

**HARMONY COMMUNITY
DEVELOPMENT DISTRICT**

JUNE 28, 2012

AGENDA PACKAGE

RAH

Harmony Community Development District

Severn Trent Services, Management Services Division
210 North University Drive, Suite 702 • Coral Springs, Florida 33071
Telephone: (954) 753-5841 • Fax: (954) 345-1292

June 21, 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, June 28, 2012 at 6:00 P.M.** at 7251 Five Oaks Drive, Harmony, Florida. Following is the advance agenda for this meeting:

- 1. Roll Call**
- 2. Approval of the Minutes of the May 31, 2012 Meeting**
- 3. Audience Comments**
- 4. Discussion and Ranking of Landscape Maintenance Proposals, RFP 2012-101**
- 5. 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
- 6. Developer's Report**
 - A. Discussion of Staff Functions and Responsibilities at the Pools
 - B. Lakeshore Park Expansion
 - C. Boy Scout Community Service Project
- 7. District Manager's Report**
 - A. May 2012 Financial Statements
 - B. Invoice Approval #146 and Check Run Summary
 - C. Public Comments/Communication Log
 - D. Website Statistics
 - E. Comments and Questions on the Proposed Budget for Fiscal Year 2013
- 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, May 31, 2012, at 9:00 a.m. at 7251 Five Oaks Drive, Harmony, Florida.

Present and constituting a quorum were:

Robert D. Evans	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
Larry Geckas	Luke Brothers
Greg Golgowski	Harmony Development Company
Todd Haskett	Harmony Development Company
Larry Medlin	Bio-Tech Consulting
Shad Tome	Harmony Development Company
Residents and members of the public	

FIRST ORDER OF BUSINESS

Roll Call

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

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

SECOND ORDER OF BUSINESS

Approval of the Minutes of the April 26, 2012, Meetings

Mr. Evans reviewed the minutes of the April 26, 2012, regular meeting and requested any additions, correction, or deletions.

Mr. Berube stated page 7, under the developer's report, it should read, "Mr. Haskett stated I received a request for chain-link fences to be removed around the playground equipment at Lakeshore Park." Page 8, center paragraph where I am speaking, it should read "There needs to be a ~~chain-link~~ fence for the dog park." Strike "chain-link."

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

THIRD ORDER OF BUSINESS

Audience Comments

A Resident stated my husband and I are recent home owners here. The only negative thing about Harmony is that our motor coach has to be stored elsewhere at a great

expense. I would like for you to consider something like that here at Harmony. We would rather give our money to Harmony than some stranger. I would ask that it be considered. In meeting other home owners, I have learned that other home owners are also interested in something like this. My husband is more than willing to make any work effort that would be involved. We were thinking of some place over by Cat Lake, that small fenced area that needs some work. We are both retired, so we have the time.

Mr. Evans stated the District has limited property that it owns, which is only parks, landscaped areas, or recreational facilities. We have limited area in which to implement something of that nature. Your comments are well noted.

The Resident asked is there another arena that I can contact?

Mr. Evans stated not within the power of this body?

The Resident asked does the CDD have any control over that particular property I referenced?

Mr. Evans stated the CDD does not own that property.

The Resident stated I need to contact the owner of that property, then.

Mr. Evans stated you will run into a lot of other issues, such as zoning and whether or not it can be utilized for something of a commercial nature. The property you are referring to is probably owned by the developer. If it is zoned residential, they are still governed by the same rules as under the HOA as far as what can and cannot be utilized. Therein is your challenge.

The Resident stated we had looked at so many communities that did offer it, even at no charge. That is where our disappointment lies because we did shop around a great deal before deciding on Harmony. Unfortunately, we thought we could do something like that here. Is it a dead issue?

Mr. Evans stated it is within the CDD.

FOURTH ORDER OF BUSINESS

Subcontractor Reports

A. Aquatic Plant Maintenance – Bio-Tech Consulting

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

Mr. Medlin stated there will be two treatments in May, one on the I4th and the second one today. Those treatments are primarily focused on the buffer around the ponds. We

have had quite a bit of cogon grass spreading around, which is a really bad grass. I will have to spray it, and you will see some dead patches on some ponds, especially on the golf course, not as much in the residential line of sight. Today's treatment will continue with that focus, and I will also check all the outfall structures to make sure, with the tropical season upon us, that the water continues to flow offsite.

Mr. Berube stated last month, we discussed our treatment plan. Mr. Evans raised the fact that we would rather be proactive than reactive. I think we are reactive in all of our treatments. I believe it is hard to be proactive because you cannot treat something that does not exist already. Is that correct?

Mr. Medlin stated that is correct.

Mr. Berube stated we truly are reactive in what we do. When algae show up, Mr. Medlin sprays it. When cogon grass shows up, he sprays it. As I mentioned last month, their contract comes up for renewal in October. I do not know to whom this falls, but someone needs to go through the renewal process and find out where we will be. I do not want to change companies from Bio-Tech. I think they do a good job. I want to consider potentially changing to a quarterly service rather than a monthly service. I would like to see a comparison of the numbers for monthly versus quarterly services.

Mr. Evans stated the comment that I made about being proactive versus reactive is that he is proactive on a monthly basis. When he starts to see a problem develop, he addresses it, as opposed to waiting for three months. If that problem began to occur in the first month, but the time he arrives in the third month, it could magnify into a much bigger situation.

Mr. Berube stated I have no argument with all that. I pushed forth the idea of planting ponds. The whole idea is to spend money for planting to alleviate or decrease the amount of money we were spending on monthly services. That is where I am headed with this idea. If we decide to continue with monthly service, that is fine. I am asking that when we receive the contract renewal, that we see a comparison between monthly and quarterly services.

Mr. Walls asked what about a compromise to every other month? So you would go from 12 to 6 instead of 4.

Mr. Berube stated I saw the idea of planting, and we spent money doing that. There is an aesthetic bonus, but the whole idea was to save some money. If we save money on the

chemical treatments, then I think we continue with the planting. I think most people like the plantings. I know I do. They look pretty good. Whose job is it to get this contract renewed? Who handles that?

Mr. Moyer stated that falls under my responsibility. He would need to submit to us a contract renewal proposal, and we would ask that he include both of those alternatives, what it would be if he continued on a monthly basis and what it would be if he provided that service bi-monthly or quarterly.

Mr. Berube stated we are about three or four months away from the contract renewal period. Is now the appropriate time to do that?

Mr. Moyer stated yes.

Mr. Berube asked is there something else we should be doing?

Mr. Medlin stated the one proactive tool that Harmony has been using for about five years that you might want to discuss is using more grass carp in the ponds. That would be a proactive approach. It has worked really well. We are losing some, they are getting old and they are not eating as much. Some of the ponds have more vegetation. I think stocking some of those troubled ponds will definitely reduce the cost for chemicals and the need for spraying. That might help with the idea of fewer visits.

Mr. Berube stated that is a natural approach. Would we stock every pond?

Mr. Medlin stated I think every pond was originally stocked.

Mr. Gologowski stated that is correct.

Mr. Walls stated I think Mr. Berube is asking if we need to stock every pond now.

Mr. Medlin stated I would estimate probably 10 ponds could be stocked.

Mr. Berube stated not every pond has significant grass growing.

Mr. Medlin stated that is correct. Some of the ponds still look really good. There are just a few ponds that could benefit from grass carp.

Mr. Berube asked will you be reviewing every pond today?

Mr. Medlin stated no, I reviewed all of them except for five earlier in the month, and I will do the remaining ponds today.

Mr. Berube asked would you be able to list today the 10 or 12 ponds that would benefit from grass carp?

Mr. Medlin stated I could point them out on a map.

Mr. Berube stated I would ask for a separate proposal for stocking the ponds with grass carp. We can determine if there is room in this year's budget or if we need to budget for it next year.

B. Landscaping – Luke Brothers

Ms. Andrews-Fine stated I am sure you have noticed some new faces in the community over the past few weeks, in particular Mr. Geckas. He is the new account manager for Luke Brothers who has been assigned to Harmony. Having worked with Mr. Geckas for many years in the past, I can assure you that you will see an improvement in the way that the landscaping program is executed in Harmony.

Mr. Berube stated Mr. Geckas stands out in the aspect that he is visible. He is out in the grass, in the trees, and in the bushes. I noticed it immediately when he showed up.

Ms. Andrews-Fine stated that is correct. He has over 20 years of experience. He is a Lawn and Ornamental Certified Pest Control Operator. He has a vast background in agronomics and turf management. I worked with Mr. Geckas for many years at a different company, and just in two weeks with him being on site, I have seen a difference. Regarding the operation itself, we are on schedule and we will continue with the scope of services as outlined.

Mr. Geckas stated after spending some time with all the crew members and working with them, I think you have some good guys who really want to do a good job for the community. They may not have been guided the way they should have been, and we are making those changes now. We are getting through the work program in a timely manner. We have enough people here so that we can stay on schedule. We did a touch-up fertilizer for some areas that did not take that Mr. Haskett mentioned not being quite on color. Even after that, we have some areas that are not responding to the fertilizer as well as it should. We will be taking some soil samples and sending them in to see what else we need to do. There are some areas that really responded and you can see the thick, green grass. We have almost needed to mow it twice since there is such good growth. There will be another application using a systemic insecticide for chinch bugs. We can get probably 10 weeks of control from that product, so we are confident it is a good product to be using. We will probably reduce the amount of nitrogen on this application and increase iron for color because we are seeing so much top growth that will hurt the roots underneath. We want to pull that down a little and keep the roots as healthy as we

can. We will make those sorts of adjustments so that it looks good but also creates healthier turf.

Mr. Berube stated we are in a bit of a paradoxical situation, in that, we issued an RFP for landscaping services. While I believe you are very dedicated and can do this job, we have been down this road several times with Luke Brothers in the past. It seems whenever we get a new onsite manager, the level of service increases in the beginning, and then it decreases dramatically. I am not asking for any comments, but that is in the back of my mind. I would rather not change landscape providers, and I have said that several times. But we have gotten to the point where we have addressed issues repeatedly with no results that brought us to this point. We will be reviewing proposals at next month's meeting. Since we just now have a change in onsite managers, that solidified the fact for me that we probably were not getting the service for which we were paying, for quite some period of time in the past. There were obviously a lot of shortfalls. Mr. Pete Lucadano has offered a 5% reduction in rates to renew this contract next year. We have not gone back to ask for that 5% discount to be applied; we kept the contract at the amount that is currently in place. Part of the review of the proposals will be the price of the contract. The prices under this RFP might come in at \$1 million annually, and clearly, we cannot afford that. Price does play a factor. We also have the history of Luke Brothers, which may be a negative factor to you. Does Mr. Lucadano want to continue with the 5% rate reduction that he offered? Or might he consider going further, knowing that we will be considering landscaping proposals at next month's meeting? I would like to stay with Luke Brothers because we have a known entity. If we change to another company, there will be another learning curve. There is a certain cost to that learning curve and a certain load on Mr. Haskett to administer. I would like to take Ms. Andrews-Fine at her word that Mr. Geckas is going to do a wonderful job, but I just do not know, and history has not proved otherwise with the previous onsite managers. There is an important question as to where the pricing may end up, and that is one of the things we have to consider. On a positive side, I noticed Mr. Geckas as soon as he arrived. I noticed he is always in the field and I never see his truck parked at the offices. He is out with the crew members, and I see people working all the time. It is a noticeable change. At Lakeshore Park, there are a lot of dead roses. They have been replaced once already.

They are still dead. That entire park looks pretty bad, and it is a gathering point for the people in this community.

Mr. Geckas asked are you referring to the roses by the splash pads?

Mr. Berube stated yes. They were replaced once and have been dead for a month. Something different needs to happen. There is also a lot of dead grass along Lakeshore Park. Another issue for me is, directly behind the sports turf is a small landscaped planting island next to a doggie pot. That area has been a mess for years. Lakeshore Park needs to look nice. We spent a lot of money on that facility, that is where people gather, that is where events take place, and it ought to look premier. The whole community ought to look premier. As Mr. Walls stated last year, the community ought to look crisp, but it never does. Those are my issues with the community, and the question to Luke Brothers is regarding the price for next year. I am not asking you to do anything illegal, unethical or immoral, but one of the factors we have to consider when we go through this RFP process is what everyone's price will be.

Mr. Walls stated a substantial number of live oaks have brown spots on them.

Mr. Geckas stated it is a canker or fungus that is brought on by stress. It comes in waves. It is something that is always there, but when you deal with cold winters or dry summers, it gets triggered to attack those trees. Many times, it is water or temperature. There is nothing that can be done to treat it. Once the tree has it, the canker or fungus has to run its course. Sometimes it takes out a big section of a tree and sometimes it is limited to branches. The best thing to do is to let it run its course. When we get to the offseason and a cooler time when things are not growing, that is when it is recommended to prune that out. That way it is less likely to spread because if we prune it and it is open, the spores will attack other parts of the tree.

C. Dockmaster/Field Manager

i. Maintenance and Field Activities Report

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

Mr. Haskett stated we are in the process of removing the fence at Lakeshore Park. It is taking longer than we expected. We are borrowing the golf course's front-end loader and trying to work around their schedule of doing the greens, so it has not been available lately. However, we expect to get the remaining posts removed the first of the week and

then get the holes filled in so that we can install additional landscaping. Overall, the general appearance is fine and there are no safety concerns at this point.

Mr. Walls stated I like it.

Mr. Haskett stated it did create a nice, open look to the park.

Mr. Berube stated you included an item for ordering the drinking fountains, which can be removed since they have been installed.

Mr. Haskett stated that is correct.

Mr. Berube stated when we changed to having irrigation monitoring be performed in-house, we made a big deal out of a process for charging Luke Brothers for damaged irrigation heads. I am pretty sure that over this long period of time, we must have had some damaged irrigation heads. Have we ever billed them back? How does that process work if we have?

Mr. Haskett stated the process when Mr. Mike McMillan was here is that they would give us replacement heads to make the replacements. Because of the short time that they got backed up, we chose to make those repairs with them supplying the parts. The contract reads that we are to give them the opportunity to repair it, which does not always work between our schedule and theirs. I mentioned to Ms. Andrews-Fine and Mr. Lucadano last month that we would be moving forward with some billing or replacement of additional heads.

Mr. Berube stated when Luke Brothers was handling it, they were not shy about billing us for irrigation head replacements.

Mr. Haskett stated that is correct.

