA</u>	00105547	R	\$ 30.00
		Vendor Total	<u>\$ 30.00</u>
<u>THE SHERWIN -WILLIAMS CO</u>	6662-1	R	\$ 105.67
	6413-9	R	\$ 5.00
		Vendor Total	<u>\$ 110.67</u>
<u>WALKER TECHNICAL SERVICES</u>	1012	A	\$ 250.00
		Vendor Total	<u>\$ 250.00</u>
<u>YOUNG VAN ASSENDERP, P.A.</u>	12122	A	\$ 2,534.89
		Vendor Total	<u>\$ 2,534.89</u>
		Total	\$ 111,934.87
		<b>Total</b>	<b>\$ 111,934.87</b>



**Harmony  
Community Development District**

**Check Register**

**April 1 April 30, 2012**

**Harmony**  
 Check Register by Fund  
 For the Period from 4/1/2012 to 4/30/2012  
 (Sorted by Check No.)

Fund No.	Check No.	Check Date	Payee	Invoice No.	Invoice Description	G/L Account Name	G/L Account #	Check Amount
<b>GENERAL FUND - 001</b>								
001	52631	04/30/12	ADVANCED MARINE SERVICES	5744	BASS BOAT REPAIRS	R&M-Equipment	546022-53910	\$244.74
001	52631	04/30/12	ADVANCED MARINE SERVICES	56999	SUPPLIES	R&M-Equipment	546022-53910	\$194.67
001	52631	04/30/12	ADVANCED MARINE SERVICES	56991	SUPPLIES	R&M-Equipment	546022-53910	\$66.99
001	52631	04/30/12	ADVANCED MARINE SERVICES	57033	SUPPLIES	R&M-Equipment	546022-53910	\$48.12
001	52612	04/09/12	AT & T	993377858X02262012	#993377858 1/19-2/18	Communication - Telephone	541003-53910	\$268.64
001	52632	04/30/12	BIO-TECH CONSULTING INC	14041	AQUATIC PLANT MAINT-FEB	Contracts-Lake and Wetland	534021-53910	\$1,530.00
001	52632	04/30/12	BIO-TECH CONSULTING INC	14073	AQUATIC PLANT MAINT-MARCH	Contracts-Lake and Wetland	534021-53910	\$1,530.00
001	52622	04/17/12	BRIGHT HOUSE NETWORKS	033112-41501	#1046415-01 4/6-5/5	R&M-Common Area	546016-53910	\$44.95
001	52617	04/11/12	BROWARD COUNTY	041012-47856	# 216047856 TAG RENEWAL #B543QN	Misc-Licenses & Permits	549066-53910	\$33.10
001	52613	04/09/12	CENTURY LINK	032512-08324	#311908324 3/25-4/24	Communication - Telephone	541003-53910	\$45.88
001	52623	04/17/12	CENTURY LINK	040412-58819	#312158819/4-5/3	Communication - Telephone	541003-53910	\$1.90
001	52623	04/17/12	CENTURY LINK	040712-81648	#312281648 4/7-5/6	Communication - Telephone	541003-53910	\$50.40
001	52624	04/17/12	CITY OF ST CLOUD	041012	BILLING PERIOD 3/8-4/9	Electricity - Streetlighting	543013-53903	\$31,478.78
001	52624	04/17/12	CITY OF ST CLOUD	041012	BILLING PERIOD 3/8-4/9	Electricity - General	543006-53903	\$1,940.96
001	52614	04/09/12	FEDEX	7-835-58334	#0012-7 3/19-3/20	Postage and Freight	541006-51301	\$57.35
001	52625	04/17/12	FEDEX	7-850-31010	#0012-7 3/30	Postage and Freight	541006-51301	\$8.08
001	52615	04/09/12	FIS OUTDOOR	2792670-00	IRRIGATION SUPPLIES	R&M-Irrigation	546041-53902	\$297.55
001	52615	04/09/12	FIS OUTDOOR	2797572-02	IRRIGATION SUPPLIES	R&M-Irrigation	546041-53902	\$120.00
001	52615	04/09/12	FIS OUTDOOR	2792670-01	IRRIGATION SUPPLIES	R&M-Irrigation	546041-53902	\$10.75
001	52615	04/09/12	FIS OUTDOOR	2797572-00	IRRIGATION SUPPLIES	R&M-Irrigation	546041-53902	\$566.29
001	52615	04/09/12	FIS OUTDOOR	2797572-01	IRRIGATION SUPPLIES	R&M-Irrigation	546041-53902	\$126.25
001	52626	04/17/12	FIS OUTDOOR	2815457-00	IRRIGATION SUPPLIES	R&M-Irrigation	546041-53902	\$201.71
001	52641	04/30/12	FIS OUTDOOR	2820496-00	IRRIGATION SUPPLIES	R&M-Irrigation	546041-53902	\$514.51
001	52627	04/17/12	GRAINGER	9796356328	SUPPLIES	R&M-Common Area	546016-53910	\$233.58
001	52633	04/30/12	GRAU & ASSOCIATES	8892	FY2011 AUDIT- FINAL BILLING	Auditing Services	532002-51301	\$3,500.00
001	52620	04/12/12	HARMONY CDD	041112	TRNSFR TO BU CHECKING ACCT #2015	Due From Other Funds	131000	\$900.00
001	52628	04/17/12	HOME DEPOT CREDIT SERVICES	1015492	#0-8018 FACILITY MAINT	R&M-Common Area	546016-53910	\$76.91
001	52628	04/17/12	HOME DEPOT CREDIT SERVICES	7169044	#0-8018 SUPPLIES	R&M-Common Area	546016-53910	\$170.73
001	52628	04/17/12	HOME DEPOT CREDIT SERVICES	5016142	#0-8018 FACILITY MAINT	R&M-Common Area	546016-53910	\$18.06
001	52628	04/17/12	HOME DEPOT CREDIT SERVICES	4023095	#0-8018 SUPPLIES	R&M-Common Area	546016-53910	\$54.83
001	52628	04/17/12	HOME DEPOT CREDIT SERVICES	6018316	#0-8018 SUPPLIES	R&M-Common Area	546016-53910	\$47.17
001	52628	04/17/12	HOME DEPOT CREDIT SERVICES	4010242	#0-8018 SUPPLIES	R&M-Common Area	546016-53910	\$232.43
001	52618	04/11/12	KISSIMMEE UTILITY AUTHORITY	040212-33920	#1525420-933920 3/18-4/12	Utility - Water & Sewer	543021-53903	\$196.00
001	52634	04/30/12	LUKE BROTHERS INC.	1203-93461	MTHLY LAWN SERVICE-MARCH	R&M-Turf Care	546130-53902	\$7,833.07
001	52634	04/30/12	LUKE BROTHERS INC.	1203-93461	MTHLY LAWN SERVICE-MARCH	R&M-Turf Care	546130-53902	\$9,943.13
001	52634	04/30/12	LUKE BROTHERS INC.	1203-93461	MTHLY LAWN SERVICE-MARCH	R&M-Turf Care	546130-53902	\$2,474.38
001	52634	04/30/12	LUKE BROTHERS INC.	1203-93461	MTHLY LAWN SERVICE-MARCH	R&M-Turf Care	546130-53902	\$2,916.18
001	52634	04/30/12	LUKE BROTHERS INC.	1203-93461	MTHLY LAWN SERVICE-MARCH	R&M-Grounds	546037-53902	\$1,699.50
001	52634	04/30/12	LUKE BROTHERS INC.	1203-93461	MTHLY LAWN SERVICE-MARCH	R&M-Shrub Care	546131-53902	\$8,861.56
001	52634	04/30/12	LUKE BROTHERS INC.	1203-93461	MTHLY LAWN SERVICE-MARCH	R&M-Trees and Trimming	546099-53902	\$1,592.93
001	52634	04/30/12	LUKE BROTHERS INC.	1203-93461	MTHLY LAWN SERVICE-MARCH	R&M-Grounds	546037-53902	\$800.00
001	52634	04/30/12	LUKE BROTHERS INC.	J016761	PLANTS	Miscellaneous Services	549001-53902	\$320.00
001	52634	04/30/12	LUKE BROTHERS INC.	J016762	PLANTS	Miscellaneous Services	549001-53902	\$1,712.50
001	52634	04/30/12	LUKE BROTHERS INC.	J016763	PLANTS	Miscellaneous Services	549001-53902	\$441.50
001	52634	04/30/12	LUKE BROTHERS INC.	J016764	PLANTS	Miscellaneous Services	549001-53902	\$268.50

**Harmony**  
**Check Register by Fund**  
**For the Period from 4/1/2012 to 4/30/2012**  
**(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	52629	04/17/12	OSCEOLA COUNTY HEALTH DEPARTME	041712-00621	#49-60-00621 PERMIT FEES	R&M-Pools	546074-53910	\$325.00
001	52629	04/17/12	OSCEOLA COUNTY HEALTH DEPARTME	041712-00634	#49-60-00634 POOL PERMIT FEES	R&M-Pools	546074-53910	\$200.00
001	52629	04/17/12	OSCEOLA COUNTY HEALTH DEPARTME	041712-00622	#49-60-00622 POOL PERMIT FEES	R&M-Pools	546074-53910	\$200.00
001	52629	04/17/12	OSCEOLA COUNTY HEALTH DEPARTME	041712-00687	#49-60-00687 POOL PERMIT FEES	R&M-Pools	546074-53910	\$325.00
001	52619	04/11/12	RENTAL WORLD OF ST CLOUD	02-148354-01	SHARPEN CHAIN	R&M-Equipment	546022-53910	\$4.00
001	52619	04/11/12	RENTAL WORLD OF ST CLOUD	02-147460-01	EQUIPMENT: PRESURE WASHER	R&M-Equipment	546022-53910	\$399.00
001	52635	04/30/12	ROBERTS POOL SERVICE & REPAIR	030112	POOL MAINT-MARCH	R&M-Pools	546074-53910	\$990.00
001	52636	04/30/12	SEVERN TRENT ENVIRONMENTAL SERVICES	2059644	MGT FEES-MARCH	ProfServ-Mgmt Consulting Serv	531027-51201	\$4,665.33
001	52636	04/30/12	SEVERN TRENT ENVIRONMENTAL SERVICES	2059644	MGT FEES-MARCH	ProfServ-Field Management	531016-53910	\$9,397.16
001	52636	04/30/12	SEVERN TRENT ENVIRONMENTAL SERVICES	2059644	MGT FEES-MARCH	ProfServ-Field Management	531016-53901	\$146.81
001	52636	04/30/12	SEVERN TRENT ENVIRONMENTAL SERVICES	2059644	MGT FEES-MARCH	Postage and Freight	541006-51301	\$18.20
001	52636	04/30/12	SEVERN TRENT ENVIRONMENTAL SERVICES	2059644	MGT FEES-MARCH	Printing and Binding	547001-51301	\$357.00
001	52636	04/30/12	SEVERN TRENT ENVIRONMENTAL SERVICES	2059644	MGT FEES-MARCH	Office Supplies	551002-51301	\$65.33
001	52636	04/30/12	SEVERN TRENT ENVIRONMENTAL SERVICES	2059644	MGT FEES-MARCH	Communication - Telephone	541003-51301	\$1.20
001	52642	04/30/12	SOUTHERN PARK AND PLAY SYSTEMS INC	0006782	DRINKING FOUNTAIN	Cap Outlay - Other	564002-53910	\$4,937.25
001	52637	04/30/12	SPIES POOL LLC	234533	BULK BLEACH	R&M-Pools	546074-53910	\$508.75
001	52637	04/30/12	SPIES POOL LLC	234371	POOL SUPPLIES	R&M-Pools	546074-53910	\$277.75
001	52637	04/30/12	SPIES POOL LLC	235170	POOL SUPPLIES	R&M-Pools	546074-53910	\$265.00
001	52638	04/30/12	SYMBIONT SERVICE CORP.	55508	POOL HEATER REPAIRS	R&M-Pools	546074-53910	\$98.55
001	52638	04/30/12	SYMBIONT SERVICE CORP.	55537	POOL HEATER REPAIRS	R&M-Pools	546074-53910	\$95.00
001	52616	04/09/12	THE SHERWIN -WILLIAMS CO	6310-7	PAINT SUPPLIES	R&M-Common Area	546016-53910	\$47.67
001	52630	04/17/12	THE SHERWIN -WILLIAMS CO	6662-1	PAINT	R&M-Common Area	546016-53910	\$105.67
001	52630	04/17/12	THE SHERWIN -WILLIAMS CO	6413-9	SUPPLIES	R&M-Common Area	546016-53910	\$5.00
001	52639	04/30/12	WALKER TECHNICAL SERVICES	1003	MAXI-COM MONITORING-APRIL	R&M-Irrigation	546041-53902	\$250.00
001	52640	04/30/12	YOUNG VAN ASSENDERP, P.A.	11729	LEGAL FEES-MARCH	ProfServ-Legal Services	531023-51401	\$1,844.39
001	52608	04/02/12	MARK W. LEMENAGER	PAYROLL	April 02, 2012 Payroll Posting			\$188.70
001	52609	04/02/12	STEVEN P. BERUBE	PAYROLL	April 02, 2012 Payroll Posting			\$188.70
001	52610	04/02/12	RAYMOND D. WALLS, III	PAYROLL	April 02, 2012 Payroll Posting			\$188.70
001	52611	04/02/12	ROBERT D. EVANS	PAYROLL	April 02, 2012 Payroll Posting			\$188.70
001	52643	04/30/12	MARK W. LEMENAGER	PAYROLL	April 30, 2012 Payroll Posting			\$188.70
001	52644	04/30/12	STEVEN P. BERUBE	PAYROLL	April 30, 2012 Payroll Posting			\$188.70
001	52645	04/30/12	RAYMOND D. WALLS, III	PAYROLL	April 30, 2012 Payroll Posting			\$188.70
001	52646	04/30/12	ROBERT D. EVANS	PAYROLL	April 30, 2012 Payroll Posting			\$188.70
<b>Fund Total</b>								<b>\$110,813.24</b>

**2001 DEBT SERVICE FUND - 201**

201	52621	04/17/12	US BANK NATIONAL ASSQC	041612	TRFR OF FY 2012 ASSMTS APRIL 2012	Due From Other Funds	131000	\$414,817.19
<b>Fund Total</b>								<b>\$414,817.19</b>

<b>Total Checks Paid</b>	<b>\$525,630.43</b>
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**7c**

## HARMONY CDD LOG

DATE	CONCERN	LOCATION	ACTION TAKEN	STATUS	NAME	PHONE
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	
4/17/2012	states family living in camper	Primrose Willow	no camper found, Gary wrote resident	Complete	Rich McElhinny	
4/20/2012	landscapers killed sod when spraying	3539 Clay Brick		Complete	Victor Hernandez	
4/25/2012	happy that landscapers mowed all CDD prop.	3320 Bracken Fern	pond area mowed completely	Complete	Randy Odden	
4/30/2012	pool not a good area for newspaper vendor			Complete	Chad	
5/7/2012	dead tree	7106 Indiangrass	may replace but not concrete edging	Pending	Kathy Murdoch	407-556-3253
5/8/2012	playground fence removed??	lakeshore playground	board approved in April	Complete	Kerul Kassel	
5/16/2012	wasps in doggy pot	pocket park on Needlegrass		Complete	Dave Leeman	201-706-0244
5/17/2012	2 large holes under fence (armadillo)	big dog park by shell path		Complete	Dave Leeman	
5/18/2012	CDD bahia is dead--no irrigation	golf course	Indiangrass		Brock	

**7D**

**Harmony CDD**  
**Website Statistics as of May 21, 2012**  
*(counter setup March 25, 2011)*

**OVERVIEW**

• Total Visitors:	2,754	• Visitors, April:	334
• Total Page Views:	19,174	• Page Views, April:	2,320
• Total Spiders:	15,372	• Visitors, May:	282
• Total Feeds:	846	• Page Views, May:	1,536

**OPERATING SYSTEMS**

• Windows XP:	5,570	• Windows Server 2003:	368
• Windows 7:	3,115	• iPad:	235
• Windows Vista:	1,129	• Mac OS X Lion:	1909
• MAC OS X Snow Leopard:	668	• Windows 2000:	181
• iPhone:	468	• Android Linux:	131

**BROWSERS**

• Mozilla:	5,009	• Internet Explorer 9:	1,338
• Internet Explorer 8:	2,437	• Google Chrome:	1,088
• Internet Explorer 6:	2,054	• Firefox:	1,021
• Internet Explorer 7:	1,968	• Firefox 3:	811
• Safari:	1,495	• Opera:	210

**SEARCH ENGINES**

• Google:	737	• Ask:	5
• Yandex:	82	• Incredimail	1
• Yahoo:	60	• Dogpile	1

**TOP PAGES**

• Home:	6,290	• About Harmony:	559
• /robots.txt	1,520	• /index.php	420
• Agendas:	644		

**TOP DAYS**

• May 7, 2012	307	• May 8, 2012	240
• April 4, 2012	289	• June 30, 2011	232
• April 6, 2012	256		

**TOP DAYS -- Unique Visitors**

• June 30, 2011	70	• July 23, 2011	46
• July 9, 2011	48	• May 11, 2012	43
• March 13, 2012	47		

**TOP DAYS -- Page Views**

• April 4, 2012	188	• April 6, 2012	164
• June 30, 2011	187	• February 27, 2012	161
• February 9, 2012	171		

**LAST PAGES**

<u>Date</u>	<u>Page</u>	<u>OS</u>	<u>Browser</u>
• May 21, 2012	About Harmony	Windows XP	Chrome
• May 21, 2012	Home	Windows XP	Chrome
• May 21, 2012	Related Links	Windows XP	Internet Explorer 8
• May 21, 2012	Public Records	Windows XP	Internet Explorer 8
• May 21, 2012	About Harmony	Windows XP	Internet Explorer 8
• May 21, 2012	Workshops	Windows XP	Internet Explorer 8
• May 21, 2012	District Facilities	Windows XP	Internet Explorer 8
• May 21, 2012	Home	Windows XP	Internet Explorer 8
• May 21, 2012	Agendas	Windows XP	Chrome
• May 21, 2012	Agendas	Windows XP	Chrome

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

• Harmony CDD	235	• harmony community school florida	7
• harmonycdd.org	114	• harmony community water problems	5
• harmony community development district	63	• cache:6MgNJucPNAoJwww.harmonycdd.org/harmony fl	5
• harmony fl cdd	38	• harmony,fl cdd	4
• www.harmonycdd.org	32	• "HARMONY COMMUNITY DEVELOPMENT DISTRICT"	4
• harmony florida cdd	30	• harmony cdd florida	4
• harmonycdd	21	• admin@harmonycdd.org	4
• Harmony logo	10	• harmony florida cdd board	4
• cdd stories	10	• boat dock	4
• cdd harmony	8		
• harmony+cdd.org	7		



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

- May 20, 2012 harmonycdd.org
- May 20, 2012 harmonycdd.org
- May 18, 2012 cdd right of way and easements
- May 18, 2012 harmony cdd florida
- May 18, 2012 cdd harmony, fl
- May 18, 2012 cdd harmony
- May 18, 2012 florida alligator in swimming pool
- May 17, 2012 harmony community development district
- May 17, 2012 harmony community development district
- May 16, 2012 harmony cdd

**7E**

**HARMONY  
COMMUNITY DEVELOPMENT DISTRICT  
OSCEOLA COUNTY, FLORIDA  
FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2011**

**HARMONY COMMUNITY DEVELOPMENT DISTRICT  
OSCEOLA COUNTY, FLORIDA**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Supervisors  
Harmony Community Development District  
Osceola County, Florida

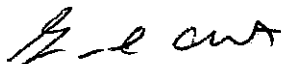
We have audited the accompanying financial statements of the governmental activities and each major fund of Harmony Community Development District, Osceola County, Florida (the "District") as of and for the fiscal year ended September 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2011, and the respective changes in financial position thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2012, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about 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 do 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.

  
May 17, 2012

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Harmony Community Development District, Osceola County, Florida's ("District") financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2011. Please read it in conjunction with the District's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

### FINANCIAL HIGHLIGHTS

- The liabilities of the District exceeded its assets at the close of the most recent fiscal year resulting in a net asset balance of \$(10,760,183).
- The change in the District's total net assets in comparison with the prior fiscal year was \$252,488, an increase. The key components of the District's net assets and change in net assets are reflected in the table in the government-wide financial statements analysis section.
- At September 30, 2011, the District's governmental funds reported combined ending fund balances of \$3,886,828, an increase of \$80,555 in comparison with the prior year. Of the total fund balance, a portion is restricted for debt service and capital projects, assigned for renewal and replacement, and the remainder is unassigned fund balance which is available for spending at the District's discretion.

### OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as the introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

#### 1) Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements include all governmental activities that are principally supported by special assessment revenues. The District does not have any business-type activities. The governmental activities of the District include the general government (management), physical environment (maintenance) and parks and recreation functions.

#### 2) Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has one fund category: governmental funds.

## OVERVIEW OF FINANCIAL STATEMENTS (Continued)

### 2) Fund Financial Statements (Continued)

#### Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District currently maintains four individual governmental funds for external reporting. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, debt service 2001, debt service 2004, and capital projects 2004 funds. All of the funds are considered to be major funds.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with the budget.

### 3) Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data included in the government-wide and fund financial statements.

#### FINANCIAL ANALYSIS OF GOVERNMENT-WIDE INFORMATION

As noted earlier, net assets may serve over time as a useful indicator of an entity's financial position. In the case of the District, liabilities exceeded assets at the close of the most recent fiscal year.

A portion of the District's net assets reflects its investment in capital assets (e.g. land, land improvements and infrastructure); less any related debt used to acquire those assets that is still outstanding. These assets are used to provide services to residents; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of the District's net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the District's other obligations.

**FINANCIAL ANALYSIS OF GOVERNMENT-WIDE INFORMATION (Continued)**

Key components of the District's net assets are reflected in the following table:

NET ASSETS SEPTEMBER 30,		
	2011	2010
Assets, excluding capital assets	\$ 4,535,161	\$ 4,509,932
Capital assets, net of depreciation	15,485,337	15,868,724
Total assets	<u>20,020,498</u>	<u>20,378,656</u>
Liabilities, excluding long-term liabilities	1,030,681	1,081,327
Long-term liabilities	29,750,000	30,310,000
Total liabilities	<u>30,780,681</u>	<u>31,391,327</u>
Net Assets		
Invested in capital assets, net of related debt	(13,715,922)	(13,867,590)
Restricted for debt service	2,301,272	2,278,921
Unrestricted	654,467	575,998
Total net assets (deficit)	<u>\$ (10,760,183)</u>	<u>\$ (11,012,671)</u>

The District's net assets increased during the most recent fiscal year. The majority of the increase represents the degree to which ongoing revenues exceeded the cost of operations, including depreciation, and interest on the District's long-term debt.

Key elements of the change in net assets are reflected in the following table:

CHANGES IN NET ASSETS FOR THE FISCAL YEAR ENDED SEPTEMBER 30,		
	2011	2010
Revenues:		
Program revenues	\$ 4,265,587	\$ 4,201,443
General revenues	5,749	4,053
Total revenues	<u>4,271,336</u>	<u>4,205,496</u>
Expenses:		
General government	185,315	182,988
Maintenance and operations	1,546,921	1,613,535
Parks and recreation	158,581	164,722
Interest	2,128,031	2,165,283
Allowance for prior year receivable	-	52,593
Total expenses	<u>4,018,848</u>	<u>4,179,121</u>
Change in net assets	252,488	26,375
Net assets (deficit), beginning	(11,012,671)	(11,039,046)
Net assets (deficit), ending	<u>\$ (10,760,183)</u>	<u>\$ (11,012,671)</u>

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2011 was \$4,018,848. The costs of the District's activities were primarily funded by program revenues. Program revenues were comprised primarily of assessments for both the 2011 and 2010 fiscal years. The majority of the increase in program revenues is the result of more debt assessments being prepaid by homeowners in the current year than the prior year. In total, expenses decreased from the prior fiscal year. The majority of the change in expenses is for non-recurring expenses related to conveyances that occurred in the prior year.



## GENERAL BUDGETING HIGHLIGHTS

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. The general fund budget for the fiscal year ended September 30, 2011 was amended to reallocate \$6,813 from parks and recreation to maintenance and operations. Actual general fund expenditures did not exceed budgeted appropriations for the fiscal year ended September 30, 2011.

The variance between budgeted and actual general fund revenues for the 2011 fiscal year is as a result of lot owners not taking advantage of the discounts, resulting in higher than anticipated revenues. The actual general fund expenditures for the 2011 fiscal year were lower than budgeted amounts due primarily to anticipated costs which were not incurred in the current fiscal year.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At September 30, 2011, the District had \$17,333,506 invested in land, land improvements, infrastructure, recreation areas and facilities, and equipment. In the government-wide financial statements depreciation of \$1,848,169 has been taken, which resulted in a net book value of \$15,485,337. More detailed information about the District's capital assets is presented in the notes of the financial statements.

### Capital Debt

At September 30, 2011, the District had \$29,750,000 in Bonds outstanding for its governmental activities. More detailed information about the District's capital debt is presented in the notes of the financial statements.

## ECONOMIC FACTORS AND NEXT YEARS BUDGET

The District does not anticipate any major projects or significant changes to its infrastructure maintenance program for fiscal year 2012. In addition, it is anticipated that the general operations of the District will remain fairly constant.

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, land owners, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact the Harmony Community Development District's Finance Department at 210 N. University Drive, Suite 702, Coral Springs, Florida, 33071.

**HARMONY COMMUNITY DEVELOPMENT DISTRICT  
OSCEOLA COUNTY, FLORIDA  
STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2011**

	Governmental Activities
<b>ASSETS</b>	
Cash and equivalents	\$ 679,907
Investments	127,778
Assessments receivable	382,839
Interest receivable	382
Due from other governments (unused distributed funds)	12,773
Restricted assets:	
Investments	2,845,548
Deferred charges	485,934
Capital assets:	
Nondepreciable	8,543,600
Depreciable, net	6,941,737
Total assets	20,020,498
<b>LIABILITIES</b>	
Accounts payable	162,399
Accrued interest payable	868,282
Non-current liabilities:	
Due within one year	570,000
Due in more than one year	29,180,000
Total liabilities	30,780,681
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	(13,715,922)
Restricted for debt service	2,301,272
Unrestricted	654,467
Total net assets (deficit)	\$ (10,760,183)

See notes to the financial statements

**HARMONY COMMUNITY DEVELOPMENT DISTRICT  
OSCEOLA COUNTY, FLORIDA  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

<u>Functions/Programs</u>	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary government:					
Governmental activities:					
General government	\$ 185,315	\$ 185,315	\$ -	\$ -	\$ -
Maintenance and operations	1,546,921	1,341,742	-	36,876	(168,303)
Parks and recreation	158,581	-	-	-	(158,581)
Interest on long-term debt	2,128,031	2,698,077	3,577	-	573,623
Total governmental activities	4,018,848	4,225,134	3,577	36,876	246,739
General revenues:					
Unrestricted investment earnings					5,338
Miscellaneous					411
Total general revenues					5,749
Change in net assets					252,488
Net assets (deficit) - beginning					(11,012,671)
Net assets (deficit) - ending					\$ (10,760,183)

See notes to the financial statements

**HARMONY COMMUNITY DEVELOPMENT DISTRICT  
OSCEOLA COUNTY, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2011**

	Major Funds				Total Governmental Funds
	General	Debt Service 2001	Debt Service 2004	Capital Projects 2004	
<b>ASSETS</b>					
Cash and equivalents	\$ 679,907	\$ -	\$ -	\$ -	\$ 679,907
Investments	127,778	1,752,697	1,030,044	62,807	2,973,326
Assessments receivable	4,123	6,866	371,850	-	382,839
Interest receivable	266	73	43	-	382
Due from other governments (unused distributed funds)	4,792	7,981	-	-	12,773
Total assets	<u>\$ 816,866</u>	<u>\$ 1,767,617</u>	<u>\$ 1,401,937</u>	<u>\$ 62,807</u>	<u>\$ 4,049,227</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 162,399	\$ -	\$ -	\$ -	\$ 162,399
Total liabilities	<u>162,399</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>162,399</u>
<b>Fund balances:</b>					
<b>Restricted for:</b>					
Debt service	-	1,767,617	1,401,937	-	3,169,554
Capital projects	-	-	-	62,807	62,807
<b>Assigned to:</b>					
Renewal and replacement	135,000	-	-	-	135,000
Unassigned	519,467	-	-	-	519,467
Total fund balances	<u>654,467</u>	<u>1,767,617</u>	<u>1,401,937</u>	<u>62,807</u>	<u>3,886,828</u>
<b>Total liabilities and fund balances</b>	<u>\$ 816,866</u>	<u>\$ 1,767,617</u>	<u>\$ 1,401,937</u>	<u>\$ 62,807</u>	<u>\$ 4,049,227</u>

See notes to the financial statements

**HARMONY COMMUNITY DEVELOPMENT DISTRICT  
OSCEOLA COUNTY, FLORIDA  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2011**

Fund balance - governmental funds		\$ 3,886,828
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. The statement of net assets includes those capital assets, net of any accumulated depreciation, in the net assets to the government as a whole.		
Cost of capital assets	17,333,506	
Accumulated depreciation	<u>(1,848,169)</u>	15,485,337
Bond issue costs are not financial resources and, therefore are not reported as assets in the governmental funds. The statements of net assets includes these costs, net of amortization.		
Bond issue costs	633,823	
Accumulated amortization	<u>(147,889)</u>	485,934
Liabilities not due and payable from current available resources are not reported as liabilities in the governmental fund statements. All liabilities, both current and long-term, are reported in the government-wide financial statements.		
Accrued interest payable	(868,282)	
Bonds payable	<u>(29,750,000)</u>	<u>(30,618,282)</u>
Net assets of governmental activities		<u>\$ (10,760,183)</u>

See notes to the financial statements

**HARMONY COMMUNITY DEVELOPMENT DISTRICT  
OSCEOLA COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

	Major Funds				Total Governmental Funds
	General	Debt Service 2001	Debt Service 2004	Capital Projects 2004	
<b>REVENUES</b>					
Assessments	\$ 1,527,057	\$ 1,499,932	\$ 1,198,145	\$ -	\$ 4,225,134
Interest	5,338	1,929	1,648	82	8,997
Other revenues	411	-	-	-	411
Total revenues	<u>1,532,806</u>	<u>1,501,861</u>	<u>1,199,793</u>	<u>82</u>	<u>4,234,542</u>
<b>EXPENDITURES</b>					
Current:					
General government	172,916	12,399	-	-	185,315
Maintenance and operations	1,208,766	-	-	-	1,208,766
Parks and recreation	34,843	-	-	-	34,843
Debt Service:					
Principal	-	335,000	225,000	-	560,000
Interest	-	1,122,663	1,000,688	-	2,123,351
Capital outlay	37,812	-	-	3,900	41,712
Total expenditures	<u>1,454,337</u>	<u>1,470,062</u>	<u>1,225,688</u>	<u>3,900</u>	<u>4,153,987</u>
Excess (deficiency) of revenues over (under) expenditures	78,469	31,799	(25,895)	(3,818)	80,555
Fund balances - beginning	<u>575,998</u>	<u>1,735,818</u>	<u>1,427,832</u>	<u>66,625</u>	<u>3,806,273</u>
Fund balances - ending	<u>\$ 654,467</u>	<u>\$ 1,767,617</u>	<u>\$ 1,401,937</u>	<u>\$ 62,807</u>	<u>\$ 3,886,828</u>

See notes to the financial statements

**HARMONY COMMUNITY DEVELOPMENT DISTRICT  
OSCEOLA COUNTY, FLORIDA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

Net change in fund balances - total governmental funds	\$	80,555
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures; however, the costs of capital assets is eliminated in the statement of activities and capitalized in the statement of net assets.		41,712
Depreciation of capital assets is not recognized in the governmental fund statements but is reported as an expense in the statement of activities.		(461,893)
The statement of activities reports noncash contributions as revenues but these revenues are not reported in the fund financial statements.		36,794
Repayment of long-term liabilities are reported as expenditures in the governmental fund statement but such repayments reduce liabilities in the statement of net assets and are eliminated in the statement of activities.		560,000
Governmental funds report the effect of issuance of costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Amortization of issuance costs		(21,127)
The change in accrued interest on long-term liabilities between the current and prior fiscal year is recorded in the statement of activities but not in the fund financial statements.		16,447
Change in net assets of governmental activities	\$	<u>252,488</u>

See notes to the financial statements

**HARMONY COMMUNITY DEVELOPMENT DISTRICT  
OSCEOLA COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY**

Harmony Community Development District (the "District") was established on February 28, 2000 by the Osceola County, Florida Ordinance No. 00-05 pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes. The Act provides among other things, the power to manage basic services for community development, power to borrow money and issue bonds, and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure.

The District was established for the purpose of managing the acquisition, construction, maintenance, operation and financing of a portion of the infrastructure necessary for community development within the District.

The District is governed by the Board of Supervisors ("Board") which is composed of five members. The Supervisors are elected by qualified electors within the District. To carry out the purpose of the District, the Board of Supervisors of the District exercises all powers granted to the District pursuant to Chapter 190, Florida Statutes.

The Board has the responsibility for:

1. Assessing and levying assessments.
2. Approving budgets.
3. Exercising control over facilities and properties.
4. Controlling the use of funds generated by the District.
5. Approving the hiring and firing of key personnel.
6. Exercising its financing powers to fund improvements.