Mr. Berube stated there were many of them, and it became a big deal. I believe if that many were being damaged when they were able to bill us for them, there must be a fairly equal number still being damaged that we are not billing back. We had that concern earlier. I am not being critical, but I think we need to tighten up the process. Fair is fair. We paid them, so they should pay us.

ii. Buck Lake Boat Use Report

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

FIFTH ORDER OF BUSINESS

**Developer's Report - Lakeshore Park
Expansion Concept Plan**

Mr. Tome stated several years ago, there was a trail study that was performed by Glattig Jackson, who is a land planner in Orlando. The developer worked with them and considered the input of a lot of the residents who were here at the time, people who were using the trails and beach areas. From that was developed a long-term nature plan for constructing the trail system. We installed many of those trails, most notably, Dog Trot Trail, which allowed people to travel easily from the Green neighborhood to Birchwood and Cypress neighborhoods, as well as Cat Brier and Schoolhouse Road. It was a great addition to the community. About a year ago, there was some clearing that was done at Buck Lake. One reason the clearing was done was to open the view of the lake. Otherwise, if you did not know it was there, you would miss out on the beauty of Buck Lake. The second purpose was to try to see how wet it would stay throughout the year and to see if you could walk on natural ground. We found that 80% to 90% of the time, it stayed wet, which was really no surprise but we thought we could find some upland area to use. The white line on the map shows the end of the conservation line where the developer's property begins and ends, since we own everything from the conservation area to the lake. The CDD owns the other way to Lakeshore Park. We worked most recently with Canin Associates, who is another great land planner and architect in Orlando. They have done a lot of work in the community, notably with David Weekley Homes and the recent deal with Lifestyle Homes. The plan is, at those two original red areas going into the conservation area, to build boardwalks. Our Development Order requires that if we construct a boardwalk, there are specifics as to how high it can be off the ground and other requirements, to make sure that nature can continue underneath it and small animals can traverse underneath. We are planning to construct two boardwalks, five feet wide, with rails. There will be benches sporadically placed and built into the boardwalk itself. The one that is closest to Buck Lake dock now will actually have a space with a pergola with some swings. It will be designed for reflection, being able to look at the lake and seeing the beauty that is there. The other one will be farther down near Lakeshore Park and will be designed primarily for a fishing pier. It will provide another place to fish that is still on Buck Lake but will be some distance away from the other area. If you have ever walked down there, it is a nice area and has a nice space where you can cast out.

Mr. Berube asked will the deck be short of the water?

Mr. Tome stated yes. The picture reflects that it goes in a little, but it does not. Mr. Golgowski and I discussed that at great length, and we decided to keep it up on the shore line and not get into any of the District's property. We do not think that is the right thing to do; we think staying up on the shoreline is the right thing to do. To whatever extent there could some engineering for a cantilever, that is possible. There is a way to do that to a degree, but the plan is to keep it up on the shoreline and not go into the lake. We are going with a rustic, nature concept simply because that fits with who we are and where we are going into the conservation area. There are two reasons we wanted to discuss this with the Board. First, it is a big improvement that is bigger than some of the things we are doing in the park areas in the Green, Estates and Drake neighborhoods recently. It will be quite expensive, but we think it will be a great addition to the community. Related to the line at the tree area, there have been conversations for a long time, prior to Glatting Jackson's trail plan and recently, in regard to trying to turn Lakeshore Park from a passive park to having more interaction, by having access to Buck Lake, the playground and the sports areas. It is just under one mile if you were to walk all the way around the lake. It is pretty much just mowed grass, and sometimes people will walk around it, so the grass gets trampled down a little. But it is not a defined pathway. There has been a lot of discussion about possibly putting bridges across the two closest pinch points on the lake so that if you did not want to walk the entire mile around, you could cut it off and make shorter trips. You would also be able to walk over the water, which will give you a relaxing feeling. Canin Associates borrowed ideas from things that were previously done and the idea was to bring something to show you what the developer is proceeding to do. We will install the boardwalks, but we wanted to approach the District to see if there is an opportunity to do a bigger plan, working together in the developer-District relationship to take something that is a \$40,000 or \$50,000 improvement and turn it into an \$80,000 or \$100,000 improvement. We have good estimates for the boardwalks and we have some rough estimates on what it would take for the pathway around the lake. We have some pretty good estimates on the bridges. The plan also includes some trees and benches and things of that nature, since you would want those along the one-mile walk. We are here in part to make an announcement about our plan for the conservation area, and also to see if the District is interested in continuing to enhance this area and turn it into something that

will really be a statement for the community. I think you would see a lot more activity happening here than just at the multi-use sports fields.

Mr. Berube stated a year ago, I asked for 1,000 feet of sidewalk to be added that I thought was missing. Now we have a beautiful park. I think it is great.

Mr. Tome stated we keep coming back to this: if you just added the sidewalk along one edge, you still would not get the beauty of Lakeshore Park. If you have never walked along this edge, it is very calming and a beautiful feeling. It is far enough away that you feel removed from the streets. It is a great place to be. There was not an easy way to get there, so by putting in some bridges and a pathway that was inviting and easy to traverse, we think it is a good thing. We are extremely excited about this new opportunity. You will be far enough away that you really cannot see the dock at Buck Lake.

Mr. Berube stated this is a far better concept than just a simple sidewalk.

Mr. Evans stated we still have about \$60,000 in the 2004 capital improvement fund, which was to be allocated primarily for the east side. Because Lakeshore Park is more of a community-wide facility versus a neighborhood park improvement, can we use some of those funds to contribute toward these enhancements?

Mr. Moyer stated there is a process we will need to go through, which is to have the engineer's report updated to identify that as an improvement to be undertaken with the 2004 bonds. That is certainly not much of an impediment but it is something we need to do in order to be thorough. In terms of making the argument that there is benefit to the 2004 benefitted properties, I think that would be pretty easy to do.

Mr. Walls stated everyone goes to that park.

Mr. Evans stated that is the key. If we did it in a neighborhood park, like the discussion we had for enhancements in the Green neighborhood, that is more of a neighborhood park and would have restricted our ability to use those funds, whereas this is more of a community-wide facility. I will ask Mr. Moyer to discuss this with Mr. Steve Boyd. Thinking about the next step, what is next and how will it work? Will the District contribute? Or will we engage the contractor for a certain portion? If that scope of work exceeded what is available in that fund, will the developer pay the difference? I want to understand the mechanics of the funding. Is there a shortfall funding mechanism? For example, if the total amount of improvements on District property is \$100,000, and if the

District will contribute \$65,000 or whatever is left in the 2004 capital improvement fund, will the developer have a deficit funding agreement to pay the remaining amount?

Mr. Qualls stated you can work this out in any number of ways. Section 190.012, Florida Statutes, gives this District the ability to enlarge, construct, acquire, and maintain systems and facilities, related to the power that this District has to maintain park and recreation facilities. The District can certainly accept a gift. The District can work to negotiate with the developer in a way that makes sense. I think you have a variety of options. You just need to find the one that fits the District the best that is acceptable to the developer.

Mr. Evans stated I am looking for the best framework that outlines the simplest way to be in a position to implement this going forward. Would the District engage with the subcontractors to do the work? Or could the District engage the developer? The developer would then take the responsibility to supervise and oversee all the construction of these improvements on District property, and the District will contribute \$65,000 toward the improvements. Could we accomplish that through a letter agreement?

Mr. Qualls stated yes, that makes sense to me. As long as there is an agreement in place, I do not see any prohibition on having the developer construct the improvements and the District will pay either to acquire the improvements or pay part of the construction costs. It is cleaner to have either the District or the developer contract to complete that work and not have a union where the developer and the District are doing it together. I am not saying it is impossible, but it is just cleaner.

Mr. Berube stated we do not want to get into a City/County line issue, like when they build a road and you can tell where the City's portion ends and the County's portion starts. I think a global management of the project is better, and we will make a contribution. The same thing is going on with the playground in a sense where money is changing hands.

Mr. Moyer stated I do think the easiest way is what Mr. Qualls outlined, which is through an acquisition. The District will be purchasing a completed project, so all of the development risk lies with the developer to totally build this improvement. The acquisition agreement that the Board can consider at your next meeting will say that the District will acquire these improvements for \$62,000, which is the amount left in the construction account. Then we can just turn them loose to accomplish it. Your protection

as the Board, if someone comes back and asks how you know if you really got a good deal at \$62,000, is you show them a summary of the invoices that total \$100,000. That will be hard to argue if someone suggests you could have bid the work and gotten it done for less than \$62,000 on a \$100,000 project. That is the way it has been done in many instances in the past, and I think it makes a lot of sense.

Mr. Berube stated I noticed all the heads in the audience nodding approval for this idea. Mr. Tome indicated he had rough estimates. What is the expected contribution from the District at this point?

Mr. Tome stated we have not done the City/County line break exactly, but our consultant came up with linear feet for the deck and the bridge and those types of things. Mr. Golgowski has done a great job looking at numbers, including the high side and the low side. The high side for the total job is \$95,000 and the low side is \$82,000, based on our current numbers. We have not priced out the benches and trees, so that will add to the numbers. The prices I mentioned is just for the pathway for one mile, two bridges going over, and then two boardwalks going all the way down. We could probably add \$10,000 or \$15,000 for trees and benches, so it could be from \$95,000 to \$110,000. We were considering a 50/50 funding arrangement with the District, based on the length of the boardwalks. One is 203 linear feet and the other is 247 linear feet.

Mr. Berube stated these kinds of projects always grow. It is hard to confine them. I suggest estimating it at \$125,000, which remains within our budget if we are going to use the construction funds and pay for half the cost. I am not saying we should spend the money just to spend the money, but if we are going to do this, I am in favor of making it nice.

Mr. Tome stated we agree.

Mr. Berube stated this is a prime area. What is there now is just a grassy, weedy field that has a nice area behind it. I think it needs to step up. Are the engineering fees included in your estimates?

Mr. Tome stated yes.

Mr. Berube stated in order for us to move forward, we need a more formal number for the total cost.

Mr. Evans stated the developer can submit a proposal to design, build and construct these facilities that will be on District property as well as developer-owned property over

which the District has an access easement and use agreement, which allows the District to even consider this proposal. They will provide the approximate budget of \$100,000 to be spent on these improvements, which they will agree to sell the completed improvements to the District for a certain dollar amount, which is the balance in the construction fund, upon completion. In the meantime, Mr. Moyer can get a letter from Mr. Boyd as to the amendment to the engineer's report for the 2004 bonds.

Mr. Moyer stated I need to review that since it might already be included in the engineer's report. If it is not included, then we just need to add it, and then it becomes a project element.

Mr. Berube stated we probably need to do that within the next month or two. If we cannot use the capital money, then we will want to include it in the budget. It sounds like we are far enough along in the planning to make it a pretty quick decision.

Mr. Tome stated yes, we have rough estimates, so it is a matter of negotiating them.

Mr. Walls stated hopefully there is no question about whether or not we can use the capital money. I think it is pretty clear that we can. For the benefit of the audience, the \$62,000 can only be used for capital projects. It is not like we are trying to increase anyone's assessments.

Mr. Evans stated we will look for a formal proposal from Mr. Tome, and Mr. Moyer will work with Mr. Boyd on the engineering report.

SIXTH ORDER OF BUSINESS

Presentation of Fiscal Year 2012 Budget

A. Discussion of Fiscal Year 2013 Budget

Mr. Moyer stated the District's fiscal year 2013 budget begins October 1, 2012, and concludes September 30, 2013. Chapter 190, Florida Statutes, is the enabling legislation for the District, and it provides a two-step process. We are taking the first step today, in which management, with the help of staff, provided an operating and maintenance budget for fiscal year 2013. I will ask the Board to approve the budget for the purpose of setting a public hearing on August 30, 2012. There are two words used in the Florida Statutes to be aware of: "approve" and "adopt." The final step of the process is to adopt the budget, which we are not doing today. All we are doing today is saying that we have a budget that identifies the work program and is similar to the current work program. We may want to add certain things to the budget, but the reality of the budget on the operation and maintenance side is that we are not proposing any increase in the assessments. That does

not mean, as we go through this process, that the Board may want to add projects that may increase the assessment. Generally, management brings a budget to the Board that balances without any additional assessments. As we add capital facilities, such as we just discussed, there may be additional maintenance costs. If that is the case, there may be a time when we actually have to raise the assessments to cover additional operating and maintenance costs. At this point, that does not appear to be the case. The debt service budget includes the payment of principal and interest. This is a work in progress for both funds. In prior years, we used monies that have been available to the District in the various funds in the trust accounts for the bonds to stabilize the assessment. We are not making any interest on those funds, for all practical purposes, which means those funds are not available to credit against principal and interest expenses as we have done in prior years, so there is a slight increase on the principal and interest that we pay on our bonds. This Board really does not have any control over that for the most part, because it is all locked in through the trust indenture that we used when we sold the bonds. There might be a little adjustment that you see on your tax bill for the principal and interest payment, but it will not be a significant amount of money. The Board has June and July to review and understand the budget, to add or delete things from it as you see fit.

Mr. Evans stated typically we schedule a workshop to discuss this budget in depth.

Mr. Moyer stated that is correct.

Mr. Evans asked do we do that in June or July?

Mr. Moyer stated the earlier you have it, the better. At the June meeting, we will receive bids for the landscape maintenance contract. Based on the Board's authorization at the last meeting, we completed the specifications and the scope of work. We advertised the RFP, bidders picked up RFP packages, and there was a pre-bid meeting yesterday. We will open bids on June 15 and will be in a position to bring those to the Board for consideration at the June 28 meeting. We will have at least some indication of what that cost will be going forward for fiscal year 2013.

Mr. Evans asked do we want to consider a workshop prior to that meeting?

Mr. Berube stated I have a conflict with that meeting date since I will be in Detroit.

Mr. Walls stated the big thing will more than likely be the landscaping numbers.

Mr. Berube asked can we consider the landscaping proposals and the budget at one workshop?

Mr. Evans stated yes.

Mr. Berube asked can it be after the bid opening but before the June meeting?

Mr. Moyer stated yes.

Mr. Qualls stated to have a workshop to review the bids, I do not know if you want to do that in a workshop setting.

Mr. Evans stated it is not necessarily to analyze the bids, but it will give us a range going into the workshop. We can wait until July before scheduling the workshop.

Mr. Walls stated that would be my preference. I would like to know what the number will be, because that will make a big difference to a lot of the budget line items.

Mr. Moyer stated that is correct.

Mr. Evans stated we will tentatively look to schedule a workshop in July.

Mr. Berube stated I raised something last month, and I realize it is very politically unpopular to talk about increasing assessments, but I will raise it again. Looking at the budget, we have allocated every single dollar, which is fine, but I noticed there is no change to fund balance, meaning we are not putting any money in the bank. I look back at the last six years that I have lived here, and we have not increased CDD assessments once. If they changed, they decreased, even if it was a couple dollars. In effect, the CDD assessment has decreased about 1% over the past years, so effectively, it has been flat. Every year we have been able to put money into reserves, but we are getting to the point where the fund balance increase drops every single year. Revenues have stayed flat, the assessments have stayed flat, and the ability to put money into reserves for the future has dropped. We will get to an equilibrium point where there is no more money to go into reserves. We are not there yet, but we are approaching that point. I think it is prudent fiscal management to consider raising assessments. I discussed the effect of a 1% increase with Mr. Moyer. My assessments are \$2,200, and 1% is \$22 per year. The most expensive home here might pay \$30 in increased assessments, if they have the \$3,000 CDD assessment. A 1% increase would add \$41,000 to the budget, and 60% of that is paid by the developer. We also have about 47% of the homes that are owned by investors. This increase will be a write-off for them. We may want to do additional projects in the future. We will more than likely use the capital money that we have set aside for the Lakeshore Park project we discussed. Certainly over the last few years, we have added facilities, including the shade structures, the swings, and there will be any number of

things that we want to do. The whole infrastructure is aging; it is not getting any younger. When you look at what goes on, it gets expensive to maintain. For instance, last year we put a heater in the swimming pool. The second heater has now failed. We do not need it, but it is probably improper to just let it sit there not functioning. What happens when the primary heater fails? Perhaps we want to consider switching to solar heat as a better alternative. If we decide to replace the second heater, we will have spent \$35,000 on two heaters in six or seven years. That is how long they last and it is expensive to heat a pool. Solar is sort of free and it is a green alternative. There are a lot of things going on, and I think the average person who lives here will not be too aggravated over \$30 more a year in their assessments. It is all money that is spent in Harmony. It is not like writing the check to the County, State or Federal government where it is all blended together and goes other places. We spend these assessments here in Harmony on things that people can see. Nothing that we have spent our money on has gone down, with the exception of landscaping. Everything gets more expensive. Insurance and electricity for the street lights increase every year, as do legal fees and engineering fees. A couple line items have already gone over budget. We are at the point where I think we need to seriously consider increasing assessments. I would rather do it now than wait until we get into a situation in a year or two where we need a major assessment increase because of something we did not anticipate. If it does result in a surplus, as in past year, we put that into reserves or fund balance for future needs. I raise this for the Board's discussion.