The financial statements were prepared in accordance with Governmental Accounting Standards Board ("GASB") Statement 14, and Statement 39, an amendment of GASB Statement 14. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the District Board of Supervisors is considered to be financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that, if excluded, the financial statements of the District would be considered incomplete or misleading. There are no entities considered to be component units of the District; therefore, the financial statements include only the operations of the District.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Government-Wide and Fund Financial Statements**

The basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment. Operating-type special assessments for maintenance and debt service are treated as charges for services, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not included among program revenues are reported instead as *general revenues*.



## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Assessments are recognized as revenues in the year for which they are levied. Grants and similar items are to be recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

### Assessments

Assessments are non-ad valorem assessments on benefited lands within the District. Assessments are imposed and levied to pay for the operations and maintenance by the District of its systems and facilities provided to the property. For debt service, certain amounts are collected at lot closings as advance payments and are used to prepay a portion of the Bonds outstanding. Otherwise, assessments are collected annually to provide funds for the debt service on the portion of the Bonds which are not paid with prepaid assessments. The fiscal year for which annual assessments are levied begins on October 1 with discounts available for payments through February 28 and become delinquent on April 1. The District's annual assessments for operations and debt service are billed and collected by the County Tax Collector for non-Developer owned parcels or lots. For certain Developer owned acres, parcels or lots the District bills and collects the annual assessments. The amounts remitted to the District are net of applicable discounts or necessary administrative costs reimbursements and collection costs compensation. For assessments billed and collected by the District, there are no discounts to date authorized by the District. In addition, amounts remitted by the County Tax Collector include interest on monies held from the day of collection to the day of distribution.

Assessments and interest associated with the current fiscal period are considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. The portion of assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The District reports the following major governmental funds:

### General Fund

The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

### Debt Service Fund 2001

The debt service fund is used to account for the accumulation of resources for the annual payment of principal and interest on the Series 2001 Bonds.

### Debt Service Fund 2004

The debt service fund is used to account for the accumulation of resources for the annual payment of principal and interest on the Series 2004 Bonds.

### Capital Projects Fund 2004

This fund accounts for the financial resources to be used for the acquisition or construction of major infrastructure within the District.

## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first for qualifying expenditures, then unrestricted resources as they are needed.

### **Assets, Liabilities and Net Assets or Equity**

#### **Restricted Assets**

These assets represent cash and investments set aside pursuant to Bond covenants or other contractual restrictions.

#### **Deposits and Investments**

The District's cash and cash equivalents are considered to be cash on hand and demand deposits.

The District has elected to proceed under the Alternative Investment Guidelines as set forth in Section 218.415 (17) Florida Statutes. The District may invest any surplus public funds in the following:

- a) The Local Government Surplus Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act;
- b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
- c) Interest bearing time deposits or savings accounts in qualified public depositories;
- d) Direct obligations of the U.S. Treasury.

Securities listed in paragraphs c and d shall be invested to provide sufficient liquidity to pay obligations as they come due. In addition, surplus funds may be deposited into certificates of deposit which are insured and any unspent Bond proceeds are required to be held in investments as specified in the Bond Indenture.

The District records all interest revenue related to investment activities in the respective funds and reports investments at fair value.

#### **Inventories and Prepaid Items**

Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

#### **Capital Assets**

Capital assets, which include property, plant and equipment, and infrastructure assets (e.g., roads, sidewalks and similar items) are reported in the government activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Assets, Liabilities and Net Assets or Equity (Continued)**

**Capital Assets (Continued)**

Property, plant and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Equipment	10
Infrastructure	15
Recreational facilities	30

In the governmental fund financial statements, amounts incurred for the acquisition of capital assets are reported as fund expenditures. Depreciation expense is not reported in the governmental fund financial statements.

**Deferred Charges**

In a prior year, in connection with the issuance of certain debt, the District incurred costs totaling \$633,823. In the government-wide financial statements, that amount has been capitalized and amortized over the estimated life of the Bonds. At September 30, 2011, the District reported accumulated amortization of \$147,889.

**Deferred Revenue**

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

**Long-Term Obligations**

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized ratably over the life of the Bonds. Bonds payable are reported net of premiums or discounts.

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Fund Equity/Net Assets**

In the fund financial statements, governmental funds report non spendable and restricted fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Assignments of fund balance represent tentative management plans that are subject to change. Under GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances are required to be reported according to the following classifications:

**Non-spendable fund balance** – Amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. “Not in spendable form” includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and items such as long-term amount of loans and notes receivable, as well as property acquired for resale. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.

**Restricted fund balance** – Amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Assets, Liabilities and Net Assets or Equity (Continued)**

#### **Fund Equity/Net Assets (Continued)**

**Committed fund balance** – Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Board of Supervisors. Commitments may be changed or lifted only by the Board of Supervisors taking the same formal action (resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

**Assigned fund balance** – Includes spendable fund balance amounts established by Board of Supervisors that are intended to be used for specific purposes that are neither considered restricted nor committed.

**Unassigned fund balance** – Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The District first uses committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net assets in the government-wide financial statements are categorized as invested in capital assets, net of related debt, restricted or unrestricted. Invested in capital assets, net of related debt represents net assets related to infrastructure and property, plant and equipment, net of any related debt. Restricted net assets represent the assets restricted by the District's Bond covenants or other contractual restrictions.

#### **Other Disclosures**

##### **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

## **NOTE 3 – BUDGETARY INFORMATION**

The District is required to establish a budgetary system and an approved Annual Budget. Annual Budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. All annual appropriations lapse at fiscal year end.

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

- a) Each year the District Manager submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
- b) Public hearings are conducted to obtain comments.
- c) Prior to October 1, the budget is legally adopted by the District Board.
- d) All budget changes must be approved by the District Board.
- e) The budgets are adopted on a basis consistent with generally accepted accounting principles.
- f) Unused appropriation for annually budgeted funds lapse at the end of the year.

#### NOTE 4 – DEPOSITS AND INVESTMENTS

##### Deposits

The District's cash balances, including the certificate of deposit shown below, were entirely covered by federal depository insurance or by a collateral pool pledged to the State Treasurer. Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", requires all qualified depositories to deposit with the Treasurer or another banking institution eligible collateral equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. Governmental and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

##### Investments

The District's investments were held as follows at September 30, 2011:

	Fair Value	Credit Risk	Maturities
US Bank N.A. Open Commercial paper	\$ 2,845,548	S&P A-1+	Open
Centerstate Bank Certificate of deposit	127,778	N/A	7/6/2014
	<u>\$ 2,973,326</u>		

*Custodial risk* – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. The District has no formal policy for custodial risk. The commercial paper investments are held by the trustee or agent but not in the District's name.

*Credit risk* – For investments, credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investment ratings by investment type are included in the preceding summary of investments.

*Concentration risk* – The District places no limit on the amount the District may invest in any one issuer.

*Interest rate risk* – The District does not have a formal policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

However, the Bond Indenture limits the type of investments held using unspent proceeds.

**NOTE 5 – CAPITAL ASSETS**

Capital asset activity for the fiscal year ended September 30, 2011 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Governmental activities</u>				
Capital assets, not being depreciated				
Land and land improvements	\$ 8,543,600	\$ -	\$ -	\$ 8,543,600
Total capital assets, not being depreciated	8,543,600	-	-	8,543,600
Capital assets, being depreciated				
Infrastructure	4,957,111	48,694	-	5,005,805
Recreational	3,698,287	22,218	-	3,720,505
Equipment	56,002	7,594	-	63,596
Total capital assets, being depreciated	8,711,400	78,506	-	8,789,906
Less accumulated depreciation for:				
Infrastructure	987,888	331,438	-	1,319,326
Recreational	377,050	123,738	-	500,788
Equipment	21,338	6,717	-	28,055
Total accumulated depreciation	1,386,276	461,893	-	1,848,169
Total capital assets, being depreciated, net	7,325,124	(383,387)	-	6,941,737
Governmental activities capital assets, net	<u>\$ 15,868,724</u>	<u>\$ (383,387)</u>	<u>\$ -</u>	<u>\$ 15,485,337</u>

During the current fiscal year, infrastructure improvements of approximately \$48,694 were completed of which \$36,794 was funded by the Developer. In addition, the District incurred approximately \$30,000 in fencing and security gate assets.

Depreciation expense was charged to function/program as follows:

Maintenance and operations	\$ 338,155
Parks and recreation	123,738
Total depreciation expense	<u>\$ 461,893</u>

**NOTE 6 – LONG TERM LIABILITIES**

**Capital Improvement Revenue Bonds Series 2001**

On October 9, 2001 the District issued \$17,700,000 of Capital Improvement Revenue Bonds Series 2001, due on May 1, 2032 with a fixed interest rate of 7.25%. Interest is payable semiannually on each May 1 and November 1. Principal is payable on an annual basis commencing May 1, 2003 through May 1, 2032.

The Series 2001 Bonds are subject to redemption at the option of the District prior to their maturity. The Bonds are subject to extraordinary mandatory redemption prior to their selected maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Bond Indenture. This occurred during the fiscal year ended September 30, 2011 as the District collected prepaid assessments from lot owners and prepaid \$30,000 of the Bonds. See Note 11 for additional call amounts subsequent to year end.

The Bond Indenture established a debt service reserve requirement as well as other restrictions and requirements relating principally to the use of proceeds and the procedures to be followed by the District on assessments to property owners. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements. The District is in compliance with the requirements of the Bond Indenture at September 30, 2011.

The Bond Indenture requires that the District obtain a \$5,000,000 letter of credit which can be utilized by the Trustee in the event that sufficient funds are not available to cover the required debt service payments. The District does not currently have a letter of credit. There is an insurance policy and mortgage security agreement in place through the District's trust account.

**NOTE 6 – LONG TERM LIABILITIES (Continued)**

**Capital Improvement Revenue Bonds Series 2004**

On December 10, 2004 the District issued \$15,490,000 of Capital Improvement Revenue Bonds Series 2004, due on May 1, 2036 with a fixed interest rate of 6.75%. Interest is payable semiannually on each May 1 and November 1 commencing May 1, 2006. Principal is payable on an annual basis commencing May 1, 2007.

The Series 2004 Bonds are subject to redemption at the option of the District prior to their maturity. The Bonds are subject to extraordinary mandatory redemption prior to their selected maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Bond Indenture.

The Bond Indenture established a debt service reserve requirement as well as certain other restrictions and requirements relating principally to the use of proceeds and the procedures to be followed by the District on assessments to property owners. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements. The District is in compliance with the requirements of the Bond Indenture at September 30, 2011.

**Long-term debt activity**

Changes in long-term liability activity for the fiscal year ended September 30, 2011 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b><u>Governmental activities</u></b>					
Bonds payable:					
Series 2001	\$ 15,485,000	\$ -	\$ 335,000	\$ 15,150,000	\$ 325,000
Series 2004	14,825,000	-	225,000	14,600,000	245,000
Total	<u>\$ 30,310,000</u>	<u>\$ -</u>	<u>\$ 560,000</u>	<u>\$ 29,750,000</u>	<u>\$ 570,000</u>

At September 30, 2011, the scheduled debt service requirements on the long - term debt were as follows:

Year ending September 30:	Governmental Activities		
	Principal	Interest	Total
2012	\$ 570,000	\$ 2,083,875	\$ 2,653,875
2013	605,000	2,043,775	2,648,775
2014	650,000	2,001,188	2,651,188
2015	690,000	1,955,438	2,645,438
2016	740,000	1,906,863	2,646,863
2017 - 2021	4,590,000	8,672,413	13,262,413
2022 - 2026	6,465,000	6,808,250	13,273,250
2027 - 2031	9,070,000	4,187,975	13,257,975
2032 - 2036	6,370,000	1,162,250	7,532,250
Total	<u>\$ 29,750,000</u>	<u>\$ 30,822,027</u>	<u>\$ 60,572,027</u>

**NOTE 7 – DEVELOPER TRANSACTIONS**

The Developer (Harmony Development Co., LLC) owns a portion of land within the District; therefore, revenues in the general and debt service funds include non ad-valorem assessments billed by the District. Developer assessment revenue for the fiscal year ended September 30, 2011 for the general fund totaled \$914,363. For debt service, Developer revenue for the fiscal year ended September 30, 2011 was \$432,426 for the Series 2001 Bonds and \$1,198,145 for debt service on the Series 2004 Bonds, which includes a receivable of \$371,850 for the Series 2004 Bonds. The receivable was collected subsequent to year end.

The District's activity is dependent on the continued involvement of the Developer, the loss of which could have a material adverse effect on the District's operations.

**NOTE 8 – DEFICIT FUND EQUITY**

The District has a government-wide net asset deficit balance of (\$10,760,183) as of September 30, 2011. There is no such deficit reflected in the governmental fund statements. In a prior year certain assets were financed through the issuance of long-term debt but were conveyed to other entities for ownership and maintenance. Those capitals assets are not included in the assets of the District; however, the long-term debt associated with those assets remains a liability of the District.

**NOTE 9 - MANAGEMENT COMPANY**

The District has contracted with a management company to manage the works of the District, including to perform services such as financial and accounting advisory services. Certain employees of the management company also serve as officers of the District. Under the agreement, the District compensates the management company for management, accounting, financial reporting, computer and other administrative costs.

**NOTE 10 – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations. Settled claims from these risks have not exceeded commercial insurance coverage over the past three years.

**NOTE 11 – SUBSEQUENT EVENTS**

**Bond Payments**

Subsequent to year end, the District prepaid \$30,000 of the Series 2001 Bonds. The prepayment was an extraordinary mandatory redemption as outlined in the Bond Indenture.



**HARMONY COMMUNITY DEVELOPMENT DISTRICT  
OSCEOLA COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Assessments - Tax collector	\$ 597,840	\$ 597,840	\$ 612,693	\$ 14,853
Assessments - District collected	914,363	914,363	914,364	1
Interest and other revenue	1,500	1,500	5,749	4,249
Total revenues	1,513,703	1,513,703	1,532,806	19,103
<b>EXPENDITURES</b>				
Current:				
General government	180,652	180,652	172,916	7,736
Maintenance and operations	1,262,052	1,268,865	1,208,766	60,099
Parks and recreation	71,000	64,187	34,843	29,344
Capital outlay	-	-	37,812	(37,812)
Total expenditures	1,513,704	1,513,704	1,454,337	59,367
Excess (deficiency) of revenues over (under) expenditures	\$ (1)	\$ (1)	78,469	\$ 78,470
Fund balance - beginning			575,998	
Fund balance - ending			\$ 654,467	

See notes to required supplementary information

**HARMONY COMMUNITY DEVELOPMENT DISTRICT  
OSCEOLA COUNTY, FLORIDA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

The District is required to establish a budgetary system and an approved Annual Budget for the general fund. The District's budgeting process is based on estimates of cash receipts and cash expenditures which are approved by the Board. The budget approximates a basis consistent with accounting principles generally accepted in the United States of America (generally accepted accounting principles).

The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. The general fund budget for the fiscal year ended September 30, 2011 was amended to reallocate \$6,813 from parks and recreation to maintenance and operations. Actual general fund expenditures did not exceed budgeted appropriations for the fiscal year ended September 30, 2011.

The variance between budgeted and actual general fund revenues for the 2011 fiscal year is as a result of lot owners not taking advantage of the discounts, resulting in higher than anticipated revenues. The actual general fund expenditures for the 2011 fiscal year were lower than budgeted amounts due primarily to anticipated costs which were not incurred in the current fiscal year.



**Grau & Associates**  
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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Board of Supervisors  
Harmony Community Development District  
Osceola County, Florida

We have audited the financial statements of the governmental activities and each major fund of Harmony Community Development District, Osceola County, Florida ("District") as of and for the fiscal year ended September 30, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated May 17, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

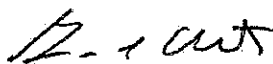
A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the management, Board of Supervisors of Harmony Community Development District, Osceola County, Florida and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

  
May 17, 2012



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**MANAGEMENT LETTER PURSUANT TO THE RULES OF  
THE AUDITOR GENERAL FOR THE STATE OF FLORIDA**

To the Board of Supervisors  
Harmony Community Development District  
Osceola County, Florida

We have audited the accompanying basic financial statements of Harmony Community Development District, Osceola County, Florida ("District") as of and for the fiscal year ended September 30, 2011, and have issued our report thereon dated May 17, 2012.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In addition, we have issued our Report on Internal Control over Financial Reporting and Compliance and Other Matters dated May 17, 2012. Disclosures in that report should be considered in conjunction with this management letter.