Mr. Evans stated we can discuss this further at the workshop, because at that time, we will have accurate numbers with regard to landscaping. Every year, we get more and more accurate as far as our projections and our understanding of future costs. I think that will be a good discussion for the workshop.

Mr. Walls stated I understand what Mr. Berube is talking about, but I do not think we are at that point yet. If you look at our budget in total, we do not spend 100%. We keep adding to fund balance. A lot of the big costs in this year's budget are one-time capital items. We will have to maintain them, but they are not an ongoing expense. Our reserves are fully funded at the moment. I cannot see raising assessments right now. I will not support it for this year.

Mr. Berube asked on a personal basis, does the \$30 increase bother you?

Mr. Walls stated yes. It is not bothersome for me, but for some people, it might be. When we do not need it, I cannot support it.

B. Consideration of Resolution 2012-01 Approving the Fiscal Year 2013 Budget and Setting a Public Hearing

Mr. Evans read Resolution 2012-01 by title into the record.

On MOTION by Mr. Walls, seconded by Mr. Berube, with all in favor, unanimous approval was given to Resolution 2012-01 approving the fiscal year 2013 budget and setting a public hearing for August 30, 2012, at 6:00 p.m.

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 against a \$622,000 non-ad valorem assessment levy, we have collected \$585,000, of which \$37,000 is due and owing and will be received as part of people paying before the tax certificate process begins. Within the next two or three weeks, the County will hold a tax certificate sale.

Mr. Walls stated it started already and is ongoing.

Mr. Moyer stated historically, we have received almost 100%, if not 100%, of our assessments. I am not too concerned about where we are at this point in terms of revenues. On the expenditure side, as Mr. Berube indicated, we have been pretty aggressive on some of the projects that we have undertaken. We are a little over budget but we anticipate at the end of the fiscal year actually coming in a little under budget and would be able to add a little money to fund balance. It will not be the magnitude we have done in previous years, but it will be a little.

B. Invoice Approval #145 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 I have a question about the email we received regarding the Severn Trent reimbursement. It is probably a technical issue, but the note reads that this reduction in their invoice will be in effect until January 2013. What that does is gives us

nine months at \$1,300 each month for reimbursement. I think it should say "through" January 2013.

Mr. Moyer stated I can have that changed. It was just the way the memorandum was written. I asked for it to be sent to the Board because I wanted you to know that they are starting to do that.

Mr. Berube stated we had some discussion regarding a request to Severn Trent to pay the attorney fees. What was the result of that discussion with Severn Trent?

Mr. Moyer stated they will pay the attorney fees based on Mr. Qualls's summary of the attorney fees. They will reimburse the District on the same program that they are doing for the assessment. They will go through the assessment part, and then they will add the reimbursement for attorney fees on the back end of that. Before the District is totally complete with this process, it will be about 20 months.

Mr. Walls stated please send them my thanks for their offer.

Mr. Berube stated I realize it is being done as a reduction on the monthly bills. That is all fine and good, but we will have 20 months of lower bills, and someone has to keep track of all this for budgeting purposes. Is that the right way to do this, accounting-wise? To an outsider looking at it, it will look like we have been paying \$3,300 each month for management fees and then 20 months from now, that will jump to \$4,600 per month. The money is all coming back here, but it does not look right on an accounting basis.

Mr. Moyer stated for budgetary purposes, we will leave management fees at what the contract provides. At the end of the year, the budget will show, for example, \$50,000 in management fees but actual spent is \$37,000. There will be a surplus at the end of the year that still stays in fund balance. It is easier for them to do that than to process a check and mail it.

Mr. Berube stated we always include a budget narrative so that anyone reading it can understand the budget line items. Perhaps there should be a note in the narrative about the reduction in management fees on a temporary basis. That way, everyone can understand what is going on.

Mr. Moyer stated I will have that added.

On MOTION by Mr. Walls, seconded by Mr. Berube, with all in favor, unanimous approval was given to the invoices, as discussed.
--

C. Public Comments/Communication Log

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

D. Website Statistics

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

E. Acceptance of the Audited Financial Statements for Fiscal Year 2011

Mr. Moyer stated on the first page, the independent auditor's report, they state, "In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities in 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." That is traditionally referred to as a clean audit opinion; there are no qualifications. What it really means is that the financial statements that we provided to the auditor as of September 30, 2011, did fairly represent our financial position as of that date. Page 23 is a 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. Regarding internal control, they state, "We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above." Regarding compliance, they state, "The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards." Page 24 is the management letter, and their findings begin on page 25 with current year recommendations, in which they indicated they do not have any such recommendations. Page 26, paragraph 8 indicates that the District has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes, which is the section that defines what a financial emergency is. By not meeting one or more of those conditions, saying it in a more positive way, we are not in a state of financial emergency.

On MOTION by Mr. Berube, seconded by Mr. Walls, with all in favor, unanimous approval was given to accept the audited financial statements for fiscal year 2011 and to authorize staff to file with the appropriate State agencies.

F. Consideration of the Arbitrage Rebate Calculation Report for the Series 2004 Capital Improvement Revenue Bonds

Mr. Moyer stated the results of this calculation indicate that no amount must be on deposit in the rebate fund. We have to track this and put it in a rebate fund if we have any rebate liability, and we do not have any.

Mr. Berube asked what would trigger a rebate liability?

Mr. Moyer stated making more in investments than we are paying on the bond rate. If we are paying 5% and earning 6%, that is positive arbitrage, and that goes into the rebate fund. Post 1986, every five years, you take the monies in the rebate fund and send it to the Federal Treasury. We are paying 7.25% on our bonds and earning 0.15%.

On MOTION by Mr. Walls, seconded by Mr. Berube, with all in favor, unanimous approval was given to arbitrage rebate calculation report for the Series 2004 capital improvement revenue bonds.

G. Number of Registered Voters – 633

Mr. Moyer stated there are 633 registered voters in Harmony. That is only significant if the number was less than 250. The District met both thresholds of having 250 registered voters and being six years old, so transitioned to electing Supervisors in the general election by registered voters and qualified electors.

Mr. Berube stated I noticed there was an advertisement in the newspaper announcing the election. Is that a requirement or just a courtesy?

Mr. Moyer stated I think it is a courtesy.

Mr. Berube stated it was only \$30, and our legal advertising costs decreased significantly this year by changing newspapers.

H. Reimbursement of Legal Fees Related to the 2005 Assessments

This item already having been discussed, the next order of business followed.

EIGHTH ORDER OF BUSINESS

Staff Reports

A. Attorney

i Landscaping RFP

Mr. Qualls stated thank you for all your comments at the last meeting. I want to thank the District Manager for all his work. I think a lot of hard work went into the new RFP and it is even better than the last one. It is clear and unambiguous. The bids are out and there have been several replies. I would like to mention five things for the Board to consider as you anticipate evaluating those bids next month, which will help avoid a bid

protest. You cannot completely avoid a bid protest but here are some things to consider. One, you have already made sure that the RFP is clear and unambiguous. Two, stay strictly with the criteria that you selected and use that as your guiding principle. Three, reject all bids that are non-responsive or that contain material irregularities. There is a difference between material and minor irregularities. A material irregularity is one that if you waived it, you would give that proposer a competitive advantage over other proposers. There will be things that come up in the proposals where perhaps a proposer has left certain things out and you have to determine, which we will do on the record, if it is a material or a minor irregularity.

Mr. Berube asked does that fall into the same area as non-responsive?

Mr. Qualls stated yes. A non-responsive bid is one that contains a material irregularity, something that was left out or changed that would give that proposer an advantage over the others. Four, remember what this Board is selecting is the most responsive and responsible proposer. The term "responsible" gives you some leeway to decide if, in fact, the proposer has the ability to carry out the job. That is different from a responsive bid that has all the items included. When evaluating if they are responsible, you will decide if they have the ability to carry out this job in a responsible manner. Five, when making your evaluations using the criteria that the Board selected, make sure that every choice is reasonable and is rationally supported. I will provide a memorandum that will provide more details, but keep those things in mind for now.

Mr. Qualls stated related to this, it is my understanding that a couple of proposers missed the mandatory pre-bid meeting that took place yesterday. This is a good time to start looking at some of those tests. The question is, is missing the mandatory pre-bid meeting something that this Board could waive as a minor irregularity? In other words, does missing the mandatory meeting give those proposers a competitive advantage over other proposers? At the outset, you could say that missing that meeting will not give them a competitive advantage. In fact, you could argue that it will give them a disadvantage because they are not familiar with the grounds and their proposal will suffer. There is case law addressing this. There have been successful bid protests won when a proposer submits a proposal and it changes the terms that the agency, or District, was seeking in the proposal. That entity then wins the bid, and then you open it up for proposers who say they would have submitted a proposal if they knew they did not have to attend that

mandatory meeting. While you might not confer a competitive advantage on the proposers who have already submitted bids, it could be argued that you conferred a competitive advantage on those who were able to miss the meeting and their bids were still considered. Then you will have people saying they would have submitted a big except for the fact that they could not attend the mandatory pre-bid meeting. My advice is that is probably not something that should be waived because it is closer to a material irregularity in the bids. I will include that in the memorandum.

Mr. Berube stated bottom line is, mandatory means mandatory. If you do not show up, then you are done.

Mr. Moyer stated there were no extenuating circumstances. If he had gotten in an accident and could not make it, that might be a basis for considering. They just put it on the wrong day on their calendar. There is no sense to put the bid process in jeopardy over that, in my opinion.

Mr. Berube asked how many people showed up?

Mr. Tome stated there were 13.

Mr. Berube asked you know those people who said they could not attend?

Mr. Moyer stated there was only one. I told Mr. Qualls there were two. I received two phone calls, but it was from the same company.

Mr. Tome stated on the form, there were two companies who picked up packages but did not attend the meeting. I know about the one company who scheduled it for the wrong day, and I do not recall the name of the other company that just did not show up.

Mr. Moyer stated that is fine not to show up. They can pick up a package and take a look at it and realize they cannot conform to the specifications, so they will just not attend the meeting.

Mr. Berube asked everyone received the same RFP package that said it was a mandatory pre-bid meeting?

Mr. Moyer stated yes.

Mr. Evans stated what I hear Mr. Qualls saying is that we do not necessarily have the discretion, without putting the bid process in jeopardy, to waive certain things.

Mr. Qualls stated you never want to waive something that you would deem a material irregularity, one that would give the proposer, who left something out or did not complete something the way you asked, a competitive advantage over other proposers. You cannot

waive those. That will not survive a bid protest. As you can imagine, as the economy takes a downturn, the number of bid protests increases. There was a bid protest just recently in a CDD for a landscape maintenance contract. You want to be very careful. There will be irregularities, and there typically are. The key is, are they material, do they confer a competitive advantage, or is it something you can waive. For example, in one case, a proposer submitted a cashier's check instead of the required bond. The court said that was immaterial since both serve the same purpose. Another example in another case, a proposer failed to submit a required form; however, all of the relevant information that was in that form was in other places in the proposal. That is another example of an immaterial irregularity because it did not confer a competitive advantage by not filling out that form since all of the requisite information was in other places. These are things that are minor and that you cannot waive. You cannot waive things that will give someone a competitive advantage that other proposers did not have.

Mr. Evans stated in the event that we have a series of people who provide proposals that we deem are insufficient but they disagree and they want to challenge this bid process and puts us in a lock-down scenario that impedes our ability to move forward, we have an existing agreement with Luke Brothers that provides us with the ability to renew that contract.

Mr. Qualls stated that is correct.

Mr. Evans asked if we receive a lot of bid protests for whatever reason, can we reject all bids?

Mr. Qualls stated yes.

Mr. Evans stated so we can reject all bids and then fall back on the existing contract for an extension.

Mr. Qualls stated that is correct.

Mr. Evans stated I do not want us to be boxed in because someone tries to use undue leverage on this Board because they may believe we were unfair because they left things out.

Mr. Moyer stated the RFP makes it clear that the Board can reject all bids for any purpose.

Mr. Qualls stated that is correct. Does the Board plan to evaluate these bids at the June meeting?

Mr. Evans stated I would think so.

Mr. Qualls stated I think that is a good idea simply because the contract with Luke Brothers expires September 30, 2012. To terminate that agreement, it requires 60 days' notice. If the Board evaluated the bids in July, which you are not, that gets very close to providing them with a 60-day notice, but evaluating them in June gives you time to do that if necessary. The key is to keep it simple and be rational. You selected the criteria, so stay with it. There needs to be a discussion on the record, and I think it would be helpful to show the rational, logical review that you will do for these proposals.

Mr. Berube asked when will the packages be distributed to the Board?

Mr. Moyer stated we will publicly open them on June 15 at 2:00 p.m. and read the amounts into the record so everyone knows what the bids were. Then we will get with staff, primarily Mr. Haskett, to put them in some sort of summary form, and then we will provide it to the Board as soon as we package it together. I would think three or four days after June 15, so you should have them a week prior to the Board meeting.

Mr. Berube stated I will be out of town for the June meeting and I will try to participate by telephone. If I can receive the packages in advance, I will have time to review them. This is where we will score the proposals to the criteria?

Mr. Quall stated yes, and you will rank them.

ii OUC

Mr. Qualls stated OUC has sent out a contractor that visited with Mr. Golgowski, and the contractor has been hired by OUC to go through OUC's easements and in some cases, outside of OUC's easements, to get rid of trees or other things that could be viewed as a threat to interfere with power lines. There are several trees that are within the boundary of the District that the District is currently maintaining, that will most likely be destroyed by this contractor in order to clear out this easement on behalf of OUC. Some of these are palm trees and they are not going to grow any higher, and some of them are so far away that they are really not in danger of hitting the power lines in Mr. Golgowski's opinion. Mr. Golgowski suggested meeting with OUC to try to inject a little common sense into the process and give the District the ability to make the determination if the trees are going to be destroyed, try to move the trees out of the way, or try to get OUC to make an exception for these particular trees for the stated reasons. When the contractor comes back out, I told Mr. Golgowski to be sure to get from the contractor the authority and the plan for getting rid of these trees, and then meet with OUC to try to provide an avenue for

the District to have some input in that process so that you are not driving along U.S. Hwy. 192 and all of a sudden, 30 trees have been cut down.