The purpose of this letter is to comment on those matters required by Chapter 10.550 of the Rules of the Auditor General for the State of Florida. Accordingly, in connection with our audit of the financial statements of the District, as described in the first paragraph, we report the following:

- I. Current year findings and recommendations.**
- II. Status of prior year findings and recommendations.**
- III. Compliance with the Provisions of the Auditor General of the State of Florida.**

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. This letter is intended for the information and use of the management, Board of Supervisors of Harmony Community Development District, Osceola County, Florida and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank Harmony Community Development District, Osceola County, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements and the courtesies extended to us.

May 17, 2012

## REPORT TO MANAGEMENT

### I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

### II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

None

### III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Unless otherwise required to be reported in the auditor's report on compliance and internal controls, the management letter shall include, but not be limited to the following:

1. A statement as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2010.

2. A statement as to whether or not the local governmental entity complied with Section 218.415, Florida Statutes, regarding the investment of public funds.

The District complied with Section 218.415, Florida Statutes, regarding the investment of public funds.

3. Any recommendations to improve the local governmental entity's financial management.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2011.

4. Violations of provisions of contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but more than inconsequential.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2011.

5. For matters that have an inconsequential effect on the financial statements, considering both quantitative and qualitative factors, the following may be reported based on professional judgment:

- a. Violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse.
- b. Deficiencies in internal control that are not significant deficiencies.

There were no such matters discovered by, or that came to the attention of, the auditor, that, in our judgment, are required to be reported, for the fiscal year ended September 30, 2011.

6. The name or official title and legal authority of the District are disclosed in the notes to the financial statements.

**REPORT TO MANAGEMENT (Continued)**

7. The financial report filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes agrees with the September 30, 2011 financial audit report.
8. The District has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes.
9. We applied financial condition assessment procedures pursuant to Rule 10.556(7) and no deteriorating financial conditions were noted. It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

**7F**

**HARMONY  
COMMUNITY DEVELOPMENT DISTRICT  
\$15,590,000  
CAPITAL IMPROVEMENT REVENUE BONDS  
SERIES 2004  
ARBITRAGE REBATE REQUIREMENT  
NOVEMBER 30, 2011**





**Grau & Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

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April 27, 2012

Harmony Community Development District  
Osceola County, Florida

Re: \$15,590,000 Harmony Community Development District  
(Osceola County, Florida)  
Capital Improvement Revenue Bonds, Series 2004 (the "Bonds")

Harmony Community Development District has requested that we prepare certain computations related to the above-described Bonds for the year ended November 30, 2011 ("Computation Period"). The engagement consisted of the preparation of computations to be used to assist in the determination of the amount, if any, of the Rebate Requirement for the Bonds for the Computation Period as described in Section 148(f) of the Internal Revenue Code of 1986, as amended ("Code"). You have the ultimate responsibility for your compliance with arbitrage rebate laws; therefore, you should review the calculations carefully.

In order to prepare these computations, we were provided with the following information: various trust statements and the Official Statement for the Bonds. We did not verify or otherwise audit the accuracy of information provided to us by you or the Trustee, and accordingly, we express no opinion on such information. The attached schedules are based upon the aforementioned information provided to us. A brief description of the attached schedules is attached.

The results of our computations based on the information provided to us indicate a negative Rebate Requirement of (\$1,479,531) for November 30, 2011. Consequently, our results indicate no amount must be on deposit in the Rebate Fund.

The Rebate Requirement has been determined as described in the Code and the Arbitrage Rebate Regulations. We have no obligation to update this report because of events occurring, or information coming to our attention, subsequent to the date of this report. It is understood that these calculations are solely for the information of, and assistance to, the addressee for the purpose of complying with the Code and the Arbitrage Rebate Regulations. Our report is not to be used for any other purpose.

  
Grau & Associates

## DESCRIPTION OF ATTACHED SCHEDULES

Summary of Rebate Calculations - Provides a summary of the rebate calculations.

Purpose Expenditures Future Value Report - Verifies the rebate calculation. The report future values the purpose expenditures by the arbitrage yield limit to the computation date (November 30, 2011).

Arbitrage Yield Limit (AYL) Verification Report - Verifies the calculation of the arbitrage yield limit and the arbitrage gross proceeds. Discounts the debt service schedule by the arbitrage yield limit.

True Interest Cost (TIC) Verification Report - Verifies the calculation of the true interest cost and the gross proceeds. Discounts the debt service schedule by the true interest cost.

Unspent Proceeds Report - Verifies the amount of unspent proceeds. Lists purpose expenditures in chronological order.

Internal Rate of Return (IRR) Report Via Purpose Expenditures - Verifies the internal rate of return for the investment portfolio. This report presents values the purpose expenditures by the internal rate of return to the delivery date.

Dated: 12/16/2004  
Delivered: 12/16/2004

Summary of Rebate Calculations  
Harmony CDD  
Capital Improvement Revenue Bonds, Series 2004

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<i>Anniversary Date</i> .....	05/01/2005
<i>Future-Value Date</i> .....	11/30/2011
<i>Arbitrage Yield Limit</i> .....	6.7509631
<i>Total of Purpose Expenditures</i> .....	\$15,155,831.00
<i>Internal Rate of Return</i> .....	2.1483874
<i>90% of rebate liability</i> .....	-\$1,331,577.91
<i>Full rebate liability</i> .....	-\$1,479,531.01

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Dated: 12/16/2004

Delivered: 12/16/2004

Purpose Expenditures Future Value Report  
Harmony CDD  
Capital Improvement Revenue Bonds, Series 2004

Transaction Date	Group ID	Fund ID	Description	Future Value Periods	Calculation Amt (Int. Earnings)	Pool %	FV Factor	FV Amount
12/16/2004	-1	COI	Beg. Arbitrage Gross Proceeds	13.9111111	-15,590,000.00	100.0000000	1.5869531	-24,740,598.08
12/16/2004	0		Construction	13.9111111	1,404,150.00	100.0000000	1.5869531	2,228,320.13
12/16/2004	0		Cost of Issuance	13.9111111	254,500.00	100.0000000	1.5869531	403,879.55
12/16/2004	0		Underwriter's Discount	13.9111111	233,850.00	100.0000000	1.5869531	371,108.97
12/30/2004	0		Construction	13.8333333	47,068.00	100.0000000	1.5828608	74,502.09
12/31/2004	0		Construction	13.8333333	42,298.00	100.0000000	1.5828608	66,951.84
1/11/2005	0		Cost of Issuance	13.7722222	5,250.00	100.0000000	1.5796528	8,293.18
1/14/2005	0		Cost of Issuance	13.7555556	6,107.00	100.0000000	1.5787790	9,641.60
1/20/2005	0		Cost of Issuance	13.7222222	35,444.00	100.0000000	1.5770329	55,896.36
1/21/2005	0		Cost of Issuance	13.7166667	3,491.00	100.0000000	1.5767421	5,504.41
1/25/2005	0		Construction	13.6944444	147,546.00	100.0000000	1.5755793	232,470.43
1/27/2005	0		Reserve	13.6833333	198.00	100.0000000	1.5749983	311.85
2/2/2005	0		Reserve	13.6555556	338.00	100.0000000	1.5735465	531.86
2/7/2005	0		Construction	13.6277778	42,032.00	100.0000000	1.5720962	66,078.35
2/9/2005	0		Construction	13.6166667	18,318.00	100.0000000	1.5715164	28,787.04
2/9/2005	0		Cost of Issuance	13.6166667	4,180.50	100.0000000	1.5715164	6,569.72
2/23/2005	0		Construction	13.5388889	1,986.00	100.0000000	1.5674639	3,112.98
3/2/2005	0		Reserve	13.4888889	378.00	100.0000000	1.5648643	591.52
3/8/2005	0		Construction	13.4555556	126,185.00	100.0000000	1.5631336	197,244.01
3/9/2005	0		Construction	13.4500000	-500.00	100.0000000	1.5628453	-781.42
4/4/2005	0		Reserve	13.3111111	503.00	100.0000000	1.5556559	782.49
4/13/2005	0		Construction	13.2611111	240,826.00	100.0000000	1.5530759	374,021.05
4/13/2005	0		Cost of Issuance	13.2611111	34,000.00	100.0000000	1.5530759	52,804.58
5/2/2005	0		Cap.Interest	13.1555556	137,442.00	100.0000000	1.5476431	212,711.17
5/3/2005	0		Reserve	13.1500000	806.00	100.0000000	1.5473577	1,247.17
5/4/2005	0		Construction	13.1444444	633,014.00	100.0000000	1.5470724	979,318.46
6/2/2005	0		Reserve	12.9888889	831.00	100.0000000	1.5391038	1,279.00
6/13/2005	0		Construction	12.9277778	502,424.00	100.0000000	1.5359845	771,715.46
7/5/2005	0		Reserve	12.8055556	920.00	100.0000000	1.5297649	1,407.38
7/8/2005	0		Construction	12.7888889	491,684.00	100.0000000	1.5289187	751,744.86
7/8/2005	0		Cost of Issuance	12.7888889	20,000.00	100.0000000	1.5289187	30,578.37
7/22/2005	0		Construction	12.7111111	-50,000.00	100.0000000	1.5249761	-76,248.80
8/2/2005	0		Reserve	12.6555556	1,420.00	100.0000000	1.5221661	2,161.48
8/5/2005	0		Construction	12.6388889	372,480.00	100.0000000	1.5213241	566,662.82
8/22/2005	0		Construction	12.5444444	-150,000.00	100.0000000	1.5165618	-227,484.26
9/2/2005	0		Reserve	12.4888889	1,561.50	100.0000000	1.5137673	2,363.75
9/6/2005	0		Construction	12.4666667	591,621.00	100.0000000	1.5126510	894,916.09
9/6/2005	0		Cost of Issuance	12.4666667	37,000.00	100.0000000	1.5126510	55,968.09
10/4/2005	0		Reserve	12.3111111	1,765.00	100.0000000	1.5048597	2,656.08
10/11/2005	0		Construction	12.2722222	326,061.00	100.0000000	1.5029181	490,042.99
10/19/2005	0		Construction	12.2277778	408.00	100.0000000	1.5007023	612.29
10/20/2005	0		Construction	12.2222222	-45,000.00	100.0000000	1.5004255	-67,519.15
10/26/2005	0		Construction	12.1888889	48,630.00	100.0000000	1.4987661	72,885.00
10/28/2005	0		Construction	12.1777778	92,245.00	100.0000000	1.4982134	138,202.69
11/1/2005	0		Cap.Interest	12.1611111	376,799.00	100.0000000	1.4973846	564,213.04
11/2/2005	0		Reserve	12.1555556	2,191.00	100.0000000	1.4971085	3,280.16

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Prepared on: 4/27/2012 16:3 14.42 Rpt 15a

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HARMONY-2004-C

Date: 12/16/2004

Delivered: 12/16/2004

Purpose Expenditures Future Value Report  
 Harmony CDD  
 Capital Improvement Revenue Bonds, Series 2004

2

Transaction Date	Group ID	Fund ID	Description	Future Value Periods	Calculation Amt (Int. Earnings)	Pool %	FV Factor	FV Amount
11/7/2005	0		Construction	12.1277778	235,722.00	100.0000000	1.4957286	352,576.13
11/28/2005	0		Construction	12.0111111	1,180.00	100.0000000	1.4899467	1,758.14
12/2/2005	0		Reserve	11.9888889	2,386.00	100.0000000	1.4888480	3,552.39
12/7/2005	0		Construction	11.9611111	17,300.00	100.0000000	1.4874756	25,733.33
12/20/2005	0		Construction	11.8888889	135,056.00	100.0000000	1.4839135	200,411.43
1/4/2006	0		Reserve	11.8111111	2,763.00	100.0000000	1.4800870	4,089.48
1/4/2006	0		Construction	11.8111111	262,672.00	100.0000000	1.4800870	388,777.40
1/31/2006	0		Construction	11.6666667	418,734.00	100.0000000	1.4730066	616,797.95
2/1/2006	0		Construction	11.6611111	164,998.00	100.0000000	1.4727350	242,998.33
2/2/2006	0		Reserve	11.6555556	2,505.00	100.0000000	1.4724634	3,688.52
2/28/2006	0		Construction	11.5000000	621,626.00	100.0000000	1.4648791	910,606.92
3/1/2006	0		Construction	11.4944444	250.00	100.0000000	1.4646089	366.15
3/2/2006	0		Reserve	11.4888889	2,585.00	100.0000000	1.4643388	3,785.32
4/4/2006	0		Reserve	11.3111111	3,067.00	100.0000000	1.4557220	4,464.70
4/4/2006	0		Construction	11.3111111	611,895.00	100.0000000	1.4557220	890,749.04
5/1/2006	0		Cap Interest	11.1611111	526,163.00	100.0000000	1.4484911	762,142.42
5/2/2006	0		Reserve	11.1555556	2,724.00	100.0000000	1.4482240	3,944.96
5/2/2006	0		Construction	11.1555556	1,157,512.00	100.0000000	1.4482240	1,676,336.62
6/2/2006	0		Reserve	10.9888889	3,097.00	100.0000000	1.4402332	4,460.40
6/14/2006	0		Construction	10.9222222	510,919.00	100.0000000	1.4370492	734,215.74
7/5/2006	0		Reserve	10.8055556	3,263.00	100.0000000	1.4314942	4,670.97
7/10/2006	0		Construction	10.7777778	627,483.00	100.0000000	1.4301747	897,410.34
7/11/2006	0		Construction	10.7722222	143,167.00	100.0000000	1.4299110	204,716.07
8/2/2006	0		Reserve	10.6555556	3,552.00	100.0000000	1.4243836	5,059.41
8/3/2006	0		Construction	10.6500000	878,319.00	100.0000000	1.4241209	1,250,832.45
9/5/2006	0		Reserve	10.4722222	3,562.00	100.0000000	1.4157408	5,042.87
9/20/2006	0		Construction	10.3888889	415,742.00	100.0000000	1.4118296	586,956.86
9/21/2006	0		Construction	10.3833333	35,888.00	100.0000000	1.4115692	50,658.40
9/26/2006	0		Construction	10.3555556	-119,161.00	100.0000000	1.4102681	-168,048.96
10/3/2006	0		Reserve	10.3166667	3,450.00	100.0000000	1.4084486	4,859.15
10/16/2006	0		Construction	10.2444444	215,895.00	100.0000000	1.4050758	303,348.83
10/17/2006	0		Construction	10.2388889	2,299.00	100.0000000	1.4048167	3,229.67
11/1/2006	0		Cap Interest	10.1611111	520,825.00	100.0000000	1.4011940	729,776.89
11/2/2006	0		Reserve	10.1555556	3,593.00	100.0000000	1.4009356	5,033.56
11/2/2006	0		Construction	10.1555556	282,430.00	100.0000000	1.4009356	395,666.25
11/3/2006	0		Construction	10.1500000	2,280.00	100.0000000	1.4006773	3,193.54
12/4/2006	0		Reserve	9.9777778	3,467.00	100.0000000	1.3926920	4,828.46
12/4/2006	0		Construction	9.9777778	-13,914.00	100.0000000	1.3926920	-19,377.92
12/5/2006	0		Construction	9.9722222	293,064.00	100.0000000	1.3924351	408,072.61
1/3/2007	0		Reserve	9.8166667	3,590.00	100.0000000	1.3852630	4,973.09
1/29/2007	0		Construction	9.6722222	-16,250.00	100.0000000	1.3786363	-22,402.84
2/1/2007	0		Construction	9.6611111	348,432.00	100.0000000	1.3781279	480,183.84
2/6/2007	0		Reserve	9.6333333	3,579.00	100.0000000	1.3768576	4,927.77
3/2/2007	0		Reserve	9.4888889	3,232.00	100.0000000	1.3702711	4,428.72
3/16/2007	0		Construction	9.4111111	101,329.00	100.0000000	1.3667375	138,490.15
4/2/2007	0		Construction	9.3222222	53,410.00	100.0000000	1.3627104	72,782.36

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 HARMONY-2004-C

Date: 12/16/2004

Delivered: 12/16/2004

Purpose Expenditures Future Value Report  
Harmony CDD  
Capital Improvement Revenue Bonds, Series 2004