Mr. Berube asked is this what we are seeing going on with the grinding and foliage?

Mr. Golgowski stated that is part of it.

Mr. Evans asked what authority does he have to go on private property to remove anything?

Mr. Qualls stated that was my first question, and I did not see the authority outside of the easement.

Mr. Evans stated he has zero authority outside the easement since it is private property. He can go only into the easement.

Mr. Walls asked are the trees in question all along U.S. Hwy. 192?

Mr. Qualls stated yes.

Mr. Walls stated those power lines are really high.

Mr. Berube stated that is correct, but they do not want anything underneath them.

Mr. Moyer stated there is another set of power lines underneath the tall ones.

Mr. Evans stated it is just a matter of where the easements are.

Mr. Qualls stated that is correct.

Mr. Tome stated there are some at the west entrance and at the tunnel.

Mr. Golgowski stated the first line of palms at the tunnel and the bulk of them at the west end, west of the western entrance. There are 26 pines, four oaks and three magnolias.

Mr. Evans asked is the contractor saying they are just going to cut them down?

Mr. Golgowski stated yes.

Mr. Evans stated if he is on private property, we can have him arrested. The other option is for them to replace them or move them. If they start cutting down trees on our property that they cannot prove, without a shadow of a doubt, are an impediment to the public safety of those lines, there will be consequences. Just because there is a contractor who comes out here, he is billing OUC for that work.

Mr. Berube stated the more trees he cuts down, the more money he gets.

Mr. Evans stated that is exactly right.

Mr. Tome stated we agree. These trees are on District property, which is why we raised it with you.

Mr. Evans stated you can pass the message to the contractor that if they remove any trees on the District's property, they will pay for it to be replaced.

Mr. Qualls stated that amounts to a taking.

Mr. Evans stated it is a taking.

Mr. Qualls stated I would at least want to see the authority from this contractor, and when we get presumably a contract with OUC, then we need to review it.

Mr. Berube asked instead of being reactive, can we be proactive?

Mr. Qualls stated I think Mr. Golgowski has been very proactive.

Mr. Berube stated maybe Mr. Qualls should send a letter to OUC's legal department saying what our position is and for them to stay off our property. That way we do not need to wait for Mr. Golgowski to meet with the contractor and thereby putting him in the position of dealing with the contractor but can simply tell him no.

Mr. Qualls stated if you do not want to spend money on legal fees, you can authorize someone to draft that letter on your behalf. It would probably take me 20 minutes to say they need to show us under what authority they plan on cutting down trees in the attached exhibit.

Mr. Evans asked have they already cut some of the trees?

Mr. Tome stated no, but they are here.

Mr. Berube stated I have seen them on both sides.

Mr. Evans stated I would have a letter sent saying that it is our understanding, based on conversations with their contractor, that OUC intends to remove personal property of the District that is on District land, of which you do not have an easement, and by what authority are you making these accusations, and make known your intent.

Mr. Berube stated I think we should work through legal counsel. I do not think it is fair to put Mr. Golgowski in a position to deal with it. He is good about it, but it is not fair to ask him to get into a contest with some contractors.

Mr. Evans stated we will ask Mr. Qualls to draft a letter.

B. Engineer

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

NINTH ORDER OF BUSINESS

Supervisor Requests

There being none, the next order of business followed.

Harmony CDD
May 31, 2012

TENTH ORDER OF BUSINESS

Adjournment

The next meeting will be Thursday, June 28, 2012, at 6:00 p.m.

The meeting adjourned at 7:20 p.m.

Gary L. Moyer, Secretary

Robert D. Evans, Chairman

Fifth Order of Business

5A



MAINTENANCE REPORT

CUSTOMER Harmony DATE 5-31-12

BTC ACCOUNT NO. 582-01

BIOLOGIST / TECHNICIAN Larry

TREATMENT SERVICES

POND SITE INSPECTED	EMERG. VEG.	SUBMERG. VEG.	FLOATING VEG.	ALGAE	AQUASTAR	AQUATHOL K	COPPER SULFATE	CUTRINE	POND DYE	REWARD	SONAR	WEEDAR	OTHER
24	x				/								
25, 26	x				/								
27	x				/								
10	x				/								
15	x				/								
22	x				/								
21	x				/								
2	x				/								

TARGETED VEGETATION Treated torpedograss and hempvine within the planting areas on the above ponds.

Hand pulled some scattered cattails and carolina willow.

ADDITIONAL NOTES / CONCERNS _____

Orlando Office
2002 E Robinson St
Orlando FL 32803

Vero Beach Office
1717 Indian River Blvd
Suite 201
Vero Beach FL 32960

Jacksonville Office
2036 Forbes St
Jacksonville FL 32204

Tampa Office
333 Falkenburg Rd N
Suite A 128
Tampa FL 33619

Key West Office
1107 Key Plaza
Suite 259
Key West FL 33040

Aquatic & Land
Management Operations
3825 Rouse Rd
Orlando FL 32817

Native Plant Nursery
DCC Farms
8580 Bunkhouse Rd
Orlando FL 32832

407.894.5969
877.894.5969
407.894.5970 fax

Key West

Vero Beach

Orlando

Jacksonville

Tampa

5B



HARMONY CDD MONTHLY LANDSCAPE MAINTENANCE REPORT

June 2012

LINE ITEM	#	SUB SECTION	#	PERFORMANCE NOTES	
				COMPLETED	WILL BE COMPLETED
Turf Care	4.1	Mowing	4.1.1	<ul style="list-style-type: none"> Turf is being mowed at 4.5" on a weekly rotation Double mowing as needed to minimize clippings 	<ul style="list-style-type: none"> Mower sizes and patterns will continue to change to prevent rutting
			4.1.2		
			4.1.3		
		Pest Control	4.1.4 4.1.6	<ul style="list-style-type: none"> Spot Turf weed treatments were performed along Five Oaks and through out parks 	<ul style="list-style-type: none"> Arena application on Floratam turf will be performed during summer fertilizer round scheduled 6/18 thru 6/29
Fertilization	4.1.5	<ul style="list-style-type: none"> Spot treatments were done throughout with 1/2lb. rate of N and iron to help even color 	<ul style="list-style-type: none"> Summer application will be applied at 1/2 lb rate of N and is scheduled 6/18 thru 6/29. 		
Annuals	4.1.8	<ul style="list-style-type: none"> Existing annuals will be maintained until the end of the month 	<ul style="list-style-type: none"> Management is working with CDD to determine plant selection and timing for next rotation. 		
Sports Turf	4.2	Mowing	4.2.1	<ul style="list-style-type: none"> Sports turf is being mowed twice per week 	<ul style="list-style-type: none">
		Pest Control	4.2.2		<ul style="list-style-type: none">
			4.2.3		<ul style="list-style-type: none">
Fertilization	4.2.5		<ul style="list-style-type: none"> 		
Shrubs / Groundcover Care	4.3	Pruning	4.3.1	<ul style="list-style-type: none"> June's rotation is complete except for Five Oaks from Cat Brier to Clubhouse, Ashley Park Pool, 192 and Main Pool 	<ul style="list-style-type: none"> Cat Brier to Clubhouse , 192, Ashley Park Pool and Main Pool
			4.3.2	<ul style="list-style-type: none"> Same rotation as Pruning 	<ul style="list-style-type: none">
		Fertilization	4.3.3		
		Pest Control	4.3.4	<ul style="list-style-type: none"> Integrated Pest Management performed throughout parks 	<ul style="list-style-type: none"> Continue to perform IPM as needed.
		Mulching	4.3.5	<ul style="list-style-type: none"> 	
Tree Care	4.4	Pruning	4.4.1	<ul style="list-style-type: none"> Minor trimming has been done along with the pruning rotation to maintain Pedestrian height clearance Seed pods have been trimmed from the Queen palms in the pool area. 	<ul style="list-style-type: none"> Will continue to remove seed ponds from Palms in the pool area as they become accessible.
			Fertilizer	4.4.3	<ul style="list-style-type: none"> Palms in pool area have been fertilized
Irrigation System	4.5	General Requirements	4.5.1	<ul style="list-style-type: none"> 	
		Monitoring	4.5.2	<ul style="list-style-type: none"> 	
Unscheduled Maintenance	5	Unscheduled Maintenance	5.4	<ul style="list-style-type: none"> Replaced small areas of sod at Clubhouse, Water Park and Buck Lake circle. Replaced Roses at Lakeshore Park with Red Fountain Grass 	

5Ci

THE TOWN OF HARMONY

District Dock & Maintenance Activities Report

May 15, 2012 – June 17, 2012

Boat Maintenance

- All boats were cleaned as needed.
- Bass boat placed in service.
- Small pontoon placed in service.

Buck Lake Activities

- First Friday Fishing (June 1st), 20 + in attendance.
- Boat Orientation Class – Held Saturday 9th, five attended.
- Summer Fishing Activity – Each Thursday during the month of June at 8:30 am.
- Rick, Paul and Todd – rescue boat training.

Facility / Park Maintenance Activities

- Water Feature – wye strainers cleaned, diaphragms inspected & clock time reset.
- Routine cleaning activities – including restrooms, trash and doggie potty removal.
- Inspected facilities for cleanliness and/or damage after each scheduled event.
- LSP playground fence removed. Preparing landscape alterations/improvements.

Irrigation Maintenance

- Continue to replace broken irrigation heads.
- Insight inspections continuing weekly. Mapping process and training are 75% complete.
- Replaced irrigation controller faceplate on clock 17 (Butterfly Trail). Relocated clock 17 faceplate to clock 3 (Main Entrance).
- Repaired main leak in Town Square.

5Cii

Seventh Order of Business

7A

**Harmony
Community Development District**

Financial Report

May 31, 2012

Prepared by

**SEVERN
TRENT
SERVICES**

**Harmony
Community Development District**

Table of Contents

FINANCIAL STATEMENTS

Balance Sheet - All Funds	Page 1
Statement of Revenues, Expenditures and Changes in Fund Balances	
General Fund	Page 2 - 3
Debt Service Funds	Page 4 - 5
Capital Project Fund	Page 6
Notes to the Financial Statements	Page 7 - 10

SUPPORTING SCHEDULES

Non-Ad Valorem Special Assessments	Page 11
Cash and Investment Report	Page 12
Monthly Debit Card Purchases	Page 13

**Harmony
Community Development District**

Financial Statements

(Unaudited)

May 31, 2012

Balance Sheet
May 31, 2012

ACCOUNT DESCRIPTION	GENERAL FUND	2001 DEBT SERVICE FUND	2004 DEBT SERVICE FUND	2004 CAPITAL PROJECTS FUND	TOTAL
ASSETS					
Cash - Checking Account	\$ 312,980	\$ -	\$ -	\$ -	\$ 312,980
Cash On Hand/Petty Cash	500	-	-	-	500
Accounts Receivable	21,135	-	-	-	21,135
Interest/Dividend Receivables	1,331	-	-	-	1,331
Due From Other Funds	-	549	-	-	549
Investments:					
Certificates of Deposit - 36 Months	127,778	-	-	-	127,778
Money Market Account	480,530	-	-	-	480,530
Construction Fund	-	-	-	62,829	62,829
Prepayment Account	-	10,653	3,229	-	13,882
Reserve Fund	-	1,416,606	859,953	-	2,276,559
Revenue Fund	-	443,073	2,630	-	445,703
Prepaid Items	1,281	-	-	-	1,281
TOTAL ASSETS	\$ 945,535	\$ 1,870,881	\$ 865,812	\$ 62,829	\$ 3,745,057
LIABILITIES					
Accounts Payable	\$ 59,650	\$ -	\$ -	\$ -	\$ 59,650
Accrued Expenses	33,480	-	-	-	33,480
Deferred Revenue	11,272	-	-	-	11,272
Due To Other Funds	549	-	-	-	549
TOTAL LIABILITIES	104,951	-	-	-	104,951
FUND BALANCES					
<i>Nonspendable:</i>					
Prepaid Items	\$ 1,281	\$ -	\$ -	\$ -	\$ 1,281
<i>Restricted For:</i>					
Debt Service	-	1,870,881	865,812	-	2,736,693
Reserved for Capital Projects	-	-	-	62,829	62,829
<i>Assigned to:</i>					
Operating Reserves	350,000	-	-	-	350,000
Reserves-Renewal & Replacement	135,000	-	-	-	135,000
Reserves - Self Insurance	50,000	-	-	-	50,000
<i>Unassigned:</i>	304,303	-	-	-	304,303
TOTAL FUND BALANCES	\$ 840,584	\$ 1,870,881	\$ 865,812	\$ 62,829	\$ 3,640,106
TOTAL LIABILITIES & FUND BALANCES	\$ 945,535	\$ 1,870,881	\$ 865,812	\$ 62,829	\$ 3,745,057

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

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	VARIANCE (\$) FAV(UNFAV)
REVENUES				
Interest - Investments	\$ 1,500	\$ 1,000	\$ 2,354	\$ 1,354
Interest - Tax Collector	-	-	41	41
Special Assmnts- Tax Collector	622,472	622,472	587,921	(34,551)
Special Assmnts- CDD Collected	913,955	609,304	609,303	(1)
Special Assmnts- Discounts	(24,900)	(24,900)	(12,988)	11,912
Other Miscellaneous Revenues	-	-	1,420	1,420
TOTAL REVENUES	1,513,027	1,207,876	1,188,051	(19,825)
EXPENDITURES				
Administrative				
P/R-Board of Supervisors	9,600	6,400	5,600	800
FICA Taxes	734	488	428	60
ProfServ-Arbitrage Rebate	1,200	1,200	1,200	-
ProfServ-Dissemination Agent	500	500	500	-
ProfServ-Engineering	15,000	10,000	3,583	6,417
ProfServ-Legal Services	23,000	15,336	12,029	3,307
ProfServ-Mgmt Consulting Serv	55,984	37,320	34,723	2,597
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	256	147	109
Postage and Freight	1,200	800	695	105
Insurance - General Liability	23,733	23,733	23,262	471
Printing and Binding	5,000	3,336	4,028	(692)
Legal Advertising	1,000	668	278	390
Misc-Assessmnt Collection Cost	12,449	12,449	11,499	950
Misc-Contingency	2,800	1,864	72	1,792
Office Supplies	1,500	1,000	468	532
Annual District Filing Fee	175	175	175	-
Total Administrative	185,856	147,126	127,195	19,931
Field				
ProfServ-Field Management	109,839	70,200	71,929	(1,729)
Total Field	109,839	70,200	71,929	(1,729)