Transaction Date	Group ID	Fund ID	Description	Future Value Periods	Calculation Amt (Int. Earnings)	Pool %	FV Factor	FV Amount
4/3/2007	0		Reserve	9.3166667	3,587.00	100.0000000	1.3624591	4,887.14
5/1/2007	0		Cap Interest	9.1611111	2,208.00	100.0000000	1.3554414	2,992.81
5/2/2007	0		Construction	9.1555556	239,918.00	100.0000000	1.3551914	325,134.81
5/2/2007	0		Reserve	9.1555556	3,461.00	100.0000000	1.3551914	4,690.32
6/4/2007	0		Reserve	8.9777778	3,555.00	100.0000000	1.3472169	4,789.36
7/2/2007	0		Construction	8.8222222	3,258.00	100.0000000	1.3402777	4,366.62
7/3/2007	0		Reserve	8.8166667	3,459.00	100.0000000	1.3400305	4,635.17
8/2/2007	0		Reserve	8.6555556	3,573.00	100.0000000	1.3328825	4,762.39
9/5/2007	0		Reserve	8.4722222	3,495.00	100.0000000	1.3247949	4,630.16
9/28/2007	0		Reserve	8.3444444	3,229.00	100.0000000	1.3191871	4,259.66
10/2/2007	0		Reserve	8.3222222	3,341.00	100.0000000	1.3182143	4,404.15
11/1/2007	0		Cap Interest	8.1611111	9.00	100.0000000	1.3111826	11.80
11/2/2007	0		Reserve	8.1555556	3,290.00	100.0000000	1.3109408	4,313.00
12/4/2007	0		Reserve	7.9777778	3,007.00	100.0000000	1.3032267	3,918.80
1/3/2008	0		Reserve	7.8166667	3,006.00	100.0000000	1.2962750	3,896.60
2/4/2008	0		Reserve	7.6444444	2,759.00	100.0000000	1.2888849	3,556.03
3/4/2008	0		Reserve	7.4777778	2,069.00	100.0000000	1.2817732	2,651.99
4/2/2008	0		Reserve	7.3222222	1,911.00	100.0000000	1.2751711	2,436.85
5/2/2008	0		Reserve	7.1555556	1,532.00	100.0000000	1.2681352	1,942.78
5/2/2008	0		Construction	7.1555556	26,884.00	100.0000000	1.2681352	34,092.55
5/28/2008	0		Construction	7.0111111	54,599.00	100.0000000	1.2620688	68,907.69
6/3/2008	0		Reserve	6.9833333	1,428.00	100.0000000	1.2609055	1,800.57
7/2/2008	0		Reserve	6.8222222	1,319.00	100.0000000	1.2541795	1,654.26
7/17/2008	0		Construction	6.7388889	4,866.00	100.0000000	1.2507147	6,085.98
7/31/2008	0		Construction	6.6666667	15,190.00	100.0000000	1.2477195	18,952.86
8/4/2008	0		Reserve	6.6444444	1,351.00	100.0000000	1.2467994	1,684.43
8/29/2008	0		Construction	6.5055556	11,888.00	100.0000000	1.2410639	14,753.77
9/3/2008	0		Reserve	6.4833333	1,336.00	100.0000000	1.2401487	1,656.84
10/2/2008	0		Reserve	6.3222222	1,307.00	100.0000000	1.2335334	1,612.23
11/4/2008	0		Reserve	6.1444444	1,050.00	100.0000000	1.2262748	1,287.59
12/2/2008	0		Reserve	5.9888889	860.00	100.0000000	1.2199586	1,049.16
12/18/2008	0		Construction	5.9000000	4,505.00	100.0000000	1.2163639	5,479.72
1/5/2009	0		Reserve	5.8055556	619.00	100.0000000	1.2125562	750.57
2/3/2009	0		Reserve	5.6500000	367.00	100.0000000	1.2063106	442.72
3/3/2009	0		Reserve	5.4833333	210.00	100.0000000	1.1996546	251.93
4/2/2009	0		Reserve	5.3222222	138.00	100.0000000	1.1932553	164.67
5/4/2009	0		Reserve	5.1444444	87.00	100.0000000	1.1862337	103.20
6/2/2009	0		Reserve	4.9888889	38.00	100.0000000	1.1801237	44.84
6/30/2009	0		Construction	4.8333333	23,464.00	100.0000000	1.1740452	27,547.80
7/2/2009	0		Reserve	4.8222222	13.00	100.0000000	1.1736122	15.26
9/3/2009	0		Construction	4.4833333	4,905.00	100.0000000	1.1604827	5,692.17
10/6/2009	0		Construction	4.3000000	9,952.00	100.0000000	1.1534412	11,479.05
10/29/2009	0		Reserve	4.1722222	18.00	100.0000000	1.1485587	20.67
12/2/2009	0		Reserve	3.9888889	14.00	100.0000000	1.1415896	15.98
1/5/2010	0		Reserve	3.8055556	37.00	100.0000000	1.1346627	41.98
1/25/2010	0		Construction	3.6944444	118,832.00	100.0000000	1.1304850	134,337.80

Prepared by: Grau & Associates  
Prepared on: 4/27/2012 16:3 14.42 Rpt 15a

Mun-EareMainDb  
HARMONY-2004-C

Date: 12/16/2004  
 Deliver: 12/16/2004

Purpose Expenditures Future Value Report  
 Harmony CDD  
 Capital Improvement Revenue Bonds, Series 2004

4

Transaction Date	Group ID	Fund ID	Description	Future Value Periods	Calculation Amt (Int. Earnings)	Pool %	FV Factor	FV Amount
2/2/2010	0		Reserve	3.6555556	37.00	100.0000000	1.1290265	41.77
2/25/2010	0		Construction	3.5277778	12,982.00	100.0000000	1.1242474	14,594.98
3/2/2010	0		Reserve	3.4888889	34.00	100.0000000	1.1227969	38.18
4/2/2010	0		Reserve	3.3222222	37.00	100.0000000	1.1166017	41.31
4/22/2010	0		Construction	3.2111111	12,531.00	100.0000000	1.1124906	13,940.62
5/4/2010	0		Reserve	3.1444444	36.00	100.0000000	1.1100312	39.96
6/2/2010	0		Reserve	2.9888889	37.00	100.0000000	1.1043137	40.86
7/2/2010	0		Reserve	2.8222222	36.00	100.0000000	1.0982204	39.54
8/3/2010	0		Reserve	2.6500000	56.00	100.0000000	1.0919594	61.15
8/27/2010	0		Reserve	2.5166667	149.00	100.0000000	1.0871367	161.98
9/2/2010	0		Reserve	2.4888889	14.00	100.0000000	1.0861347	15.21
9/7/2010	0		Reserve	2.4611111	362.00	100.0000000	1.0851335	392.82
9/23/2010	0		Reserve	2.3722222	369.00	100.0000000	1.0819361	399.23
9/27/2010	0		Reserve	2.3500000	185.00	100.0000000	1.0811382	200.01
10/4/2010	0		Reserve	2.3111111	195.00	100.0000000	1.0797434	210.55
10/6/2010	0		Reserve	2.3000000	171.00	100.0000000	1.0793452	184.57
10/19/2010	0		Construction	2.2277778	1,510.00	100.0000000	1.0767604	1,625.91
10/27/2010	0		Reserve	2.1833333	179.00	100.0000000	1.0751729	192.46
11/2/2010	0		Reserve	2.1555556	65.00	100.0000000	1.0741819	69.82
11/4/2010	0		Reserve	2.1444444	185.00	100.0000000	1.0737857	198.65
11/8/2010	0		Reserve	2.1222222	177.00	100.0000000	1.0729939	189.92
11/29/2010	0		Reserve	2.0055556	185.00	100.0000000	1.0688461	197.74
12/2/2010	0		Reserve	1.9888889	63.00	100.0000000	1.0682549	67.30
12/6/2010	0		Reserve	1.9666667	350.00	100.0000000	1.0674671	373.61
12/27/2010	0		Reserve	1.8500000	179.00	100.0000000	1.0633408	190.34
1/4/2011	0		Reserve	1.8111111	250.00	100.0000000	1.0619688	265.49
1/6/2011	0		Reserve	1.8000000	177.00	100.0000000	1.0615772	187.90
1/27/2011	0		Reserve	1.6833333	185.00	100.0000000	1.0574736	195.63
2/2/2011	0		Reserve	1.6555556	65.00	100.0000000	1.0564989	68.67
2/4/2011	0		Reserve	1.6444444	185.00	100.0000000	1.0561093	195.38
2/7/2011	0		Reserve	1.6277778	177.00	100.0000000	1.0555251	186.83
2/28/2011	0		Reserve	1.5000000	185.00	100.0000000	1.0510571	194.45
3/2/2011	0		Reserve	1.4888889	58.00	100.0000000	1.0506695	60.94
3/4/2011	0		Reserve	1.4777778	173.00	100.0000000	1.0502820	181.70
3/7/2011	0		Reserve	1.4611111	159.00	100.0000000	1.0497011	166.90
3/8/2011	0		Construction	1.4555556	18,110.00	100.0000000	1.0495075	19,006.58
3/9/2011	0		Reserve	1.4500000	6.00	100.0000000	1.0493139	6.30
3/16/2011	0		Reserve	1.4111111	-3,156.00	100.0000000	1.0479601	-3,307.36
4/4/2011	0		Reserve	1.3111111	98.00	100.0000000	1.0444869	102.36
5/3/2011	0		Reserve	1.1500000	78.00	100.0000000	1.0389154	81.04
6/2/2011	0		Reserve	0.9888889	69.00	100.0000000	1.0333736	71.30
6/28/2011	0		Construction	0.8444444	3,900.00	100.0000000	1.0284302	4,010.88
7/5/2011	0		Reserve	0.8055556	33.00	100.0000000	1.0271033	33.89
8/2/2011	0		Reserve	0.6555556	35.00	100.0000000	1.0220014	35.77
8/8/2011	0		Reserve	0.6222222	269.00	100.0000000	1.0208711	274.61
9/2/2011	0		Reserve	0.4888889	36.00	100.0000000	1.0163624	36.59

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 Prepared on: 4/27/2012 16:3 14.42 Rpt 15a

Msm-EaseMainDb  
 HARMONY-2004-C

Dated: 12/16/2004  
 Delivered: 12/16/2004

Purpose Expenditures Future Value Report  
 Harmony CDD  
 Capital Improvement Revenue Bonds, Series 2004

Transaction Date	Group ID	Fund ID	Description	Future Value Periods	Calculation Amt (Int. Earnings)	Pool %	FV Factor	FV Amount
10/11/2011	0		Reserve	0.2722222	254.00	100.0000000	1.0090781	256.31
11/2/2011	0		Reserve	0.1555556	24.00	100.0000000	1.0051774	24.12
11/10/2011	0		Reserve	0.1111111	262.00	100.0000000	1.0036954	262.97
11/30/2011	-1		Unspent Proceeds as of 11/30/2011	0.0000000	922,648.00	100.0000000	1.0000000	922,648.00
					488,479.00			-1,479,531.01
<b>Arbitrage Yield Limit (AYL) .....</b>					<b>6.7509631</b>			
<b>Internal Rate of Return (IRR) .....</b>					<b>2.1483874</b>			
<b>Future Valued To .....</b>					<b>11/30/2011</b>			

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Mun-EaseMainDb  
 HARMONY-2004-C



Dated: 12/16/2004

AYL Verification Report

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Delivered: 12/16/2004

Harmony CDD

MSRB 30/360 SEMI 4/3

Capital Improvement Revenue Bonds, Series 2004

Period	Coupon Date	Principal Payment	Coupon Rate	Interest Payment	Cred. Enh./ Sinking Fund Adj	Periodic Debt Service	Present Value Factor	Discounted Debt Service
1	05/01/05			394,621.90	-	394,621.90	0.9754092	384,917.83
2	11/01/05			526,162.50	-	526,162.50	0.9435595	496,465.63
3	05/01/06			526,162.50	-	526,162.50	0.9127498	480,254.72
4	11/01/06			526,162.50	-	526,162.50	0.8829461	464,573.14
5	05/01/07	175,000.00	6.750	526,162.50	-	701,162.50	0.8541156	598,873.84
6	11/01/07			520,256.25	-	520,256.25	0.8262265	429,849.49
7	05/01/08	185,000.00	6.750	520,256.25	-	705,256.25	0.7992480	563,674.66
8	11/01/08			514,012.50	-	514,012.50	0.7731505	397,409.00
9	05/01/09	195,000.00	6.750	514,012.50	-	709,012.50	0.7479051	530,274.04
10	11/01/09			507,431.25	-	507,431.25	0.7234840	367,118.39
11	05/01/10	215,000.00	6.750	507,431.25	-	722,431.25	0.6998603	505,600.98
12	11/01/10			500,175.00	-	500,175.00	0.6770081	338,622.51
13	05/01/11	225,000.00	6.750	500,175.00	-	725,175.00	0.6549020	474,918.53
14	11/01/11			492,581.25	-	492,581.25	0.6335177	312,058.94
15	05/01/12	240,000.00	6.750	492,581.25	-	732,581.25	0.6128317	448,948.99
16	11/01/12			484,481.25	-	484,481.25	0.5928211	287,210.71
17	05/01/13	260,000.00	6.750	484,481.25	-	744,481.25	0.5734639	426,933.15
18	11/01/13			475,706.25	-	475,706.25	0.5547388	263,892.73
19	05/01/14	275,000.00	6.750	475,706.25	-	750,706.25	0.5366251	402,847.85
20	11/01/14			466,425.00	-	466,425.00	0.5191029	242,122.58
21	05/01/15	295,000.00	6.750	466,425.00	-	761,425.00	0.5021528	382,351.73
22	11/01/15			456,468.75	-	456,468.75	0.4857562	221,732.54
23	05/01/16	310,000.00	6.750	456,468.75	-	766,468.75	0.4698950	360,159.84
24	11/01/16			446,006.25	-	446,006.25	0.4545517	202,732.90
25	05/01/17	330,000.00	6.750	446,006.25	-	776,006.25	0.4397094	341,217.24
26	11/01/17			434,868.75	-	434,868.75	0.4253517	184,972.17
27	05/01/18	350,000.00	6.750	434,868.75	-	784,868.75	0.4114629	322,944.35
28	11/01/18			423,056.25	-	423,056.25	0.3980275	168,388.03
29	05/01/19	380,000.00	6.750	423,056.25	-	803,056.25	0.3850309	309,201.46
30	11/01/19			410,231.25	-	410,231.25	0.3724586	152,794.16
31	05/01/20	405,000.00	6.750	410,231.25	-	815,231.25	0.3602969	293,725.26
32	11/01/20			396,562.50	-	396,562.50	0.3485322	138,214.81
33	05/01/21	430,000.00	6.750	396,562.50	-	826,562.50	0.3371517	278,676.97
34	11/01/21			382,050.00	-	382,050.00	0.3261428	124,602.87
35	05/01/22	460,000.00	6.750	382,050.00	-	842,050.00	0.3154934	265,661.22
36	11/01/22			366,525.00	-	366,525.00	0.3051917	111,860.39
37	05/01/23	490,000.00	6.750	366,525.00	-	856,525.00	0.2952264	252,868.80
38	11/01/23			349,987.50	-	349,987.50	0.2855865	99,951.70
39	05/01/24	525,000.00	6.750	349,987.50	-	874,987.50	0.2762613	241,725.22
40	11/01/24			332,268.75	-	332,268.75	0.2672407	88,795.73
41	05/01/25	560,000.00	6.750	332,268.75	-	892,268.75	0.2585146	230,664.47
42	11/01/25			313,368.75	-	313,368.75	0.2500734	78,365.18
43	05/01/26	600,000.00	6.750	313,368.75	-	913,368.75	0.2419078	220,951.05

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Prepared on: 4/27/2012 16:8 14.42 Rpt 01b

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HARMONY-2004-C

Dated: 12/16/2004

A.Y.L. Verification Report

Delivered: 12/16/2004

Harmony CDD

MSRB 30/360 SEMI 4/3

Capital Improvement Revenue Bonds, Series 2004

Period	Coupon Date	Principal Payment	Coupon Rate	Interest Payment	Cred. Enh./ Sinking Fund Adj	Periodic Debt Service	Present Value Factor	Discounted Debt Service
44	11/01/26			293,118.75	-	293,118.75	0.2340089	68,592.40
45	05/01/27	635,000.00	6.750	293,118.75	-	928,118.75	0.2263679	210,096.29
46	11/01/27			271,687.50	-	271,687.50	0.2189764	59,493.15
47	05/01/28	680,000.00	6.750	271,687.50	-	951,687.50	0.2118262	201,592.38
48	11/01/28			248,737.50	-	248,737.50	0.2049095	50,968.69
49	05/01/29	725,000.00	6.750	248,737.50	-	973,737.50	0.1982187	193,012.99
50	11/01/29			224,268.75	-	224,268.75	0.1917464	43,002.71
51	05/01/30	775,000.00	6.750	224,268.75	-	999,268.75	0.1854853	185,349.69
52	11/01/30			198,112.50	-	198,112.50	0.1794287	35,547.08
53	05/01/31	825,000.00	6.750	198,112.50	-	1,023,112.50	0.1735699	177,581.56
54	11/01/31			170,268.75	-	170,268.75	0.1679024	28,588.53
55	05/01/32	885,000.00	6.750	170,268.75	-	1,055,268.75	0.1624200	171,396.70
56	11/01/32			140,400.00	-	140,400.00	0.1571165	22,059.16
57	05/01/33	945,000.00	6.750	140,400.00	-	1,085,400.00	0.1519862	164,965.87
58	11/01/33			108,506.25	-	108,506.25	0.1470235	15,952.97
59	05/01/34	1,000,000.00	6.750	108,506.25	-	1,108,506.25	0.1422228	157,654.85
60	11/01/34			74,756.25	-	74,756.25	0.1375788	10,284.88
61	05/01/35	1,070,000.00	6.750	74,756.25	-	1,144,756.25	0.1330865	152,351.64
62	11/01/35			38,643.75	-	38,643.75	0.1287409	4,975.03
63	05/01/36	1,145,000.00	6.750	38,643.75	-	1,183,643.75	0.1245372	147,407.65
		<b>15,590,000.00</b>		<b>22,581,196.90</b>	<b>0.00</b>	<b>38,171,196.90</b>		<b>15,590,000.02</b>

True Interest Cost (TIC).....	6.8933148
Net Interest Cost (NIC).....	6.8189027
Arbitrage Yield Limit (AYL).....	6.7509631
Arbitrage Net Interest Cost (ANIC).....	6.7500000

Face value of bond issue.....	\$15,590,000.00
Accrued interest (+).....	
Original issue premium/discount (+).....	\$0.00
Bond surety fee (-).....	\$0.00
Lump-sum credit enhancements (-).....	\$0.00
Other AYL costs (-).....	
= AYL Target.....	\$15,590,000.00

Date: 12/16/2004

T.I.C. Verification Report (Regular)

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Delivered: 12/16/2004

Harmony CDD  
Capital Improvement Revenue Bonds, Series 2004

MSRB 30/360 SEMI 4/3

Period	Coupon Date	Principal Payment	Coupon Rate	Interest Payment	Credit Enhancements	Periodic Debt Service	Present Value Factor	Discounted Debt Service
1	05/01/2005			394,621.90	-	394,621.93	0.9749058	384,719.20
2	11/01/2005			526,162.50	-	526,162.50	0.9424237	495,868.00
3	05/01/2006			526,162.50	-	526,162.50	0.9110238	479,346.57
4	11/01/2006			526,162.50	-	526,162.50	0.8806701	463,375.60
5	05/01/2007	175,000.00	6.750	526,162.50	-	701,162.50	0.8513278	596,919.11
6	11/01/2007			520,256.25	-	520,256.25	0.8229631	428,151.68
7	05/01/2008	185,000.00	6.750	520,256.25	-	705,256.25	0.7955434	561,061.96
8	11/01/2008			514,012.50	-	514,012.50	0.7690373	395,294.80
9	05/01/2009	195,000.00	6.750	514,012.50	-	709,012.50	0.7434144	527,090.09
10	11/01/2009			507,431.25	-	507,431.25	0.7186451	364,663.00
11	05/01/2010	215,000.00	6.750	507,431.25	-	722,431.25	0.6947012	501,873.84
12	11/01/2010			500,175.00	-	500,175.00	0.6715550	335,895.01
13	05/01/2011	225,000.00	6.750	500,175.00	-	725,175.00	0.6491800	470,769.08
14	11/01/2011			492,581.25	-	492,581.25	0.6275504	309,119.58
15	05/01/2012	240,000.00	6.750	492,581.25	-	732,581.25	0.6066416	444,414.25
16	11/01/2012			484,481.25	-	484,481.25	0.5864294	284,114.04
17	05/01/2013	260,000.00	6.750	484,481.25	-	744,481.25	0.5668906	422,039.42
18	11/01/2013			475,706.25	-	475,706.25	0.5480028	260,688.37
19	05/01/2014	275,000.00	6.750	475,706.25	-	750,706.25	0.5297443	397,682.39
20	11/01/2014			466,425.00	-	466,425.00	0.5120942	238,853.54
21	05/01/2015	295,000.00	6.750	466,425.00	-	761,425.00	0.4950322	376,929.86
22	11/01/2015			456,468.75	-	456,468.75	0.4785386	218,437.90
23	05/01/2016	310,000.00	6.750	456,468.75	-	766,468.75	0.4625945	354,564.24
24	11/01/2016			446,006.25	-	446,006.25	0.4471817	199,445.83
25	05/01/2017	330,000.00	6.750	446,006.25	-	776,006.25	0.4322824	335,453.85
26	11/01/2017			434,868.75	-	434,868.75	0.4178795	181,722.75
27	05/01/2018	350,000.00	6.750	434,868.75	-	784,868.75	0.4039565	317,052.86
28	11/01/2018			423,056.25	-	423,056.25	0.3904974	165,202.38
29	05/01/2019	380,000.00	6.750	423,056.25	-	803,056.25	0.3774867	303,143.09
30	11/01/2019			410,231.25	-	410,231.25	0.3649096	149,697.31
31	05/01/2020	405,000.00	6.750	410,231.25	-	815,231.25	0.3527514	287,573.99
32	11/01/2020			396,562.50	-	396,562.50	0.3409984	135,227.17
33	05/01/2021	430,000.00	6.750	396,562.50	-	826,562.50	0.3296369	272,465.53
34	11/01/2021			382,050.00	-	382,050.00	0.3186540	121,741.77
35	05/01/2022	460,000.00	6.750	382,050.00	-	842,050.00	0.3080370	259,382.59
36	11/01/2022			366,525.00	-	366,525.00	0.2977738	109,141.54
37	05/01/2023	490,000.00	6.750	366,525.00	-	856,525.00	0.2878525	246,552.87
38	11/01/2023			349,987.50	-	349,987.50	0.2782618	97,388.14
39	05/01/2024	525,000.00	6.750	349,987.50	-	874,987.50	0.2689906	235,363.40
40	11/01/2024			332,268.75	-	332,268.75	0.2600283	86,399.28
41	05/01/2025	560,000.00	6.750	332,268.75	-	892,268.75	0.2513646	224,284.80
42	11/01/2025			313,368.75	-	313,368.75	0.2429896	76,145.35
43	05/01/2026	600,000.00	6.750	313,368.75	-	913,368.75	0.2348936	214,544.50
44	11/01/2026			293,118.75	-	293,118.75	0.2270674	66,557.71

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Prepared on: 04/27/2012 16:8 14.42 Rpt 01aMun-EareMainDb  
HARMONY-2004-C

Dated: 12/16/2004

T.I.C. Verification Report (Regular)

Delivered: 12/16/2004

Harmony CDD  
Capital Improvement Revenue Bonds, Series 2004

MSRB 30/360 SEMI 4/3

Period	Coupon Date	Principal Payment	Coupon Rate	Interest Payment	Credit Enhancements	Periodic Debt Service	Present Value Factor	Discounted Debt Service
45	05/01/2027	635,000.00	6.750	293,118.75	-	928,118.75	0.2195019	203,723.84
46	11/01/2027			271,687.50	-	271,687.50	0.2121885	57,648.96
47	05/01/2028	680,000.00	6.750	271,687.50	-	951,687.50	0.2051188	195,208.96
48	11/01/2028			248,737.50	-	248,737.50	0.1982846	49,320.81
49	05/01/2029	725,000.00	6.750	248,737.50	-	973,737.50	0.1916781	186,644.14
50	11/01/2029			224,268.75	-	224,268.75	0.1852917	41,555.14
51	05/01/2030	775,000.00	6.750	224,268.75	-	999,268.75	0.1791181	178,987.15
52	11/01/2030			198,112.50	-	198,112.50	0.1731502	34,303.23
53	05/01/2031	825,000.00	6.750	198,112.50	-	1,023,112.50	0.1673812	171,249.77
54	11/01/2031			170,268.75	-	170,268.75	0.1618043	27,550.22
55	05/01/2032	885,000.00	6.750	170,268.75	-	1,055,268.75	0.1564133	165,058.07
56	11/01/2032			140,400.00	-	140,400.00	0.1512019	21,228.75
57	05/01/2033	945,000.00	6.750	140,400.00	-	1,085,400.00	0.1461641	158,646.53
58	11/01/2033			108,506.25	-	108,506.25	0.1412942	15,331.30
59	05/01/2034	1,000,000.00	6.750	108,506.25	-	1,108,506.25	0.1365865	151,407.01
60	11/01/2034			74,756.25	-	74,756.25	0.1320357	9,870.49
61	05/01/2035	1,070,000.00	6.750	74,756.25	-	1,144,756.25	0.1276365	146,112.69
62	11/01/2035			38,643.75	-	38,643.75	0.1233839	4,768.02
63	05/01/2036	1,145,000.00	6.750	38,643.75	-	1,183,643.75	0.1192730	141,176.69
		<b>15,590,000.00</b>		<b>22,581,196.90</b>	<b>0.00</b>	<b>38,171,196.93</b>		<b>15,356,150.02</b>

True Interest Cost (TIC) .....	6.8933148
Net Interest Cost (NIC) .....	6.8199027
Arbitrage Yield Limit (AYL) .....	6.7509631
Arbitrage Net Interest Cost (ANIC) .....	6.7500000

Face value of bond issue .....	\$15,590,000.00
Accrued interest (+) .....	
Original issue premium/discount (+) .....	\$0.00
Underwriter discount (+) .....	(\$233,850.00)
Lump-sum credit enhancements (-) .....	\$0.00
Other TIC costs (-) .....	
Bond surety fee (-) .....	N/A
= TIC Target .....	\$15,356,150.00

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*Unspent Proceeds Report*  
*Harmony CDD*  
*Capital Improvement Revenue Bonds, Series 2004*

Calc Date	Grp ID	P # r	Fund ID	Description	Gross Amount	Pool Percentage	Nonpurpose Investment	Purpose Expenditures	Unspent Proceeds
12/16/2004	-1	N	COI	Beg. Arbitrage Gross Proceeds		100.0000000			15,590,000.00
12/16/2004	0	Y		Construction	1,404,150.00	100.0000000		1,404,150.00	14,185,850.00
12/16/2004	0	Y		Cost of Issuance	254,500.00	100.0000000		254,500.00	13,931,350.00
12/16/2004	0	Y		Underwriter's Discount	233,850.00	100.0000000		233,850.00	13,697,500.00
12/30/2004	0	Y		Construction	47,068.00	100.0000000		47,068.00	13,650,432.00
12/31/2004	0	Y		Construction	42,298.00	100.0000000		42,298.00	13,608,134.00
01/11/2005	0	Y		Cost of Issuance	5,250.00	100.0000000		5,250.00	13,602,884.00
01/14/2005	0	Y		Cost of Issuance	6,107.00	100.0000000		6,107.00	13,596,777.00
01/20/2005	0	Y		Cost of Issuance	35,444.00	100.0000000		35,444.00	13,561,333.00
01/21/2005	0	Y		Cost of Issuance	3,491.00	100.0000000		3,491.00	13,557,842.00
01/25/2005	0	Y		Construction	147,546.00	100.0000000		147,546.00	13,410,296.00
01/27/2005	0	Y		Reserve	198.00	100.0000000		198.00	13,410,098.00
02/02/2005	0	Y		Reserve	338.00	100.0000000		338.00	13,409,760.00
02/07/2005	0	Y		Construction	42,032.00	100.0000000		42,032.00	13,367,728.00
02/09/2005	0	Y		Construction	18,318.00	100.0000000		18,318.00	13,349,410.00
02/09/2005	0	Y		Cost of Issuance	4,180.50	100.0000000		4,180.50	13,345,229.50
02/23/2005	0	Y		Construction	1,986.00	100.0000000		1,986.00	13,343,243.50
03/02/2005	0	Y		Reserve	378.00	100.0000000		378.00	13,342,865.50
03/08/2005	0	Y		Construction	126,185.00	100.0000000		126,185.00	13,216,680.50
03/09/2005	0	Y		Construction	-500.00	100.0000000		-500.00	13,217,180.50
04/04/2005	0	Y		Reserve	503.00	100.0000000		503.00	13,216,677.50
04/13/2005	0	Y		Construction	240,826.00	100.0000000		240,826.00	12,975,851.50
04/13/2005	0	Y		Cost of Issuance	34,000.00	100.0000000		34,000.00	12,941,851.50
05/02/2005	0	Y		Cap.Interest	137,442.00	100.0000000		137,442.00	12,804,409.50
05/03/2005	0	Y		Reserve	806.00	100.0000000		806.00	12,803,603.50
05/04/2005	0	Y		Construction	633,014.00	100.0000000		633,014.00	12,170,589.50
06/02/2005	0	Y		Reserve	831.00	100.0000000		831.00	12,169,758.50

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Unspent Proceeds Report  
 Harmony CDD  
 Capital Improvement Revenue Bonds, Series 2004

Calc Date	Grp ID	P u r	Fund ID	Description	Gross Amount	Pool Percentage	Nonpurpose Investment	Purpose Expenditures	Unspent Proceeds
06/13/2005	0	Y		Construction	502,424.00	100.0000000		502,424.00	11,667,334.50
07/05/2005	0	Y		Reserve	920.00	100.0000000		920.00	11,666,414.50
07/08/2005	0	Y		Construction	491,684.00	100.0000000		491,684.00	11,174,730.50
07/08/2005	0	Y		Cost of Issuance	20,000.00	100.0000000		20,000.00	11,154,730.50
07/22/2005	0	Y		Construction	-50,000.00	100.0000000		-50,000.00	11,204,730.50
08/02/2005	0	Y		Reserve	1,420.00	100.0000000		1,420.00	11,203,310.50
08/05/2005	0	Y		Construction	372,480.00	100.0000000		372,480.00	10,830,830.50
08/22/2005	0	Y		Construction	-150,000.00	100.0000000		-150,000.00	10,980,830.50
09/02/2005	0	Y		Reserve	1,561.50	100.0000000		1,561.50	10,979,269.00
09/06/2005	0	Y		Construction	591,621.00	100.0000000		591,621.00	10,387,648.00
09/06/2005	0	Y		Cost of Issuance	37,000.00	100.0000000		37,000.00	10,350,648.00
10/04/2005	0	Y		Reserve	1,765.00	100.0000000		1,765.00	10,348,883.00
10/11/2005	0	Y		Construction	326,061.00	100.0000000		326,061.00	10,022,822.00
10/19/2005	0	Y		Construction	408.00	100.0000000		408.00	10,022,414.00
10/20/2005	0	Y		Construction	-45,000.00	100.0000000		-45,000.00	10,067,414.00
10/26/2005	0	Y		Construction	48,630.00	100.0000000		48,630.00	10,018,784.00
10/28/2005	0	Y		Construction	92,245.00	100.0000000		92,245.00	9,926,539.00
11/01/2005	0	Y		Cap.Interest	376,799.00	100.0000000		376,799.00	9,549,740.00
11/02/2005	0	Y		Reserve	2,191.00	100.0000000		2,191.00	9,547,549.00
11/07/2005	0	Y		Construction	235,722.00	100.0000000		235,722.00	9,311,827.00
11/28/2005	0	Y		Construction	1,180.00	100.0000000		1,180.00	9,310,647.00
12/02/2005	0	Y		Reserve	2,386.00	100.0000000		2,386.00	9,308,261.00
12/07/2005	0	Y		Construction	17,300.00	100.0000000		17,300.00	9,290,961.00
12/20/2005	0	Y		Construction	135,056.00	100.0000000		135,056.00	9,155,905.00
01/04/2006	0	Y		Reserve	2,763.00	100.0000000		2,763.00	9,153,142.00
01/04/2006	0	Y		Construction	262,672.00	100.0000000		262,672.00	8,890,470.00

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*Unspent Proceeds Report*  
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*Capital Improvement Revenue Bonds, Series 2004*

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Calc Date	Grp ID	P u r	Fund ID	Description	Gross Amount	Pool Percentage	Nonpurpose Investment	Purpose Expenditures	Unspent Proceeds
01/31/2006	0	Y		Construction	418,734.00	100.0000000		418,734.00	8,471,736.00
02/01/2006	0	Y		Construction	164,998.00	100.0000000		164,998.00	8,306,738.00
02/02/2006	0	Y		Reserve	2,505.00	100.0000000		2,505.00	8,304,233.00
02/28/2006	0	Y		Construction	621,626.00	100.0000000		621,626.00	7,682,607.00
03/01/2006	0	Y		Construction	250.00	100.0000000		250.00	7,682,357.00
03/02/2006	0	Y		Reserve	2,585.00	100.0000000		2,585.00	7,679,772.00
04/04/2006	0	Y		Reserve	3,067.00	100.0000000		3,067.00	7,676,705.00
04/04/2006	0	Y		Construction	611,895.00	100.0000000		611,895.00	7,064,810.00
05/01/2006	0	Y		Cap Interest	526,163.00	100.0000000		526,163.00	6,538,647.00
05/02/2006	0	Y		Reserve	2,724.00	100.0000000		2,724.00	6,535,923.00
05/02/2006	0	Y		Construction	1,157,512.00	100.0000000		1,157,512.00	5,378,411.00
06/02/2006	0	Y		Reserve	3,097.00	100.0000000		3,097.00	5,375,314.00
06/14/2006	0	Y		Construction	510,919.00	100.0000000		510,919.00	4,864,395.00
07/05/2006	0	Y		Reserve	3,263.00	100.0000000		3,263.00	4,861,132.00
07/10/2006	0	Y		Construction	627,483.00	100.0000000		627,483.00	4,233,649.00
07/11/2006	0	Y		Construction	143,167.00	100.0000000		143,167.00	4,090,482.00
08/02/2006	0	Y		Reserve	3,552.00	100.0000000		3,552.00	4,086,930.00
08/03/2006	0	Y		Construction	878,319.00	100.0000000		878,319.00	3,208,611.00
09/05/2006	0	Y		Reserve	3,562.00	100.0000000		3,562.00	3,205,049.00
09/20/2006	0	Y		Construction	415,742.00	100.0000000		415,742.00	2,789,307.00
09/21/2006	0	Y		Construction	35,888.00	100.0000000		35,888.00	2,753,419.00
09/26/2006	0	Y		Construction	-119,161.00	100.0000000		-119,161.00	2,872,580.00
10/03/2006	0	Y		Reserve	3,450.00	100.0000000		3,450.00	2,869,130.00
10/16/2006	0	Y		Construction	215,895.00	100.0000000		215,895.00	2,653,235.00
10/17/2006	0	Y		Construction	2,299.00	100.0000000		2,299.00	2,650,936.00
11/01/2006	0	Y		Cap Interest	520,825.00	100.0000000		520,825.00	2,130,111.00