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

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	VARIANCE (\$) FAV(UNFAV)
Landscape				
R&M-Grounds	32,994	22,000	14,558	7,442
R&M-Irrigation	15,767	15,767	27,260	(11,493)
R&M-Tree Trimming Services	15,000	10,000	13,000	(3,000)
R&M-Trees and Trimming	21,115	14,077	12,743	1,334
R&M-Turf Care	283,001	188,672	185,334	3,338
R&M-Shrub Care	110,539	73,696	71,692	2,004
Miscellaneous Services	10,000	6,664	17,769	(11,105)
Total Landscape	488,416	330,876	342,356	(11,480)
Utilities				
Electricity - General	35,000	23,336	17,110	6,226
Electricity - Streetlighting	385,000	256,664	252,099	4,565
Utility - Water & Sewer	105,000	70,000	53,770	16,230
Total Utilities	525,000	350,000	322,979	27,021
Operation & Maintenance				
Contracts-Lake and Wetland	35,000	23,336	20,155	3,181
Communication - Telephone	8,000	5,336	3,233	2,103
R&M-Common Area	18,806	12,536	12,818	(282)
R&M-Equipment	15,000	10,000	9,635	365
R&M-Pools	70,000	46,664	47,718	(1,054)
R&M-Roads & Alleyways	1,000	664	4,041	(3,377)
R&M-Sidewalks	6,000	4,000	-	4,000
R&M-Parks & Amenities	8,500	5,664	1,534	4,130
R&M-Hardscape Cleaning	6,000	4,000	2,836	1,164
Misc-Contingency	15,610	10,408	4,339	6,069
Misc-Security Enhancements	5,000	-	904	(904)
Cap Outlay - Other	15,000	-	30,263	(30,263)
Total Operation & Maintenance	203,916	122,608	137,476	(14,868)
TOTAL EXPENDITURES	1,513,027	1,020,810	1,001,935	18,875
Excess (deficiency) of revenues Over (under) expenditures	-	187,066	186,116	(950)
Net change in fund balance	\$ -	\$ 187,066	\$ 186,116	\$ (950)
FUND BALANCE, BEGINNING (OCT 1, 2011)	654,468	654,468	654,468	
FUND BALANCE, ENDING	\$ 654,468	\$ 841,534	\$ 840,584	

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

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	VARIANCE (\$) FAV(UNFAV)
REVENUES				
Interest - Investments	\$ 800	\$ 536	\$ 552	\$ 16
Special Assmnts- Tax Collector	1,037,460	1,037,460	974,509	(62,951)
Special Assmnts- Prepayment	-	-	6,903	6,903
Special Assmnts- CDD Collected	432,195	432,195	614,176	181,981
Special Assmnts- Discounts	(41,498)	(41,498)	(21,529)	19,969
TOTAL REVENUES	1,428,957	1,428,693	1,574,611	145,918
EXPENDITURES				
Administrative				
Misc-Assessmnt Collection Cost	20,749	20,749	19,059	1,690
Total Administrative	20,749	20,749	19,059	1,690
Debt Service				
Principal Debt Retirement	325,000	325,000	325,000	-
Principal Prepayments	-	-	30,000	(30,000)
Interest Expense	1,098,375	1,098,375	1,097,288	1,087
Total Debt Service	1,423,375	1,423,375	1,452,288	(28,913)
TOTAL EXPENDITURES	1,444,124	1,444,124	1,471,347	(27,223)
Excess (deficiency) of revenues Over (under) expenditures	(15,167)	(15,431)	103,264	118,695
Net change in fund balance	\$ (15,167)	\$ (15,431)	\$ 103,264	\$ 118,695
FUND BALANCE, BEGINNING (OCT 1, 2011)	1,767,617	1,767,617	1,767,617	
FUND BALANCE, ENDING	\$ 1,752,450	\$ 1,752,186	\$ 1,870,881	

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

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	VARIANCE (\$) FAV(UNFAV)
REVENUES				
Interest - Investments	\$ 800	\$ 528	\$ 2,315	\$ 1,787
Special Assmnts- CDD Collected	1,197,400	864,415	692,061	(172,354)
TOTAL REVENUES	1,198,200	864,943	694,376	(170,567)
EXPENDITURES				
Debt Service				
Principal Debt Retirement	245,000	245,000	245,000	-
Interest Expense	985,500	985,500	985,500	-
Total Debt Service	1,230,500	1,230,500	1,230,500	-
TOTAL EXPENDITURES	1,230,500	1,230,500	1,230,500	-
Excess (deficiency) of revenues Over (under) expenditures	(32,300)	(365,557)	(536,124)	(170,567)
Net change in fund balance	\$ (32,300)	\$ (365,557)	\$ (536,124)	\$ (170,567)
FUND BALANCE, BEGINNING (OCT 1, 2011)	1,401,936	1,401,936	1,401,936	
FUND BALANCE, ENDING	\$ 1,369,636	\$ 1,036,379	\$ 865,812	

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

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	VARIANCE (\$) FAV(UNFAV)
REVENUES				
Interest - Investments	\$ -	\$ -	\$ 22	\$ 22
TOTAL REVENUES	-	-	22	22
EXPENDITURES				
TOTAL EXPENDITURES	-	-	-	-
Excess (deficiency) of revenues Over (under) expenditures	-	-	22	22
Net change in fund balance	\$ -	\$ -	\$ 22	\$ 22
FUND BALANCE, BEGINNING (OCT 1, 2011)	-	-	62,807	
FUND BALANCE, ENDING	\$ -	\$ -	\$ 62,829	

**Notes to the Financial Statements
May 31, 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 and all legal fees associated with the FY2006 Delinquent Assessments.
- **Interest Receivable** - Accrued interest earned on CD.
- **Prepaid** - US Bank Series 2004 Trustee Fees - 10/1/12-11/30/12, Maxi-Com Irrigation Monitoring for June 2012.

▶ **Liabilities**

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

OUC Electricity - General	\$ 2,000
OUC - Streetlighting	31,480
Total	\$ 33,480

- **Deferred Revenue** - Reimbursement of FY2006 Delinquent assessments.
- **Due to Other Funds** - Assessments received in May and transferred to the Debt Service Funds in June.

Debt Service Funds

▶ **Assets**

- **Cash and Investments** - See Cash and Investment Report on page 12 for further details.
- **Due from Other Funds** - Assessments received in May and transferred to Debt Service Fund in June.

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 through March 2013. In addition, any legal fees incurred by the District relating to the FY2006 delinquent assessments, will also be reimbursed.

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

Notes to the Financial Statements
May 31, 2012

General Fund

Financial Overview / Highlights

- ▶ FY 2012 Assessments collected by the tax collector are at approximately 94% compared to 95% last year at this time.
- ▶ Total general fund expenditures are at approximately 99% of the YTD (prorated) budget. Significant variances are explained below.

General Fund - Revenues and Expenditures

Account Name	YTD Budget	YTD Actual	Variance (%)	Explanation
Revenues				
Interest - Investments	\$ 1,000	\$ 2,354	235%	Interest earned on operating and investment accounts
Other Miscellaneous Revenues	\$ -	\$ 1,420	n/a	Line item included, the non-refundable pool key deposits reclassified as revenue as per the Board's direction, reimbursement for damage to utility trailer, fee charged for document retrieval for record request and any replacement key cards.
Expenditures				
<u>Administration</u>				
ProfServ - Management Consulting Services	\$37,320	\$34,723	93%	Under Budget: Management, accounting and administrative services from Severn Trent Management Services. As part of an agreement on February 2012 to reimburse the District the FY2006 Outstanding O&M Assessments, the monthly invoice will show a reduction of \$1,300 beginning April 2012 through March 2013.
Printing and Binding	\$3,336	\$4,028	121%	Over Budget: Copies used in the preparation of agenda packages. Details have been provided by recording department.
Misc. - Contingency	\$1,864	\$60	3%	Bank Fee for Debit Card account.

Notes to the Financial Statements
May 31, 2012

Expenditures (continued)

<u>Account Name</u>	<u>YTD Budget</u>	<u>YTD Actual</u>	<u>Variance (%)</u>	<u>Explanation</u>
<u>Field</u>				
ProfServ-Field Management	\$70,200	\$71,929	102%	Over Budget: 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.
<u>Landscape</u>				
R&M - Irrigation	\$15,767	\$27,260	173%	Over Budget: This 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, invoices through May 2012 from FIS Outdoor, for irrigation supplies are approx. \$6,855, monthly fees from Maxi-com and Walker Tech. In October 2011, a one-time invoice was paid from Harmony Golf Preserve - reimbursement for 50% of the weather station repair. Unfavorable variance due to expenditure for \$7,323 from Clarke Equipment for utility vehicle.
R&M-Trees Trimming Services	\$10,000	\$13,000	130%	Over Budget: 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	\$6,664	\$17,769	267%	Over Budget: Invoices from Luke Brothers Inc. for installation of mulch, Holly, Palmetto, Birch, Bahia grass and various trees within the District. Unfavorable variance due to recent invoices for tree work done in FY2011, installation of mulch in November 2011 and additional plants in April 2012.
<u>Operation & Maintenance</u>				
R&M-Pools	\$46,664	\$47,718	102%	Over Budget: 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
May 31, 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	\$664	\$4,041	609%	Over Budget: Unfavorable variance due to invoice from Florida Site & Seed, Inc. for emergency pipe repair in Cypress Neighborhood.
Misc-Contingency	\$10,408	\$4,339	42%	Invoices for employee uniforms, gate for storage facility, painting of flagpole and recent painting of stripes within the recreational facility parking lot.
Misc-Security Enhancements	\$0	\$904	113%	Over Budget: Invoice from ID Wholesaler for ID Badge. DVR, wireless router and internet service for security. Unfavorable variance due to timing of budget allocation.
Cap Outlay - Other	\$0	\$30,263	n/a	Over Budget: Unfavorable variance due to invoice from Creative Shade Solutions Inc. for shade structures within the District, drinking fountain from Southern park and Play and floating dock repairs made from The Dock-Ters marine Construction.

Debt Service Fund Series 2001

<u>Account Name</u>	<u>YTD Budget</u>	<u>YTD Actual</u>	<u>Variance (%)</u>	<u>Explanation</u>
Revenues				
Special Assmts - CDD Collected	\$ 432,195	\$ 614,176	142%	Over Budget: Non-Ad Valorem assessments collected bi-annually by the District on all the un-platted parcels. Unfavorable variance due to District Billed invoice sent in April 2012.

Debt Service Fund Series 2004

Revenues				
Special Assmts - CDD Collected	\$ 864,415	\$ 692,061	80%	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	
ASSESSMENTS LEVIED FY 2012					\$ 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	
05/09/12	7,387	(188)	151	7,350	2,766	4,584	
TOTAL	\$ 1,497,355	\$ 34,517	\$ 30,558	\$ 1,562,430	\$ 587,921	\$ 974,509	

% COLLECTED 94.45% 94.45% 94.45%

TOTAL OUTSTANDING	\$ 91,821	\$ 34,551	\$ 57,270
--------------------------	------------------	------------------	------------------

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

Harmony

Community Development District

Cash and Investment Report May 31, 2012

General Fund

<u>Account Name</u>	<u>Bank Name</u>	<u>Investment Type</u>	<u>Maturity</u>	<u>Yield</u>	<u>Balance</u>
Checking Account- Operating Checking Account	CenterState Bank BankUnited	Interest Bearing Account Business Checking Account	n/a n/a	0.05% / 0.10% (1) n/a	\$310,603 \$1,000
Checking Account	CenterState Bank	Business Checking Account	n/a	0.25%	\$1,377
				Subtotal	\$312,980
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%	\$277,764
Money Market Account	Florida Shores Bank	Money Market Account	n/a	0.50%	\$101,795
Money Market Account	BankUnited	Money Market Account	n/a	0.70%	\$100,972
				Subtotal	\$480,530

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%	\$443,073
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%	\$2,630
Series 2004 Construction Fund	US Bank	US Bank Open-Ended Commercial Paper	n/a	0.15%	\$62,829
				Subtotal	\$2,798,974
				Total	\$3,720,761

Notes

(1) The Operating Account at CenterState Bank is a combination of Business Checking and Money Market. The different yields reflects the interest rate in each account, respectively.

Harmony**Community Development District**

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

Date	Vendor	Description	Amount
5/7/2012	Tractor -Supply Co.	Boat Dock Supply	29.52
5/21/2012	Toms Upholstery	Pontoon Seat Repair	70.00
5/30/2012	Walgreens	Paper Goods	30.00
5/31/2012	Sunoco	Fuel	135.00
		Total	\$ 264.52

7B

Invoice Approval Report # 146

June 18, 2012

Payee	Invoice Number	A= Approval R= Ratification	Invoice Amount
<u>ADVANCED MARINE SERVICES</u>	58202	A	\$ 295.47
		Vendor Total	\$ 295.47
<u>AT & T</u>	993377858X05262012	R	\$ 276.04
		Vendor Total	\$ 276.04
<u>BEYER'S WELDING INC.</u>	051012	A	\$ 650.00
		Vendor Total	\$ 650.00
<u>BIO-TECH CONSULTING INC</u>	14208	A	\$ 1,530.00
		Vendor Total	\$ 1,530.00
<u>BRIGHT HOUSE NETWORKS</u>	052012--41601	R	\$ 49.95
	053112-41501	R	\$ 44.95
		Vendor Total	\$ 94.90
<u>CENTURY LINK</u>	052512-08324	R	\$ 45.84
		Vendor Total	\$ 45.84
<u>CITY OF ST CLOUD</u>	050912	R	\$ 33,580.45
		Vendor Total	\$ 33,580.45
<u>FIS OUTDOOR</u>	2846687-00	R	\$ 80.00
	2857439-00	R	\$ 99.05
		Vendor Total	\$ 179.05
<u>GRAINGER</u>	9828643339	R	\$ 857.64
		Vendor Total	\$ 857.64
<u>GRAU & ASSOCIATES</u>	9114	A	\$ 600.00
		Vendor Total	\$ 600.00
<u>HARMONY DEVELOPMENT CO. LLC</u>	051812	A	\$ 1,198.80
		Vendor Total	\$ 1,198.80
<u>HOME DEPOT CREDIT SERVICES</u>	7020275	R	\$ 86.70
	7061460	R	\$ 534.81
	3012690	R	\$ 288.56

Invoice Approval Report # 146

June 18, 2012

Payee	Invoice Number	A= Approval R= Ratification	Invoice Amount
	6053724	R	\$ 140.25
		Vendor Total	\$ 1,050.32
<u>JAMES AARON SMITH DBA</u>	052212A	R	\$ 600.00
	052212B	R	\$ 365.00
		Vendor Total	\$ 965.00
<u>KISSIMMEE UTILITY AUTHORITY</u>	060512	R	\$ 11,855.68
		Vendor Total	\$ 11,855.68
<u>LUKE BROTHERS INC.</u>	1205-93903	A	\$ 36,220.75
		Vendor Total	\$ 36,220.75
<u>NAPA AUTO PARTS</u>	653113	A	\$ 112.44
	660125	A	\$ 66.11
		Vendor Total	\$ 178.55
<u>ORLANDO SENTINEL</u>	0030817	R	\$ 90.00
		Vendor Total	\$ 90.00
<u>PROPET DISTRIBUTORS INC.</u>	86090	R	\$ 1,038.00
		Vendor Total	\$ 1,038.00
<u>RENTAL WORLD OF ST CLOUD</u>	053112	R	\$ 420.98
		Vendor Total	\$ 420.98
<u>ROBERTS POOL SERVICE & REPAIR</u>	060112	A	\$ 1,280.00
		Vendor Total	\$ 1,280.00
<u>SEVERN TRENT ENVIRONMENTAL SERVICES</u>	2060668	A	\$ 13,670.91
		Vendor Total	\$ 13,670.91
<u>SPIES POOL LLC</u>	236968	A	\$ 449.75
	236967	A	\$ 511.75
	236778	A	\$ 265.65
	236777	A	\$ 454.55
		Vendor Total	\$ 1,681.70

Community Development District

Invoice Approval Report # 146

June 18, 2012

Payee	Invoice Number	A= Approval R= Ratification	Invoice Amount
<u>WALKER TECHNICAL SERVICES</u>	1025	A	\$ 250.00
		Vendor Total	<u>\$ 250.00</u>
<u>YOUNG VAN ASSENDERP</u>	12159	A	\$ 4,977.09
		Vendor Total	<u>\$ 4,977.09</u>
		Total	\$ 112,987.17
		Total	\$ 112,987.17

**Harmony
Community Development District**

Check Register

May 1 - May 31, 2012

Harmony
Check Register by Fund
For the Period from 5/1/12 to 5/31/12
(Sorted by Check No.)