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Unspent Proceeds Report  
 Harmony CDD  
 Capital Improvement Revenue Bonds, Series 2004

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Calc Date	Grp ID	P # r	Fund ID	Description	Gross Amount	Pool Percentage	Nonpurpose Investment	Purpose Expenditures	Unspent Proceeds
11/02/2006	0	Y		Reserve	3,593.00	100.0000000		3,593.00	2,126,518.00
11/02/2006	0	Y		Construction	282,430.00	100.0000000		282,430.00	1,844,088.00
11/03/2006	0	Y		Construction	2,280.00	100.0000000		2,280.00	1,841,808.00
12/04/2006	0	Y		Reserve	3,467.00	100.0000000		3,467.00	1,838,341.00
12/04/2006	0	Y		Construction	-13,914.00	100.0000000		-13,914.00	1,852,255.00
12/05/2006	0	Y		Construction	293,064.00	100.0000000		293,064.00	1,559,191.00
01/03/2007	0	Y		Reserve	3,590.00	100.0000000		3,590.00	1,555,601.00
01/29/2007	0	Y		Construction	-16,250.00	100.0000000		-16,250.00	1,571,851.00
02/01/2007	0	Y		Construction	348,432.00	100.0000000		348,432.00	1,223,419.00
02/06/2007	0	Y		Reserve	3,579.00	100.0000000		3,579.00	1,219,840.00
03/02/2007	0	Y		Reserve	3,232.00	100.0000000		3,232.00	1,216,608.00
03/16/2007	0	Y		Construction	101,329.00	100.0000000		101,329.00	1,115,279.00
04/02/2007	0	Y		Construction	53,410.00	100.0000000		53,410.00	1,061,869.00
04/03/2007	0	Y		Reserve	3,587.00	100.0000000		3,587.00	1,058,282.00
05/01/2007	0	Y		Cap Interest	2,208.00	100.0000000		2,208.00	1,056,074.00
05/02/2007	0	Y		Construction	239,918.00	100.0000000		239,918.00	816,156.00
05/02/2007	0	Y		Reserve	3,461.00	100.0000000		3,461.00	812,695.00
06/04/2007	0	Y		Reserve	3,555.00	100.0000000		3,555.00	809,140.00
07/02/2007	0	Y		Construction	3,258.00	100.0000000		3,258.00	805,882.00
07/03/2007	0	Y		Reserve	3,459.00	100.0000000		3,459.00	802,423.00
08/02/2007	0	Y		Reserve	3,573.00	100.0000000		3,573.00	798,850.00
09/05/2007	0	Y		Reserve	3,495.00	100.0000000		3,495.00	795,355.00
09/28/2007	0	Y		Reserve	3,229.00	100.0000000		3,229.00	792,126.00
10/02/2007	0	Y		Reserve	3,341.00	100.0000000		3,341.00	788,785.00
11/01/2007	0	Y		Cap Interest	9.00	100.0000000		9.00	788,776.00
11/02/2007	0	Y		Reserve	3,290.00	100.0000000		3,290.00	785,486.00

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Unspent Proceeds Report  
 Harmony CDD  
 Capital Improvement Revenue Bonds, Series 2004

Calc Date	Grp ID	P # r	Fund ID	Description	Gross Amount	Pool Percentage	Nonpurpose Investment	Purpose Expenditures	Unspent Proceeds
12/04/2007	0	Y		Reserve	3,007.00	100.0000000		3,007.00	782,479.00
01/03/2008	0	Y		Reserve	3,006.00	100.0000000		3,006.00	779,473.00
02/04/2008	0	Y		Reserve	2,759.00	100.0000000		2,759.00	776,714.00
03/04/2008	0	Y		Reserve	2,069.00	100.0000000		2,069.00	774,645.00
04/02/2008	0	Y		Reserve	1,911.00	100.0000000		1,911.00	772,734.00
05/02/2008	0	Y		Reserve	1,532.00	100.0000000		1,532.00	771,202.00
05/02/2008	0	Y		Construction	26,884.00	100.0000000		26,884.00	744,318.00
05/28/2008	0	Y		Construction	54,599.00	100.0000000		54,599.00	689,719.00
06/03/2008	0	Y		Reserve	1,428.00	100.0000000		1,428.00	688,291.00
07/02/2008	0	Y		Reserve	1,319.00	100.0000000		1,319.00	686,972.00
07/17/2008	0	Y		Construction	4,866.00	100.0000000		4,866.00	682,106.00
07/31/2008	0	Y		Construction	15,190.00	100.0000000		15,190.00	666,916.00
08/04/2008	0	Y		Reserve	1,351.00	100.0000000		1,351.00	665,565.00
08/29/2008	0	Y		Construction	11,888.00	100.0000000		11,888.00	653,677.00
09/03/2008	0	Y		Reserve	1,336.00	100.0000000		1,336.00	652,341.00
10/02/2008	0	Y		Reserve	1,307.00	100.0000000		1,307.00	651,034.00
11/04/2008	0	Y		Reserve	1,050.00	100.0000000		1,050.00	649,984.00
12/02/2008	0	Y		Reserve	860.00	100.0000000		860.00	649,124.00
12/18/2008	0	Y		Construction	4,505.00	100.0000000		4,505.00	644,619.00
01/05/2009	0	Y		Reserve	619.00	100.0000000		619.00	644,000.00
02/03/2009	0	Y		Reserve	367.00	100.0000000		367.00	643,633.00
03/03/2009	0	Y		Reserve	210.00	100.0000000		210.00	643,423.00
04/02/2009	0	Y		Reserve	138.00	100.0000000		138.00	643,285.00
05/04/2009	0	Y		Reserve	87.00	100.0000000		87.00	643,198.00
06/02/2009	0	Y		Reserve	38.00	100.0000000		38.00	643,160.00
06/30/2009	0	Y		Construction	23,464.00	100.0000000		23,464.00	619,696.00

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Unspent Proceeds Report  
 Harmony CDD  
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Calc Date	Grp ID	P u r	Fund ID	Description	Gross Amount	Pool Percentage	Nonpurpose Investment	Purpose Expenditures	Unspent Proceeds
07/02/2009	0	Y		Reserve	13.00	100.0000000		13.00	619,683.00
09/03/2009	0	Y		Construction	4,905.00	100.0000000		4,905.00	614,778.00
10/06/2009	0	Y		Construction	9,952.00	100.0000000		9,952.00	604,826.00
10/29/2009	0	Y		Reserve	18.00	100.0000000		18.00	604,808.00
12/02/2009	0	Y		Reserve	14.00	100.0000000		14.00	604,794.00
01/05/2010	0	Y		Reserve	37.00	100.0000000		37.00	604,757.00
01/25/2010	0	Y		Construction	118,832.00	100.0000000		118,832.00	485,925.00
02/02/2010	0	Y		Reserve	37.00	100.0000000		37.00	485,888.00
02/25/2010	0	Y		Construction	12,982.00	100.0000000		12,982.00	472,906.00
03/02/2010	0	Y		Reserve	34.00	100.0000000		34.00	472,872.00
04/02/2010	0	Y		Reserve	37.00	100.0000000		37.00	472,835.00
04/22/2010	0	Y		Construction	12,531.00	100.0000000		12,531.00	460,304.00
05/04/2010	0	Y		Reserve	36.00	100.0000000		36.00	460,268.00
06/02/2010	0	Y		Reserve	37.00	100.0000000		37.00	460,231.00
07/02/2010	0	Y		Reserve	36.00	100.0000000		36.00	460,195.00
08/03/2010	0	Y		Reserve	56.00	100.0000000		56.00	460,139.00
08/27/2010	0	Y		Reserve	149.00	100.0000000		149.00	459,990.00
09/02/2010	0	Y		Reserve	14.00	100.0000000		14.00	459,976.00
09/07/2010	0	Y		Reserve	362.00	100.0000000		362.00	459,614.00
09/23/2010	0	Y		Reserve	369.00	100.0000000		369.00	459,245.00
09/27/2010	0	Y		Reserve	185.00	100.0000000		185.00	459,060.00
10/04/2010	0	Y		Reserve	195.00	100.0000000		195.00	458,865.00
10/06/2010	0	Y		Reserve	171.00	100.0000000		171.00	458,694.00
10/19/2010	0	Y		Construction	1,510.00	100.0000000		1,510.00	457,184.00
10/27/2010	0	Y		Reserve	179.00	100.0000000		179.00	457,005.00

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Calc Date	Grp ID	P # r	Fwnd ID	Description	Gross Amount	Pool Percentage	Nonpurpose Investment	Purpose Expenditures	Unspent Proceeds
11/02/2010	0	Y		Reserve	65.00	100.0000000		65.00	456,940.00
11/04/2010	0	Y		Reserve	185.00	100.0000000		185.00	456,755.00
11/08/2010	0	Y		Reserve	177.00	100.0000000		177.00	456,578.00
11/29/2010	0	Y		Reserve	185.00	100.0000000		185.00	456,393.00
12/02/2010	0	Y		Reserve	63.00	100.0000000		63.00	456,330.00
12/06/2010	0	Y		Reserve	350.00	100.0000000		350.00	455,980.00
12/27/2010	0	Y		Reserve	179.00	100.0000000		179.00	455,801.00
01/04/2011	0	Y		Reserve	250.00	100.0000000		250.00	455,551.00
01/06/2011	0	Y		Reserve	177.00	100.0000000		177.00	455,374.00
01/27/2011	0	Y		Reserve	185.00	100.0000000		185.00	455,189.00
02/02/2011	0	Y		Reserve	65.00	100.0000000		65.00	455,124.00
02/04/2011	0	Y		Reserve	185.00	100.0000000		185.00	454,939.00
02/07/2011	0	Y		Reserve	177.00	100.0000000		177.00	454,762.00
02/28/2011	0	Y		Reserve	185.00	100.0000000		185.00	454,577.00
03/02/2011	0	Y		Reserve	58.00	100.0000000		58.00	454,519.00
03/04/2011	0	Y		Reserve	173.00	100.0000000		173.00	454,346.00
03/07/2011	0	Y		Reserve	159.00	100.0000000		159.00	454,187.00
03/08/2011	0	Y		Construction	18,110.00	100.0000000		18,110.00	436,077.00
03/09/2011	0	Y		Reserve	6.00	100.0000000		6.00	436,071.00
03/16/2011	0	Y		Reserve	-3,156.00	100.0000000		-3,156.00	439,227.00
04/04/2011	0	Y		Reserve	98.00	100.0000000		98.00	439,129.00
05/03/2011	0	Y		Reserve	78.00	100.0000000		78.00	439,051.00
06/02/2011	0	Y		Reserve	69.00	100.0000000		69.00	438,982.00
06/28/2011	0	Y		Construction	3,900.00	100.0000000		3,900.00	435,082.00
07/05/2011	0	Y		Reserve	33.00	100.0000000		33.00	435,049.00

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*Mun-EastMainDb*  
 HARMONY-2004-C



Dated: 12/16/2004  
 Delivered: 12/16/2004

I.R.R. Report Via Purpose Expenditures  
 Harmony CDD  
 Capital Improvement Revenue Bonds, Series 2004

1

Grp ID	Trans Date	Fund ID	Description	Day Count Factor	Calculation Amt (Interest Earnings)	Pool Pctg	** Internal ** Rate of Return	
							PV Factor	PV Amt
-1	12/16/2004		Beg. Arbitrage Gross Proceeds	0.0000000	(15,590,000.00)	100.000	1.0000000	(15,590,000.00)
0	12/16/2004		Underwriter's Discount	0.0000000	233,850.00	100.000	1.0000000	233,850.00
	12/16/2004		Cost of Issuance	0.0000000	254,500.00	100.000	1.0000000	254,500.00
	12/16/2004		Construction	0.0000000	1,404,150.00	100.000	1.0000000	1,404,150.00
	12/30/2004		Construction	0.0777778	47,068.00	100.000	0.9991693	47,028.90
	12/31/2004		Construction	0.0833333	42,298.00	100.000	0.9991100	42,260.36
	01/11/2005		Cost of Issuance	0.1388889	5,250.00	100.000	0.9985171	5,242.21
	01/14/2005		Cost of Issuance	0.1555556	6,107.00	100.000	0.9983393	6,096.86
	01/20/2005		Cost of Issuance	0.1888889	35,444.00	100.000	0.9979838	35,372.54
	01/21/2005		Cost of Issuance	0.1944444	3,491.00	100.000	0.9979246	3,483.75
	01/25/2005		Construction	0.2166667	147,546.00	100.000	0.9976877	147,204.82
	01/27/2005		Reserve	0.2277778	198.00	100.000	0.9975692	197.52
	02/02/2005		Reserve	0.2555556	338.00	100.000	0.9972732	337.08
	02/07/2005		Construction	0.2833333	42,032.00	100.000	0.9969773	41,904.95
	02/09/2005		Cost of Issuance	0.2944444	4,180.50	100.000	0.9968589	4,167.37
	02/09/2005		Construction	0.2944444	18,318.00	100.000	0.9968589	18,260.46
	02/23/2005		Construction	0.3722222	1,986.00	100.000	0.9960308	1,978.12
	03/02/2005		Reserve	0.4222222	378.00	100.000	0.9954989	376.30
	03/08/2005		Construction	0.4555556	126,185.00	100.000	0.9951444	125,572.29
	03/09/2005		Construction	0.4611111	(500.00)	100.000	0.9950853	(497.54)
	04/04/2005		Reserve	0.6000000	503.00	100.000	0.9936097	499.79
	04/13/2005		Cost of Issuance	0.6500000	34,000.00	100.000	0.9930790	33,764.69
	04/13/2005		Construction	0.6500000	240,826.00	100.000	0.9930790	239,159.25
	05/02/2005		Cap. Interest	0.7555556	137,442.00	100.000	0.9919596	136,336.92
	05/03/2005		Reserve	0.7611111	806.00	100.000	0.9919008	799.47
	05/04/2005		Construction	0.7666667	633,014.00	100.000	0.9918419	627,849.80
	06/02/2005		Reserve	0.9222222	831.00	100.000	0.9901948	822.85
	06/13/2005		Construction	0.9833333	502,424.00	100.000	0.9895484	497,172.88
	07/05/2005		Reserve	1.1055556	920.00	100.000	0.9882570	909.20
	07/08/2005		Cost of Issuance	1.1222222	20,000.00	100.000	0.9880810	19,761.62
	07/08/2005		Construction	1.1222222	491,684.00	100.000	0.9880810	485,823.64
	07/22/2005		Construction	1.2000000	(50,000.00)	100.000	0.9872603	(49,363.01)
	08/02/2005		Reserve	1.2555556	1,420.00	100.000	0.9866744	1,401.08
	08/05/2005		Construction	1.2722222	372,480.00	100.000	0.9864987	367,451.04
	08/22/2005		Construction	1.3666667	(150,000.00)	100.000	0.9855037	(147,825.56)
	09/02/2005		Reserve	1.4222222	1,561.50	100.000	0.9849189	1,537.95
	09/06/2005		Cost of Issuance	1.4444444	37,000.00	100.000	0.9846851	36,433.35
	09/06/2005		Construction	1.4444444	591,621.00	100.000	0.9846851	582,560.38
	10/04/2005		Reserve	1.6000000	1,765.00	100.000	0.9830499	1,735.08
	10/11/2005		Construction	1.6388889	326,061.00	100.000	0.9826415	320,401.06
	10/19/2005		Construction	1.6833333	408.00	100.000	0.9821749	400.73
	10/20/2005		Construction	1.6888889	(45,000.00)	100.000	0.9821166	(44,195.25)
	10/26/2005		Construction	1.7222222	48,630.00	100.000	0.9817669	47,743.33
	10/28/2005		Construction	1.7333333	92,245.00	100.000	0.9816504	90,552.34
	11/01/2005		Cap. Interest	1.7500000	376,799.00	100.000	0.9814756	369,819.02
	11/02/2005		Reserve	1.7555556	2,191.00	100.000	0.9814173	2,150.29
	11/07/2005		Construction	1.7833333	235,722.00	100.000	0.9811261	231,273.00
	11/28/2005		Construction	1.9000000	1,180.00	100.000	0.9799038	1,156.29
	12/02/2005		Reserve	1.9222222	2,386.00	100.000	0.9796712	2,337.50
	12/07/2005		Construction	1.9500000	17,300.00	100.000	0.9793805	16,943.28
	12/20/2005		Construction	2.0222222	135,056.00	100.000	0.9786250	132,169.18
	01/04/2006		Construction	2.1000000	262,672.00	100.000	0.9778121	256,843.86
	01/04/2006		Reserve	2.1000000	2,763.00	100.000	0.9778121	2,701.69
	01/31/2006		Construction	2.2500000	418,734.00	100.000	0.9762462	408,787.48
	02/01/2006		Construction	2.2500000	164,998.00	100.000	0.9762462	161,078.67