Fund No.	Check No.	Check Date	Payee	Invoice No.	Invoice Description	G/L Account Name	G/L Account #	Check Amount
GENERAL FUND - 001								
001	52679	05/31/12	ADVANCED MARINE SERVICES	57948	SUPPLIES	R&M-Equipment	546022-53910	\$164.68
001	52647	05/03/12	AT & T	993377858X04262012	#993377858 3/19-4/18	Communication - Telephone	541003-53910	\$276.04
001	52676	05/31/12	AT & T	993377858X05262012	#993377858 4/19-5/18	Communication - Telephone	541003-53910	\$276.04
001	52648	05/03/12	BEYER'S WELDING INC.	042712	REPAIR TO SMALL PONTOON BOAT	R&M-Equipment	546022-53910	\$800.00
001	52680	05/31/12	BIO-TECH CONSULTING INC	041912	AQUATIC PLANT MAINT-APRIL	Contracts-Lake and Wetland	534021-53910	\$1,530.00
001	52649	05/03/12	BRIGHT HOUSE NETWORKS	042012-41601	#1046416-01 4/28-5/27	R&M-Common Area	546016-53910	\$49.95
001	52666	05/09/12	BRIGHT HOUSE NETWORKS	043012-41501	#1046415-01 5/6-6/5	R&M-Common Area	546016-53910	\$44.95
001	52677	05/31/12	BRIGHT HOUSE NETWORKS	052012--41601	#1046416-01 4/28-5/27	Misc-Security Enhancements	549911-53910	\$49.95
001	52650	05/03/12	CENTURY LINK	042512-08324	#311908324 4/25-5/24	Communication - Telephone	541003-53910	\$45.84
001	52668	05/15/12	CENTURY LINK	050712-81648	#312281648 5/7-6/6	Communication - Telephone	541003-53910	\$50.40
001	52651	05/03/12	CITY OF ST CLOUD	041012-34230	#101546-34230 3/8-4/9	Electricity - Streetlighting	543013-53903	\$10.93
001	52651	05/03/12	CITY OF ST CLOUD	041012-34231	#101546-34231 3/8-4/9	Electricity - Streetlighting	543013-53903	\$13.58
001	52651	05/03/12	CITY OF ST CLOUD	041012-34232	#101546-34232 3/8-4/9	Electricity - Streetlighting	543013-53903	\$12.74
001	52651	05/03/12	CITY OF ST CLOUD	041012-34233	#101546-34233 3/8-4/9	Electricity - Streetlighting	543013-53903	\$10.93
001	52651	05/03/12	CITY OF ST CLOUD	041012-36151	#101546-36151 3/8-4/9	Electricity - General	543006-53903	\$203.38
001	52651	05/03/12	CITY OF ST CLOUD	050312	#101546-34509 22.00 SHORT ON 4/18 CHECK	Electricity - General	543006-53903	\$22.00
001	52669	05/15/12	CITY OF ST CLOUD	050912	BILLING PERIOD 4/9-5/8	Electricity - Streetlighting	543013-53903	\$31,482.16
001	52669	05/15/12	CITY OF ST CLOUD	050912	BILLING PERIOD 4/9-5/8	Electricity - General	543006-53903	\$2,098.29
001	52681	05/31/12	CUNNINGHAM'S INC	09466	BOAT USER AGREEMENTS (500)	Printing and Binding	547001-51301	\$117.00
001	52652	05/03/12	FEDEX	7-865-69741	#0012-7 4/17	Postage and Freight	541006-51301	\$46.45
001	52670	05/15/12	FEDEX	7-880-96458	#0012-7 4/27	Postage and Freight	541006-51301	\$8.15
001	52653	05/03/12	FIS OUTDOOR	2826254-00	IRRIGATION SUPPLIES	R&M-Irrigation	546041-53902	\$632.13
001	52667	05/09/12	FIS OUTDOOR	2826254-01	IRRIGATION SUPPLIES	R&M-Irrigation	546041-53902	\$221.09
001	52671	05/16/12	FIS OUTDOOR	2836702-01	IRRIGATION SUPPLIES	R&M-Irrigation	546041-53902	\$373.71
001	52671	05/16/12	FIS OUTDOOR	2836702-00	IRRIGATION REPAIRS	R&M-Irrigation	546041-53902	\$246.83
001	52682	05/31/12	GARYS LOCK & SAFE INC.	55107	DUPLICATE KEYS	R&M-Common Area	546016-53910	\$19.00
001	52673	05/23/12	GRAINGER	9828643339	SUPPLIES	R&M-Common Area	546016-53910	\$857.64
001	52674	05/23/12	HOME DEPOT CREDIT SERVICES	7020275	#0-8018 SUPPLIES	R&M-Common Area	546016-53910	\$86.70
001	52674	05/23/12	HOME DEPOT CREDIT SERVICES	7061460	#0-8018 SUPPLIES	R&M-Common Area	546016-53910	\$534.81
001	52674	05/23/12	HOME DEPOT CREDIT SERVICES	3012690	#0-8018 SUPPLIES	R&M-Common Area	546016-53910	\$288.56
001	52674	05/23/12	HOME DEPOT CREDIT SERVICES	6053724	#0-8018 SUPPLIES	R&M-Common Area	546016-53910	\$140.25
001	52675	05/23/12	JAMES AARON SMITH DBA	052212A	PARTIAL DRAW ON MAPPING-10%	R&M-Irrigation	546041-53902	\$600.00
001	52675	05/23/12	JAMES AARON SMITH DBA	052212B	CONTROLLER REPAIRS & FOUR REMOTE CONTRO	R&M-Irrigation	546041-53902	\$365.00
001	52654	05/03/12	KISSIMMEE UTILITY AUTHORITY	042512	BILLING PERIOD 3/18-4/17	Utility - Water & Sewer	543021-53903	\$9,563.14
001	52683	05/31/12	LUKE BROTHERS INC.	1204-93682	MTHLY LAWN SERVICE-APRIL	R&M-Turf Care	546130-53902	\$7,833.07
001	52683	05/31/12	LUKE BROTHERS INC.	1204-93682	MTHLY LAWN SERVICE-APRIL	R&M-Turf Care	546130-53902	\$9,943.13
001	52683	05/31/12	LUKE BROTHERS INC.	1204-93682	MTHLY LAWN SERVICE-APRIL	R&M-Turf Care	546130-53902	\$2,474.38
001	52683	05/31/12	LUKE BROTHERS INC.	1204-93682	MTHLY LAWN SERVICE-APRIL	R&M-Turf Care	546130-53902	\$2,916.18
001	52683	05/31/12	LUKE BROTHERS INC.	1204-93682	MTHLY LAWN SERVICE-APRIL	R&M-Grounds	546037-53902	\$1,699.50
001	52683	05/31/12	LUKE BROTHERS INC.	1204-93682	MTHLY LAWN SERVICE-APRIL	R&M-Shrub Care	546131-53902	\$8,961.56
001	52683	05/31/12	LUKE BROTHERS INC.	1204-93682	MTHLY LAWN SERVICE-APRIL	R&M-Trees and Trimming	546099-53902	\$1,592.93
001	52683	05/31/12	LUKE BROTHERS INC.	1204-93682	MTHLY LAWN SERVICE-APRIL	R&M-Grounds	546037-53902	\$800.00

Harmony
Check Register by Fund
For the Period from 5/1/12 to 5/31/12
(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	52655	05/03/12	MARINE THE DOCK-TERS CONSTRUCTION	01015121	FLOATING DOCK REPAIR	Cap Outlay - Other	564002-53910	\$1,680.00
001	52678	05/31/12	ORLANDO SENTINEL	0030817	LEGAL AD-NOTICE OF SOLICIATION/REQUESTS	Legal Advertising	548002-51301	\$90.00
001	52684	05/31/12	ROBERTS POOL SERVICE & REPAIR	050112	POOL MAINTENANCE-MAY	R&M-Pools	546074-53910	\$1,280.00
001	52685	05/31/12	SEVERN TRENT ENVIRONMENTAL SERVICES	2060210	MGT FEES-APRIL	ProfServ-Mgmt Consulting Serv	531027-51201	\$3,365.33
001	52685	05/31/12	SEVERN TRENT ENVIRONMENTAL SERVICES	2060210	MGT FEES-APRIL	ProfServ-Field Management	531016-53901	\$9,397.16
001	52685	05/31/12	SEVERN TRENT ENVIRONMENTAL SERVICES	2060210	MGT FEES-APRIL	ProfServ-Field Management	531016-53901	\$478.50
001	52685	05/31/12	SEVERN TRENT ENVIRONMENTAL SERVICES	2060210	MGT FEES-APRIL	Postage and Freight	541006-51301	\$19.25
001	52685	05/31/12	SEVERN TRENT ENVIRONMENTAL SERVICES	2060210	MGT FEES-APRIL	Printing and Binding	547001-51301	\$671.20
001	52685	05/31/12	SEVERN TRENT ENVIRONMENTAL SERVICES	2060210	MGT FEES-APRIL	Office Supplies	551002-51301	\$60.50
001	52685	05/31/12	SEVERN TRENT ENVIRONMENTAL SERVICES	2060210	MGT FEES-APRIL	Communication - Telephone	541003-51301	\$1.17
001	52685	05/31/12	SEVERN TRENT ENVIRONMENTAL SERVICES	2060210	MGT FEES-APRIL	Postage and Freight	541006-51301	\$10.31
001	52685	05/31/12	SEVERN TRENT ENVIRONMENTAL SERVICES	2060210	MGT FEES-APRIL	Postage and Freight	541006-51301	\$12.82
001	52685	05/31/12	SEVERN TRENT ENVIRONMENTAL SERVICES	2060210	MGT FEES-APRIL	Postage and Freight	541006-51301	\$13.73
001	52685	05/31/12	SEVERN TRENT ENVIRONMENTAL SERVICES	2060210	MGT FEES-APRIL	Postage and Freight	541006-51301	\$13.89
001	52685	05/31/12	SEVERN TRENT ENVIRONMENTAL SERVICES	2060210	MGT FEES-APRIL	Postage and Freight	541006-51301	\$8.58
001	52685	05/31/12	SEVERN TRENT ENVIRONMENTAL SERVICES	2060210	MGT FEES-APRIL	Communication - Telephone	541003-51301	\$137.90
001	52672	05/16/12	SUN PUBLICATIONS DBA	00105547	LEGAL AD-MTG 6/4	Legal Advertising	548002-51301	\$30.00
001	52686	05/31/12	WALKER TECHNICAL SERVICES	1012	MAXI-COM MONITORING- MAY	R&M-Irrigation	546041-53902	\$250.00
001	52687	05/31/12	YOUNG VAN ASSENDERP, P.A.	12122	LEGAL FEES-APRIL	ProfServ-Legal Services	531023-51401	\$2,534.89
							Fund Total	\$107,518.30

Total Checks Paid	\$107,518.30
--------------------------	---------------------

7 C

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		Relocated	Complete	Chad	
5/7/2012	dead tree	7106 Indiagrass	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	Board should discuss improvements		Brock	
5/22/2012	vandalism at pool--spray paint	main pool by restaurant	No issues found	Complete TH	Nicole Burda	407-697-1676
6/12/2012	dog wash pipe broken	new fountain	Repaired	Complete TH	Kerul Kassel	
6/12/2012	chaos at pool, unhappy with Thomas	Ashley Park Pool	ST reviewing	TH	Nancy Romano	407-932-8140
6/12/2012	frustrated with swimming activities			Complete TH	Helen McKelvy	407-493-9786
6/12/2012	aseament needs mowing	7021 Five Oaks	Rain delayed, corrected	Complete TH	Karen/Melrose	

7D

Harmony CDD
Website Statistics as of June 18, 2012
(counter setup March 25, 2011)

OVERVIEW

• Total Visitors:	2,959	• Visitors, May:	405
• Total Page Views:	21,492	• Page Views, May:	2,418
• Total Spiders:	17,098	• Visitors, June:	188
• Total Feeds:	904	• Page Views, June:	1,436

OPERATING SYSTEMS

• Windows XP:	6,024	• Windows Server 2003:	391
• Windows 7:	3,562	• iPad:	266
• Windows Vista:	1,184	• Mac OS X Lion:	218
• MAC OS X Snow Leopard:	701	• Windows 2000:	200
• iPhone:	524	• Android Linux:	176

BROWSERS

• Mozilla:	5,889	• Internet Explorer 9:	1,473
• Internet Explorer 8:	2,727	• Google Chrome:	1,227
• Internet Explorer 6:	2,143	• Firefox:	1,209
• Internet Explorer 7:	2,051	• Firefox 3:	925
• Safari:	1,674	• Opera:	223

SEARCH ENGINES

• Google:	805	• Ask:	5
• Yandex:	82	• Incredimail	1
• Yahoo:	60	• Dogpile	1

TOP PAGES

• Home:	6,682	• About Harmony:	572
• /robots.txt	2,042	• Minutes:	426
• Agendas:	663		

TOP DAYS

• June 12, 2012	322	• April 6, 2012	256
• May 7, 2012	307	• May 8, 2012	240
• April 4, 2012	289	• June 30, 2011	232

TOP DAYS -- Unique Visitors

• June 30, 2011	70	• March 13, 2012	47
• May 29, 2012	49	• July 23, 2011	46
• July 9, 2011	48	• May 11, 2012	43

TOP DAYS -- Page Views

• June 12, 2012	208	• May 29, 2012	184
• April 4, 2012	188	• February 9, 2012	171
• June 30, 2011	187	• April 6, 2012	164

LAST PAGES

<u>Date</u>	<u>Page</u>	<u>OS</u>	<u>Browser</u>
• June 18, 2012	/robots.txt		
• June 18, 2012	/robots.txt		Mozilla
• June 18, 2012	F.A.Q.	iPhone	Safari
• June 18, 2012	F.A.Q.	Windows XP	Chrome
• June 18, 2012	F.A.Q.	Windows XP	Chrome
• June 18, 2012	Home	Windows XP	Chrome
• June 18, 2012	Public Records/Rules	Windows XP	Chrome
• June 18, 2012	Public Records/Rules	Windows XP	Chrome
• June 18, 2012	Public Records/Rules	Windows XP	Chrome
• June 18, 2012	Public Records/Rules	Windows XP	Chrome