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HARMONY-2004-C

Dated: 12/16/2004  
 Delivered: 12/16/2004

I.R.R. Report Via Purpose Expenditures  
 Harmony CDD  
 Capital Improvement Revenue Bonds, Series 2004

2

Grp ID	Trans Date	Fund ID	Description	Day Count Factor	Calculation Amt (Interest Earnings)	Pool Pctg	** Internal ** Rate of Return	
							PV Factor	PV Amt
0	02/02/2006		Reserve	2.2555556	2,505.00	100.000	0.9761883	2,445.35
	02/28/2006		Construction	2.4000000	621,626.00	100.000	0.9746828	605,888.19
	03/01/2006		Construction	2.4166667	250.00	100.000	0.9745093	243.63
	03/02/2006		Reserve	2.4222222	2,585.00	100.000	0.9744514	2,518.96
	04/04/2006		Construction	2.6000000	611,895.00	100.000	0.9726022	595,130.44
	04/04/2006		Reserve	2.6000000	3,067.00	100.000	0.9726022	2,982.97
	05/01/2006		Cap Interest	2.7500000	526,163.00	100.000	0.9710447	510,927.78
	05/02/2006		Construction	2.7555556	1,157,512.00	100.000	0.9709870	1,123,929.16
	05/02/2006		Reserve	2.7555556	2,724.00	100.000	0.9709870	2,644.97
	06/02/2006		Reserve	2.9222222	3,097.00	100.000	0.9692595	3,001.80
	06/14/2006		Construction	2.9888889	510,919.00	100.000	0.9685693	494,860.46
	07/05/2006		Reserve	3.1055556	3,263.00	100.000	0.9673627	3,156.50
	07/10/2006		Construction	3.1333333	627,483.00	100.000	0.9670756	606,823.52
	07/11/2006		Construction	3.1388889	143,167.00	100.000	0.9670182	138,445.10
	08/02/2006		Reserve	3.2555556	3,552.00	100.000	0.9658135	3,430.57
	08/03/2006		Construction	3.2611111	878,319.00	100.000	0.9657562	848,242.04
	09/05/2006		Reserve	3.4388889	3,562.00	100.000	0.9639235	3,433.50
	09/20/2006		Construction	3.5222222	415,742.00	100.000	0.9630656	400,386.83
	09/21/2006		Construction	3.5277778	35,888.00	100.000	0.9630085	34,560.45
	09/26/2006		Construction	3.5555556	(119,161.00)	100.000	0.9627227	(114,719.00)
	10/03/2006		Reserve	3.5944444	3,450.00	100.000	0.9623227	3,320.01
	10/16/2006		Construction	3.6666667	215,895.00	100.000	0.9615804	207,600.41
	10/17/2006		Construction	3.6722222	2,299.00	100.000	0.9615234	2,210.54
	11/01/2006		Cap Interest	3.7500000	520,825.00	100.000	0.9607246	500,369.41
	11/02/2006		Construction	3.7555556	282,430.00	100.000	0.9606676	271,321.35
	11/02/2006		Reserve	3.7555556	3,593.00	100.000	0.9606676	3,451.68
	11/03/2006		Construction	3.7611111	2,280.00	100.000	0.9606106	2,190.19
	12/04/2006		Construction	3.9333333	(13,914.00)	100.000	0.9588446	(13,341.36)
	12/04/2006		Reserve	3.9333333	3,467.00	100.000	0.9588446	3,324.31
	12/05/2006		Construction	3.9388889	293,064.00	100.000	0.9587876	280,986.14
	01/03/2007		Reserve	4.0944444	3,590.00	100.000	0.9571954	3,436.33
	01/29/2007		Construction	4.2388889	(16,250.00)	100.000	0.9557193	(15,530.44)
	02/01/2007		Construction	4.2500000	348,432.00	100.000	0.9556058	332,963.65
	02/06/2007		Reserve	4.2777778	3,579.00	100.000	0.9553222	3,419.10
	03/02/2007		Reserve	4.4222222	3,232.00	100.000	0.9538490	3,082.84
	03/16/2007		Construction	4.5000000	101,329.00	100.000	0.9530566	96,572.28
	04/02/2007		Construction	4.5888889	53,410.00	100.000	0.9521519	50,854.43
	04/03/2007		Reserve	4.5944444	3,587.00	100.000	0.9520954	3,415.17
	05/01/2007		Cap Interest	4.7500000	2,208.00	100.000	0.9505143	2,098.74
	05/02/2007		Construction	4.7555556	239,918.00	100.000	0.9504579	228,031.95
	05/02/2007		Reserve	4.7555556	3,461.00	100.000	0.9504579	3,289.53
	06/04/2007		Reserve	4.9333333	3,555.00	100.000	0.9486542	3,372.47
	07/02/2007		Construction	5.0888889	3,258.00	100.000	0.9470788	3,085.58
	07/03/2007		Reserve	5.0944444	3,459.00	100.000	0.9470226	3,275.75
	08/02/2007		Reserve	5.2555556	3,573.00	100.000	0.9453937	3,377.89
	09/05/2007		Reserve	5.4388889	3,495.00	100.000	0.9435437	3,297.69
	09/28/2007		Reserve	5.5666667	3,229.00	100.000	0.9422564	3,042.55
	10/02/2007		Reserve	5.5888889	3,341.00	100.000	0.9420327	3,147.33
	11/01/2007		Cap Interest	5.7500000	9.00	100.000	0.9404124	8.46
	11/02/2007		Reserve	5.7555556	3,290.00	100.000	0.9403566	3,093.77
	12/04/2007		Reserve	5.9333333	3,007.00	100.000	0.9385721	2,822.29
	01/03/2008		Reserve	6.0944444	3,006.00	100.000	0.9369578	2,816.50
	02/04/2008		Reserve	6.2666667	2,759.00	100.000	0.9352353	2,580.31
	03/04/2008		Reserve	6.4333333	2,069.00	100.000	0.9335713	1,931.56
	04/02/2008		Reserve	6.5888889	1,911.00	100.000	0.9320209	1,781.09
	05/02/2008		Construction	6.7555556	26,884.00	100.000	0.9303627	25,011.87

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HARMONY-2004-C

## I.R.R. Report Via Purpose Expenditures

3

Date: 12/16/2004

Delivered: 12/16/2004

## Harmony CDD

## Capital Improvement Revenue Bonds, Series 2004

Grp ID	Trans Date	Fund ID	Description	Day Count Factor	Calculation Amt (Interest Earnings)	Pool Pctg	** Internal **	
							Rate of Return PV Factor	PV Amt
0	05/02/2008		Reserve	6.755556	1,532.00	100.000	0.9303627	1,425.32
	05/28/2008		Construction	6.9000000	54,599.00	100.000	0.9289279	50,718.54
	06/03/2008		Reserve	6.9277778	1,428.00	100.000	0.9286523	1,326.12
	07/02/2008		Reserve	7.0888889	1,319.00	100.000	0.9270551	1,222.79
	07/17/2008		Construction	7.1722222	4,866.00	100.000	0.9262300	4,507.04
	07/31/2008		Construction	7.2500000	15,190.00	100.000	0.9254606	14,057.75
	08/04/2008		Reserve	7.2666667	1,351.00	100.000	0.9252958	1,250.07
	08/29/2008		Construction	7.4055556	11,888.00	100.000	0.9239237	10,983.60
	09/03/2008		Reserve	7.4277778	1,336.00	100.000	0.9237044	1,234.07
	10/02/2008		Reserve	7.5888889	1,307.00	100.000	0.9221156	1,205.21
	11/04/2008		Reserve	7.7666667	1,050.00	100.000	0.9203657	966.38
	12/02/2008		Reserve	7.9222222	860.00	100.000	0.9188373	790.20
	12/18/2008		Construction	8.0111111	4,505.00	100.000	0.9179651	4,135.43
	01/05/2009		Reserve	8.1055556	619.00	100.000	0.9170392	567.65
	02/03/2009		Reserve	8.2611111	367.00	100.000	0.9155163	335.99
	03/03/2009		Reserve	8.4277778	210.00	100.000	0.9138874	191.92
	04/02/2009		Reserve	8.5888889	138.00	100.000	0.9123156	125.90
	05/04/2009		Reserve	8.7666667	87.00	100.000	0.9105843	79.22
	06/02/2009		Reserve	8.9222222	38.00	100.000	0.9090721	34.54
	06/30/2009		Construction	9.0777778	23,464.00	100.000	0.9075624	21,295.05
	07/02/2009		Reserve	9.0888889	13.00	100.000	0.9074547	11.80
	09/03/2009		Construction	9.4277778	4,905.00	100.000	0.9041748	4,434.98
	10/06/2009		Construction	9.6111111	9,952.00	100.000	0.9024054	8,980.74
	10/29/2009		Reserve	9.7388889	18.00	100.000	0.9011743	16.22
	12/02/2009		Reserve	9.9222222	14.00	100.000	0.8994107	12.59
	01/05/2010		Reserve	10.1055556	37.00	100.000	0.8976506	33.21
	01/25/2010		Construction	10.2166667	118,832.00	100.000	0.8965856	106,543.06
	02/02/2010		Reserve	10.2555556	37.00	100.000	0.8962131	33.16
	02/25/2010		Construction	10.3833333	12,982.00	100.000	0.8949904	11,618.77
	03/02/2010		Reserve	10.4222222	34.00	100.000	0.8946186	30.42
	04/02/2010		Reserve	10.5888889	37.00	100.000	0.8930269	33.04
	04/22/2010		Construction	10.7000000	12,531.00	100.000	0.8919673	11,177.24
	05/04/2010		Reserve	10.7666667	36.00	100.000	0.8913322	32.09
	06/02/2010		Reserve	10.9222222	37.00	100.000	0.8898520	32.92
	07/02/2010		Reserve	11.0888889	36.00	100.000	0.8882688	31.98
	08/03/2010		Reserve	11.2611111	56.00	100.000	0.8866357	49.65
	08/27/2010		Reserve	11.3944444	149.00	100.000	0.8853735	131.92
	09/02/2010		Reserve	11.4222222	14.00	100.000	0.8851108	12.39
	09/07/2010		Reserve	11.4500000	362.00	100.000	0.8848481	320.32
	09/23/2010		Reserve	11.5388889	369.00	100.000	0.8840081	326.20
	09/27/2010		Reserve	11.5611111	185.00	100.000	0.8837983	163.50
	10/04/2010		Reserve	11.6000000	195.00	100.000	0.8834311	172.27
	10/06/2010		Reserve	11.6111111	171.00	100.000	0.8833262	151.05
	10/19/2010		Construction	11.6833333	1,510.00	100.000	0.8826449	1,332.79
	10/27/2010		Reserve	11.7277778	179.00	100.000	0.8822258	157.92
	11/02/2010		Reserve	11.7555556	65.00	100.000	0.8819640	57.33
	11/04/2010		Reserve	11.7666667	185.00	100.000	0.8818593	163.14
	11/08/2010		Reserve	11.7888889	177.00	100.000	0.8816500	156.05
	11/29/2010		Reserve	11.9055556	185.00	100.000	0.8805516	162.90
	12/02/2010		Reserve	11.9222222	63.00	100.000	0.8803948	55.46
	12/06/2010		Reserve	11.9444444	350.00	100.000	0.8801858	308.07
	12/27/2010		Reserve	12.0611111	179.00	100.000	0.8790893	157.36
	01/04/2011		Reserve	12.1000000	250.00	100.000	0.8787241	219.68
	01/06/2011		Reserve	12.1111111	177.00	100.000	0.8786198	155.52
	01/27/2011		Reserve	12.2277778	185.00	100.000	0.8775252	162.34
	02/02/2011		Reserve	12.2555556	65.00	100.000	0.8772648	57.02

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HARMONY-2004-C

Dated: 12/16/2004  
 Delivered: 12/16/2004

I.R.R. Report Via Purpose Expenditures  
 Harmony CDD  
 Capital Improvement Revenue Bonds, Series 2004

4

Grp ID	Trans Date	Fund ID	Description	Day Count Factor	Calculation Amt (Interest Earnings)	Pool Pctg	** Internal ** Rate of Return	
							PV Factor	PV Amt
0	02/04/2011		Reserve	12.2666667	185.00	100.000	0.8771607	162.27
	02/07/2011		Reserve	12.2833333	177.00	100.000	0.8770045	155.23
	02/28/2011		Reserve	12.4000000	185.00	100.000	0.8759120	162.04
	03/02/2011		Reserve	12.4222222	58.00	100.000	0.8757040	50.79
	03/04/2011		Reserve	12.4333333	173.00	100.000	0.8756001	151.48
	03/07/2011		Reserve	12.4500000	159.00	100.000	0.8754441	139.20
	03/08/2011		Construction	12.4555556	18,110.00	100.000	0.8753922	15,853.35
	03/09/2011		Reserve	12.4611111	6.00	100.000	0.8753402	5.25
	03/16/2011		Reserve	12.5000000	(3,156.00)	100.000	0.8749766	(2,761.43)
	04/04/2011		Reserve	12.6000000	98.00	100.000	0.8740422	85.66
	05/03/2011		Reserve	12.7611111	78.00	100.000	0.8725389	68.06
	06/02/2011		Reserve	12.9222222	69.00	100.000	0.8710382	60.10
	06/28/2011		Construction	13.0666667	3,900.00	100.000	0.8696949	3,391.81
	07/05/2011		Reserve	13.1055556	33.00	100.000	0.8693336	28.69
	08/02/2011		Reserve	13.2555556	35.00	100.000	0.8679415	30.38
	08/08/2011		Reserve	13.2888889	269.00	100.000	0.8676324	233.39
	09/02/2011		Reserve	13.4222222	36.00	100.000	0.8663972	31.19
	10/11/2011		Reserve	13.6388889	254.00	100.000	0.8643938	219.56
	11/02/2011		Reserve	13.7555556	24.00	100.000	0.8633170	20.72
	11/10/2011		Reserve	13.8000000	262.00	100.000	0.8629071	226.08
99999	11/30/2011		Unspent Proceeds as of 11/30/2011	13.9111111	922,648.00	100.000	0.8618833	795,214.91
					488,479.00			0.04

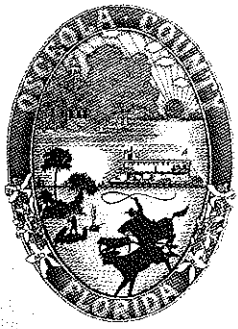
Arbitrage Yield Limit .....	6.7509631
Internal Rate of Return .....	2.1483874
Calculation Standard .....	MSRB 30/360 SEMI 4/3

Prepared by: Grau & Associates  
 Prepared on: 4/27/2012 16:3 14.42 Rpt 09c

Mun-EasMainDb  
 HARMONY-2004-C



**7G**



MARY JANE ARRINGTON  
OSCEOLA COUNTY SUPERVISOR OF ELECTIONS

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April 20, 2012

Ms. Rosemary B. Hodza  
Manager, Records Administration  
Severn Trent Management Services  
210 N. University Drive  
Suite 702  
Coral Springs, FL 33071

RE: Harmony Community Development District – Registered Voters

Dear Ms. Hodza:

Thank you for your e-mail dated March 23, 2012 requesting confirmation of the number of registered voters within the Harmony Community Development District as of April 15, 2012.

The number of registered voters for the Harmony CDD is 633 as of April 15, 2012.

If I can be of further assistance please contact me at 407.742.6000.

Respectfully yours,

Mary Jane Arrington  
Supervisor of Elections

MJA:DR:vj

*Vote  
Osceola*