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

• Harmony CDD	257	• harmony community water problems	5
• harmonycdd.org	116	• cache:6MgNJJuCPNAoJwww.harmonycdd.org/harmony fl	5
• harmony community development district	66	• CDd harmony fl	5
• harmony fl cdd	41	• harmony,fl cdd	4
• www.harmonycdd.org	35	• harmonycdd.com	4
• harmony florida cdd	32	• wew.harmonycdd.com	4
• harmonycdd	21	• harmony cdd florida	4
• cdd stories	10	• harmony florida cdd board	4
• Harmony logo	10	• "HARMONY COMMUNITY DEVELOPMENT DISTRICT"	4
• cdd harmony	8	• admin@harmonycdd.org	4
• harmony+cdd.org	7	• boat dock	4
• harmony community school florida	7		

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

- June 18, 2012 harmony fl cdd
- June 18, 2012 harmony cdd
- June 16, 2012 www.harmonycdd.org
- June 15, 2012 ashley park harmony
- June 15, 2012 ashley park harmony
- June 14, 2012 www.harmonycdd.org
- June 14, 2012 harmony cdd
- June 13, 2012 harmony cdd
- June 12, 2012 harmony , florida complaints and issues
- June 12, 2012 harmony cdd

7E

HARMONY

Community Development District

Annual Operating and Debt Service Budget **Fiscal Year 2013**

Version 1 - Approved Tentative Budget:
(Approved at meeting 05/31/2012)

Prepared by:



HARMONY

Community Development District

Table of Contents

	<u>Page #</u>
<u>OPERATING BUDGET</u>	
General Fund	
Summary of Revenues, Expenditures and Changes in Fund Balances	1-2
Budget Narrative	3-8
Exhibit A - Allocation of Fund Balances	9
 <u>DEBT SERVICE BUDGETS</u>	
Series 2001	
Summary of Revenues, Expenditures and Changes in Fund Balances	10
Amortization Schedule	11
Series 2004	
Summary of Revenues, Expenditures and Changes in Fund Balances	12
Amortization Schedule	13
Budget Narrative	14
 <u>SUPPORTING BUDGET SCHEDULES</u>	
2012 -2013 Non-Ad Valorem Assessment Summary	15

Harmony
Community Development District

Operating Budget
Fiscal Year 2013

Summary of Revenues, Expenditures and Changes in Fund Balances
 Fiscal Year 2013 Approved Tentative Budget

ACCOUNT DESCRIPTION	ACTUAL FY 2011	ADOPTED BUDGET FY 2012	ACTUAL	PROJECTED	TOTAL	ANNUAL
			THRU MAY-2012	JUNE - SEP-2012	PROJECTED FY 2012	BUDGET FY 2013
REVENUES						
Interest - Investments	\$ 5,208	\$ 1,500	\$ 2,354	\$ 1,177	\$ 3,531	\$ 2,500
Judgements and Fines	411	-	-	-	-	-
Interest - Tax Collector	130	-	41	-	41	-
Special Assmnts- Tax Collector	622,750	622,472	587,921	34,551	622,472	622,472
Special Assmnts- CDD Collected	914,364	913,955	609,303	304,652	913,955	913,956
Special Assmnts- Discounts	(10,697)	(24,900)	(12,988)	-	(12,988)	(24,899)
Other Miscellaneous Revenues	-	-	1,420	-	1,420	-
TOTAL REVENUES	1,532,166	1,513,027	1,188,051	340,380	1,528,431	1,514,029
EXPENDITURES						
<i>Administrative</i>						
P/R-Board of Supervisors	11,800	9,600	5,600	5,600	11,200	11,200
FICA Taxes	903	734	428	428	856	857
ProfServ-Arbitrage Rebate	3,000	1,200	1,200	-	1,200	1,200
ProfServ-Dissemination Agent	500	500	500	-	500	500
ProfServ-Engineering	7,637	15,000	3,583	1,792	5,375	11,000
ProfServ-Legal Services	27,231	23,000	12,029	9,029	21,058	20,000
ProfServ-Mgmt Consulting Serv	54,091	55,984	34,723	13,461	48,184	55,984
ProfServ-Property Appraiser	-	779	-	779	779	779
ProfServ-Special Assessment	11,422	11,822	11,822	-	11,822	11,822
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	147	74	221	380
Postage and Freight	847	1,200	695	348	1,043	1,200
Insurance - General Liability	21,575	23,733	23,262	-	23,262	26,751
Printing and Binding	4,912	5,000	4,028	2,014	6,042	5,000
Legal Advertising	1,017	1,000	278	139	417	1,000
Misc-Assessmnt Collection Cost	7,447	12,449	11,499	691	12,190	12,449
Misc-Contingency	178	2,800	72	36	108	2,800
Office Supplies	1,055	1,500	468	234	702	1,500
Annual District Filing Fee	175	175	175	-	175	175
Total Administrative	172,855	185,856	127,195	36,238	163,433	183,398
<i>Field</i>						
Payroll-Salaries	60	-	-	-	-	-
ProfServ-Field Management	79,562	109,839	71,929	39,089	111,018	119,113
Total Field	79,622	109,839	71,929	39,089	111,018	119,113

Summary of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year 2013 Approved Tentative Budget

ACCOUNT DESCRIPTION	ACTUAL FY 2011	ADOPTED BUDGET FY 2012	ACTUAL THRU MAY-2012	PROJECTED JUNE - SEP-2012	TOTAL PROJECTED FY 2012	ANNUAL BUDGET FY 2013
Landscape						
Utility - Refuse Removal	5,096	-	-	-	-	-
Contracts - Grounds	31,449	32,994	14,558	7,279	21,837	29,994
R&M-Irrigation	66,425	15,767	27,260	9,880	37,140	16,400
Contracts - Tree Canopy Trimming	15,000	15,000	13,000	-	13,000	15,000
Contracts - Trees and Trimming	21,511	21,115	12,743	6,372	19,115	19,115
Contracts - Turf Care	278,001	283,001	185,334	92,667	278,001	278,001
Contracts - Shrub Care	107,540	110,539	71,692	35,846	107,538	107,540
Miscellaneous Services	14,737	10,000	17,769	1,385	19,154	23,000
Total Landscape	539,759	488,416	342,356	153,428	495,784	489,050
Utilities						
Electricity - General	29,112	35,000	17,110	8,555	25,665	35,000
Electricity - Streetlighting	377,280	385,000	252,099	126,036	378,135	389,000
Utility - Water & Sewer	107,261	105,000	53,770	29,885	83,655	105,000
Total Utilities	513,653	525,000	322,979	164,476	487,455	529,000
Operation & Maintenance						
Contracts-Lake and Wetland	20,565	35,000	20,155	11,120	31,275	35,000
Communication - Telephone	3,557	8,000	3,233	2,021	5,254	8,000
R&M-Common Area	20,048	18,806	12,818	6,409	19,227	18,800
R&M-Equipment	15,719	15,000	9,635	4,818	14,453	15,000
R&M-Pools	33,543	70,000	47,718	8,859	56,577	40,000
R&M-Roads & Alleyways	-	1,000	4,041	2,021	6,062	1,000
R&M-Sidewalks	-	6,000	-	1,500	1,500	4,000
R&M-Parks & Facilities	1,300	8,500	1,534	767	2,301	8,500
R&M-Hardscape Cleaning	2,836	6,000	2,836	1,418	4,254	5,000
Misc-Contingency	12,243	15,610	4,339	1,000	5,339	43,669
Misc-Security Enhancements	8,823	5,000	904	-	904	2,500
Cap Outlay - Other	6,393	15,000	30,263	500	30,763	12,000
Cap Outlay - Recreation Impr	15,825	-	-	-	-	-
Cap Outlay - Vehicles	7,594	-	-	-	-	-
Total Operation & Maintenance	148,446	203,916	137,476	40,432	177,908	193,469
TOTAL EXPENDITURES	1,454,335	1,513,027	1,001,935	433,663	1,435,598	1,514,029
Excess (deficiency) of revenues Over (under) expenditures	77,831	-	186,116	(93,283)	92,834	(0)
Net change in fund balance	77,831	-	186,116	(93,283)	92,834	0
FUND BALANCE, BEGINNING	576,637	654,468	654,468	-	654,468	747,302
FUND BALANCE, ENDING	\$ 654,468	\$ 654,468	\$ 840,584	\$ (93,283)	\$ 747,302	\$ 747,302

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, Boyd Civil Engineering, 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.

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 Management Services, Inc. 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. As part of an agreement on February 2012 to reimburse the District the FY2006 Outstanding O&M Assessments, the monthly invoice will show a reduction of \$1,300 through March 2013. All related legal fees will be reimbursed in 2013.

Contract -Severn Trent Management Services		\$55,984
Reimbursement of FY2006 Assessments	<i>Approx. \$1,300 @ 5 months</i>	(6,072)
Reimbursement of Legal Fees	<i>Approx. \$1,410 @ 7 months</i>	(9,863)
		\$40,049

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.

**Budget Narrative
Fiscal Year 2013**

EXPENDITURES

Administrative (continued)

Legal Advertising

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

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
Unscheduled maintenance – Added to Misc Services	\$3,000

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 **\$43,669**
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

	<u>Amount</u>
Beginning Fund Balance - Fiscal Year 2013	\$ 747,302
Net Change in Fund Balance - Fiscal Year 2013	0
Reserves - Fiscal Year 2013 Additions	-
Total Funds Available (Estimated) - 9/30/2013	747,302

ALLOCATION OF AVAILABLE FUNDS

Nonspendable Fund Balance

Prepaid Items	1,281
---------------	-------

Assigned Fund Balance

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

Total Allocation of Available Funds	614,788
--	----------------

Total Unassigned (undesignated) Cash	\$ <u>132,514</u>
---	--------------------------

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 (until 2020) for renewal and replacement

Harmony
Community Development District

Debt Service Budgets
Fiscal Year 2013

Summary of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year 2013 Approved Tentative Budget

ACCOUNT DESCRIPTION	ACTUAL FY 2011	ADOPTED BUDGET FY 2012	ACTUAL THRU MAY-2012	PROJECTED JUNE - SEP-2012	TOTAL PROJECTED FY 2012	ANNUAL BUDGET FY 2013
REVENUES						
Interest - Investments	\$ 1,929	\$ 800	\$ 552	\$ 276	\$ 828	\$ 800
Special Assmnts- Tax Collector	1,036,956	1,035,285	974,509	57,270	1,031,779	1,050,511
Special Assmnts- Prepayment	47,289	-	6,903	-	6,903	-
Special Assmnts- CDD Collected	432,426	432,195	614,176	-	614,176	439,182
Special Assmnts- Delinquent	1,072	-	-	-	-	-
Special Assmnts- Discounts	(17,811)	(41,411)	(21,529)	-	(21,529)	(42,020)
TOTAL REVENUES	1,501,861	1,426,868	1,574,611	57,546	1,632,157	1,448,472
EXPENDITURES						
<i>Administrative</i>						
Misc-Assessmnt Collection Cost	12,399	20,706	19,059	1,647	20,706	21,010
Total Administrative	12,399	20,706	19,059	1,647	20,706	21,010
<i>Debt Service</i>						
Principal Debt Retirement	305,000	325,000	325,000	-	325,000	350,000
Principal Prepayments	30,000	-	30,000	-	30,000	-
Interest Expense	1,122,663	1,098,375	1,097,288	-	1,097,288	1,072,638
Total Debt Service	1,457,663	1,423,375	1,452,288	-	1,452,288	1,422,638
TOTAL EXPENDITURES	1,470,062	1,444,081	1,471,347	1,647	1,472,994	1,443,648
Excess (deficiency) of revenues						
Over (under) expenditures	31,799	(17,213)	103,264	55,899	159,163	4,825
OTHER FINANCING SOURCES (USES)						
Contribution to (Use of) Fund Balance	-	(17,213)	-	-	-	4,825
TOTAL OTHER SOURCES (USES)	-	(17,213)	-	-	-	4,825
Net change in fund balance	31,799	(17,213)	103,264	55,899	159,163	4,825
FUND BALANCE, BEGINNING	1,735,818	1,767,617	1,767,617	-	1,767,617	1,926,780
FUND BALANCE, ENDING	\$ 1,767,617	\$ 1,750,404	\$ 1,870,881	\$ 55,899	\$ 1,926,780	\$ 1,931,605

HARMONY

Community Development District

Series 2001 Debt Service Fund

AMORTIZATION SCHEDULE

Period Ending	Principal	Coupon Rate	Interest	Debt Service	Annual Debt Service
11/1/2012			\$536,318.75	\$536,318.75	
5/1/2013	\$350,000.00	7.250%	\$536,318.75	\$886,318.75	\$1,422,637.50
11/1/2013			\$523,631.25	\$523,631.25	
5/1/2014	\$375,000.00	7.250%	\$523,631.25	\$898,631.25	\$1,422,262.50
11/1/2014			\$510,037.50	\$510,037.50	
5/1/2015	\$400,000.00	7.250%	\$510,037.50	\$910,037.50	\$1,420,075.00
11/1/2015			\$495,537.50	\$495,537.50	
5/1/2016	\$430,000.00	7.250%	\$495,537.50	\$925,537.50	\$1,421,075.00
11/1/2016			\$479,950.00	\$479,950.00	
5/1/2017	\$465,000.00	7.250%	\$479,950.00	\$944,950.00	\$1,424,900.00
11/1/2017			\$463,093.75	\$463,093.75	
5/1/2018	\$495,000.00	7.250%	\$463,093.75	\$958,093.75	\$1,421,187.50
11/1/2018			\$445,150.00	\$445,150.00	
5/1/2019	\$535,000.00	7.250%	\$445,150.00	\$980,150.00	\$1,425,300.00
11/1/2019			\$425,756.25	\$425,756.25	
5/1/2020	\$575,000.00	7.250%	\$425,756.25	\$1,000,756.25	\$1,426,512.50
11/1/2020			\$404,912.50	\$404,912.50	
5/1/2021	\$615,000.00	7.250%	\$404,912.50	\$1,019,912.50	\$1,424,825.00
11/1/2021			\$382,618.75	\$382,618.75	
5/1/2022	\$655,000.00	7.250%	\$382,618.75	\$1,037,618.75	\$1,420,237.50
11/1/2022			\$358,875.00	\$358,875.00	
5/1/2023	\$705,000.00	7.250%	\$358,875.00	\$1,063,875.00	\$1,422,750.00
11/1/2023			\$333,318.75	\$333,318.75	
5/1/2024	\$760,000.00	7.250%	\$333,318.75	\$1,093,318.75	\$1,426,637.50
11/1/2024			\$305,768.75	\$305,768.75	
5/1/2025	\$815,000.00	7.250%	\$305,768.75	\$1,120,768.75	\$1,426,537.50
11/1/2025			\$276,225.00	\$276,225.00	
5/1/2026	\$875,000.00	7.250%	\$276,225.00	\$1,151,225.00	\$1,427,450.00
11/1/2026			\$244,506.25	\$244,506.25	
5/1/2027	\$940,000.00	7.250%	\$244,506.25	\$1,184,506.25	\$1,429,012.50
11/1/2027			\$210,431.25	\$210,431.25	
5/1/2028	\$1,005,000.00	7.250%	\$210,431.25	\$1,215,431.25	\$1,425,862.50
11/1/2028			\$174,000.00	\$174,000.00	
5/1/2029	\$1,080,000.00	7.250%	\$174,000.00	\$1,254,000.00	\$1,428,000.00
11/1/2029			\$134,850.00	\$134,850.00	
5/1/2030	\$1,155,000.00	7.250%	\$134,850.00	\$1,289,850.00	\$1,424,700.00
11/1/2030			\$92,981.25	\$92,981.25	
5/1/2031	\$1,235,000.00	7.250%	\$92,981.25	\$1,327,981.25	\$1,420,962.50
11/1/2031			\$48,212.50	\$48,212.50	
5/1/2032	\$1,330,000.00	7.250%	\$48,212.50	\$1,378,212.50	\$1,426,425.00
Total	\$14,795,000.00		\$13,156,031.25	\$27,951,031.25	\$28,487,350.00

Summary of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year 2013 Approved Tentative Budget

ACCOUNT DESCRIPTION	ACTUAL FY 2011	ADOPTED BUDGET FY 2012	ACTUAL THRU MAY-2012	PROJECTED JUNE - SEP-2012	TOTAL PROJECTED FY 2012	ANNUAL BUDGET FY 2013
REVENUES						
Interest - Investments	\$ 1,648	\$ 800	\$ 2,315	\$ 1,158	\$ 3,473	\$ 2,000
Special Assmnts- CDD Collected	1,198,145	1,197,400	692,061	505,339	1,197,400	1,219,938
TOTAL REVENUES	1,199,793	1,198,200	694,376	506,497	1,200,873	1,221,938
EXPENDITURES						
<i>Debt Service</i>						
Principal Debt Retirement	225,000	245,000	245,000	-	245,000	255,000
Interest Expense	1,000,688	985,500	985,500	-	985,500	968,963
Total Debt Service	1,225,688	1,230,500	1,230,500	-	1,230,500	1,223,963
TOTAL EXPENDITURES	1,225,688	1,230,500	1,230,500	-	1,230,500	1,223,963
Excess (deficiency) of revenues Over (under) expenditures	(25,895)	(32,300)	(536,124)	506,497	(29,628)	(2,025)
OTHER FINANCING SOURCES (USES)						
Contribution to (Use of) Fund Balance	-	(32,300)	-	-	-	(2,025)
TOTAL OTHER SOURCES (USES)	-	(32,300)	-	-	-	(2,025)
Net change in fund balance	(25,895)	(32,300)	(536,124)	506,497	(29,628)	(2,025)
FUND BALANCE, BEGINNING	1,427,831	1,401,936	1,401,936	-	1,401,936	1,372,309
FUND BALANCE, ENDING	\$ 1,401,936	\$ 1,369,636	\$ 865,812	\$ 506,497	\$ 1,372,309	\$ 1,370,284

AMORTIZATION SCHEDULE

DATE	BALANCE	RATE	PRINCIPAL	INTEREST	TOTAL
11/1/2012	\$ 14,355,000	6.75%	\$ -	\$ 484,481.25	\$ 1,223,962.50
5/1/2013	\$ 14,355,000	6.75%	\$ 255,000.00	\$ 484,481.25	
11/1/2013	\$ 14,100,000	6.75%	\$ -	\$ 475,875.00	\$ 1,226,750.00
5/1/2014	\$ 14,100,000	6.75%	\$ 275,000.00	\$ 475,875.00	
11/1/2014	\$ 13,825,000	6.75%	\$ -	\$ 466,593.75	\$ 1,223,187.50
5/1/2015	\$ 13,825,000	6.75%	\$ 290,000.00	\$ 466,593.75	
11/1/2015	\$ 13,535,000	6.75%	\$ -	\$ 456,806.25	\$ 1,223,612.50
5/1/2016	\$ 13,535,000	6.75%	\$ 310,000.00	\$ 456,806.25	
11/1/2016	\$ 13,225,000	6.75%	\$ -	\$ 446,343.75	\$ 1,222,687.50
5/1/2017	\$ 13,225,000	6.75%	\$ 330,000.00	\$ 446,343.75	
11/1/2017	\$ 12,895,000	6.75%	\$ -	\$ 435,206.25	\$ 1,225,412.50
5/1/2018	\$ 12,895,000	6.75%	\$ 355,000.00	\$ 435,206.25	
11/1/2018	\$ 12,540,000	6.75%	\$ -	\$ 423,225.00	\$ 1,226,450.00
5/1/2019	\$ 12,540,000	6.75%	\$ 380,000.00	\$ 423,225.00	
11/1/2019	\$ 12,160,000	6.75%	\$ -	\$ 410,400.00	\$ 1,225,800.00
5/1/2020	\$ 12,160,000	6.75%	\$ 405,000.00	\$ 410,400.00	
11/1/2020	\$ 11,755,000	6.75%	\$ -	\$ 396,731.25	\$ 1,228,462.50
5/1/2021	\$ 11,755,000	6.75%	\$ 435,000.00	\$ 396,731.25	
11/1/2021	\$ 11,320,000	6.75%	\$ -	\$ 382,050.00	\$ 1,224,100.00
5/1/2022	\$ 11,320,000	6.75%	\$ 460,000.00	\$ 382,050.00	
11/1/2022	\$ 10,860,000	6.75%	\$ -	\$ 366,525.00	\$ 1,228,050.00
5/1/2023	\$ 10,860,000	6.75%	\$ 495,000.00	\$ 366,525.00	
11/1/2023	\$ 10,365,000	6.75%	\$ -	\$ 349,818.75	\$ 1,224,637.50
5/1/2024	\$ 10,365,000	6.75%	\$ 525,000.00	\$ 349,818.75	
11/1/2024	\$ 9,840,000	6.75%	\$ -	\$ 332,100.00	\$ 1,224,200.00
5/1/2025	\$ 9,840,000	6.75%	\$ 560,000.00	\$ 332,100.00	
11/1/2025	\$ 9,280,000	6.75%	\$ -	\$ 313,200.00	\$ 1,221,400.00
5/1/2026	\$ 9,280,000	6.75%	\$ 595,000.00	\$ 313,200.00	
11/1/2026	\$ 8,685,000	6.75%	\$ -	\$ 293,118.75	\$ 1,221,237.50
5/1/2027	\$ 8,685,000	6.75%	\$ 635,000.00	\$ 293,118.75	
11/1/2027	\$ 8,050,000	6.75%	\$ -	\$ 271,687.50	\$ 1,223,375.00
5/1/2028	\$ 8,050,000	6.75%	\$ 680,000.00	\$ 271,687.50	
11/1/2028	\$ 7,370,000	6.75%	\$ -	\$ 248,737.50	\$ 1,227,475.00
5/1/2029	\$ 7,370,000	6.75%	\$ 730,000.00	\$ 248,737.50	
11/1/2029	\$ 6,640,000	6.75%	\$ -	\$ 224,100.00	\$ 1,223,200.00
5/1/2030	\$ 6,640,000	6.75%	\$ 775,000.00	\$ 224,100.00	
11/1/2030	\$ 5,865,000	6.75%	\$ -	\$ 197,943.75	\$ 1,220,887.50
5/1/2031	\$ 5,865,000	6.75%	\$ 825,000.00	\$ 197,943.75	
11/1/2031	\$ 5,040,000	6.75%	\$ -	\$ 170,100.00	\$ 1,220,200.00
5/1/2032	\$ 5,040,000	6.75%	\$ 880,000.00	\$ 170,100.00	
11/1/2032	\$ 4,160,000	6.75%	\$ -	\$ 140,400.00	\$ 1,220,800.00
5/1/2033	\$ 4,160,000	6.75%	\$ 940,000.00	\$ 140,400.00	
11/1/2033	\$ 3,220,000	6.75%	\$ -	\$ 108,675.00	\$ 1,217,350.00
5/1/2034	\$ 3,220,000	6.75%	\$ 1,000,000.00	\$ 108,675.00	
11/1/2034	\$ 2,220,000	6.75%	\$ -	\$ 74,925.00	\$ 1,219,850.00
5/1/2035	\$ 2,220,000	6.75%	\$ 1,070,000.00	\$ 74,925.00	
11/1/2035	\$ 1,150,000	6.75%	\$ -	\$ 38,812.50	\$ 1,227,625.00
5/1/2036	\$ 1,150,000	6.75%	\$ 1,150,000.00	\$ 38,812.50	
			\$ 14,355,000.00	\$ 22,178,028.75	\$ 37,768,028.75

Budget Narrative
Fiscal Year 2013**REVENUES**

Interest-Investments

The District earns interest income on its trust accounts with US Bank.

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 debt service 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**Miscellaneous-Assessment Collection Cost**

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.

Principal Debt Retirement

The District pays regular principal payments annually in order to pay down/retire the debt service.

Interest Expense

The District pays interest expense on the debt service bonds twice a year.

Harmony

Community Development District

Supporting Budget Schedules

Fiscal Year 2013

HARMONY

Community Development District

2012-2013 Non-Ad Valorem Assessment Summary

Platted			2013	2012	2013	2012	2013	2012	% Change	
Neighborhood	Lot Type	Lot Width	O & M Assessment	O & M Assessment	Debt Service Assessment	Debt Service Assessment	Total Assessment	Total Assessment	(Decrease) Increase	Units
A-1	MF	n/a	\$ 393.97	\$ 393.97	\$ 688.88	\$ 676.15	\$ 1,082.85	\$ 1,070.12	1.2%	186
B	B	80	\$ 1,245.45	\$ 1,245.45	\$ 2,177.77	\$ 2,137.53	\$ 3,423.22	\$ 3,382.98	1.2%	9
	C	65	\$ 1,011.93	\$ 1,011.93	\$ 1,769.44	\$ 1,736.75	\$ 2,781.37	\$ 2,748.67	1.2%	25
	E	52	\$ 809.54	\$ 809.54	\$ 1,415.55	\$ 1,389.40	\$ 2,225.09	\$ 2,198.94	1.2%	35
	G	42	\$ 653.86	\$ 653.86	\$ 1,143.33	\$ 1,122.20	\$ 1,797.19	\$ 1,776.07	1.2%	22
	H	35	\$ 544.89	\$ 544.88	\$ 952.77	\$ 935.17	\$ 1,497.66	\$ 1,480.06	1.2%	15
C-1	B	80	\$ 1,224.99	\$ 1,224.99	\$ 2,141.98	\$ 2,102.41	\$ 3,366.97	\$ 3,327.40	1.2%	10
	C	65	\$ 995.30	\$ 995.30	\$ 1,740.36	\$ 1,708.21	\$ 2,735.67	\$ 2,703.51	1.2%	30
	E	52	\$ 786.24	\$ 796.24	\$ 1,392.29	\$ 1,366.57	\$ 2,188.53	\$ 2,162.81	1.2%	35
	G	42	\$ 643.12	\$ 643.12	\$ 1,124.54	\$ 1,103.77	\$ 1,767.66	\$ 1,746.88	1.2%	30
C-2	H	35	\$ 535.93	\$ 535.93	\$ 937.12	\$ 919.80	\$ 1,473.05	\$ 1,455.74	1.2%	12
	B	80	\$ 1,273.81	\$ 1,273.81	\$ 2,227.36	\$ 2,186.21	\$ 3,501.17	\$ 3,460.02	1.2%	4
	C	65	\$ 1,034.97	\$ 1,034.97	\$ 1,809.73	\$ 1,776.29	\$ 2,844.70	\$ 2,811.27	1.2%	14
D-1	E	52	\$ 827.98	\$ 827.98	\$ 1,447.78	\$ 1,421.04	\$ 2,275.76	\$ 2,249.01	1.2%	13
	G	42	\$ 668.75	\$ 668.75	\$ 1,169.36	\$ 1,147.76	\$ 1,838.12	\$ 1,816.51	1.2%	31
	H	35	\$ 557.29	\$ 557.29	\$ 974.47	\$ 956.47	\$ 1,531.76	\$ 1,513.76	1.2%	25
	B	80	\$ 1,316.04	\$ 1,316.03	\$ 2,301.19	\$ 2,258.67	\$ 3,617.22	\$ 3,574.71	1.2%	9
D-2	C	65	\$ 1,069.28	\$ 1,069.28	\$ 1,869.71	\$ 1,835.17	\$ 2,938.99	\$ 2,904.45	1.2%	20
	E	52	\$ 855.42	\$ 855.42	\$ 1,495.77	\$ 1,468.14	\$ 2,351.19	\$ 2,323.56	1.2%	6
	E	n/a	\$ 781.74	\$ 781.74	\$ 1,366.93	\$ 1,341.67	\$ 2,148.66	\$ 2,123.41	1.2%	11
E	Custom	n/a	\$ 2,085.82	\$ 2,085.82	\$ 3,647.22	\$ 3,579.84	\$ 5,733.04	\$ 5,665.66	1.2%	51
G	E	52	\$ 941.61	\$ 941.61	\$ 1,646.47	\$ 1,616.05	\$ 2,588.08	\$ 2,557.66	1.2%	62
	G	42	\$ 760.53	\$ 760.53	\$ 1,329.84	\$ 1,305.27	\$ 2,090.37	\$ 2,065.80	1.2%	85
	H	35	\$ 633.77	\$ 633.77	\$ 1,108.20	\$ 1,087.73	\$ 1,741.97	\$ 1,721.50	1.2%	39
Unplatted										
A-2	MF		\$ 348.41	\$ 348.41	\$ 609.23	\$ 597.97	\$ 957.64	\$ 946.38	1.2%	44
H-1/H-2	MF		\$ 598.89	\$ 598.89	\$ 1,047.21	\$ 1,027.86	\$ 1,646.10	\$ 1,626.75	1.2%	222
F	MF		\$ 463.10	\$ 463.10	\$ 809.76	\$ 794.80	\$ 1,272.86	\$ 1,257.90	1.2%	120
M	MF		\$ 225.89	\$ 225.89	\$ 394.98	\$ 387.68	\$ 620.87	\$ 613.57	1.2%	120
I/J	TBD		\$ 468.73	\$ 468.73	\$ 819.61	\$ 804.47	\$ 1,288.34	\$ 1,273.20	1.2%	600
K	TBD		\$ 431.56	\$ 431.56	\$ 754.61	\$ 740.67	\$ 1,186.16	\$ 1,172.22	1.2%	220
L	TBD		\$ 462.42	\$ 462.42	\$ 808.58	\$ 793.64	\$ 1,271.00	\$ 1,256.06	1.2%	180
Comm	Comm		\$ 26,409.67	\$ 26,409.64	\$ 46,179.26	\$ 45,326.11	\$ 72,588.93	\$ 71,735.75	1.2%	7.58
Office	Office		\$ 91,771.87	\$ 91,771.75	\$ 160,469.90	\$ 157,505.25	\$ 252,241.76	\$ 249,277.01	1.2%	26.34
TC	Town Center		\$ 105,394.80	\$ 105,394.67	\$ 184,290.60	\$ 180,885.87	\$ 289,685.39	\$ 286,280.54	1.2%	30.25
GC	Golf Course		n/a	n/a	n/a	n/a	n/a	n/a	n/a	

2,349.17