

**HARMONY COMMUNITY
DEVELOPMENT DISTRICT**

OCTOBER 29, 2009

AGENDA PACKAGE

KMP

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

October 22, 2009

Board of Supervisors
Harmony Community Development District

Dear Board Members:

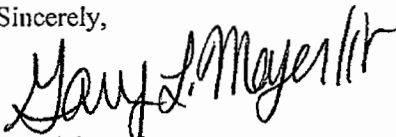
The regular meeting of the Board of Supervisors of the Harmony Community Development District will be held on **Thursday, October 29, 2009 at 6:00 p.m.** at Harmony/Greensides, 7251 Five Oaks Drive, Harmony, Florida. Following is the advance agenda for the meeting.

1. Roll Call
2. Approval of the Minutes of the September 24, 2009 Meeting
3. District Manager's Report
 - A. September 2009 Financial Statements
 - B. Invoice Approvals #114 and Check Run Summary
 - C. Public Comments/Complaints
 - D. Consideration of Engagement Letter with Grau & Associates to Perform the Audit for Fiscal Year 2009
 - E. Trust Account Investments
4. Staff Reports
 - A. Attorney
 - B. Engineer
 - C. Dockmaster/Field Manager
 - D. Landscaping – Luke Brothers
 - E. Developer
5. Supervisor Requests
6. Audience Comments
7. Adjournment

We have enclosed under Supervisor Requests the answer to the question the Board posed at the last meeting regarding the City of St. Cloud bills.

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, September 24, 2009, at 9:00 a.m. at 7251 Five Oaks Drive, Harmony, Florida.

Present and constituting a quorum were:

Robert D. Evans	Chairman
Nancy Snyder	Vice Chairman
Kerul Kassel	Supervisor
Mark LeMenager	Supervisor

Also present were:

Gary L. Moyer	Manager: Moyer Management Group
Tim Qualls	Attorney: Young vanAssenderp, P.A.
Steve Boyd	Engineer: Woolpert
Thomas Belieff	Dockmaster
Brenda Burgess	Moyer Management Group
Greg Golgowski	Harmony Development Company
Todd Haskett	Harmony Development Company
Shad Tome	Harmony Development Company
Tim Nicholson, Sr.	Luke Brothers
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 August 27, 2009, Meeting

Mr. Evans reviewed the minutes of the August 27, 2009, regular meeting, and asked for any additions, correction, or deletions.

Ms. Kassel stated on page 20, "caliber" should be "caliper."

On MOTION by Mr. LeMenager, seconded by Ms. Kassel, with all in favor, approval was given to the minutes of the August 27, 2009, regular meeting, as amended.

THIRD ORDER OF BUSINESS

District Manager's Report

A. Financial Statements

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

Mr. Moyer stated we are \$15,000 under collected from the Tax Collector assessments. We will probably not receive that since the County went through their tax certificate sales process, once in June and once in August. We are fine in terms of total revenue and the expenses are under budget on many line items, so overall we will be fine.

Mr. Evans asked is it a matter of timing as to why we are under budget on some of our line items?

Mr. Moyer stated some of them are due to timing. When we re-bid the landscape maintenance contract, we will be significantly under budget on those line items because the bid came in well under budget.

Ms. Kassel stated the \$15,000 is from assessments that are in arrears by various owners. We discussed how unpaid taxes become automatic liens, but the assessments have to go through a process to become a lien. Is there any action we need to take?

Mr. Qualls stated this was done a long time ago. The process for collecting the money is the tax certificates that are not sold are struck to the County and anyone can purchase them at 18% interest. There is a good chance those assessments will be paid. It will just take a while. Those are first-lien priority assessments because the District already went through the necessary steps to make it happen.

Mr. LeMenager stated I noticed that our investment yield went down to zero.

Mr. Moyer stated that bothered me, too, so I wrote our Finance Director and asked him to write to US Bank to get investments yielding more than zero.

Mr. LeMenager stated we discussed this last month, so every month that goes by, we have \$3 million not earning anything.

Mr. Moyer stated part of the problem is that under the laws of the State of Florida, US Bank is not a qualified public depository, which is part of what we are wrestling with as far as the limitations in what they can invest in as part of the Trust Indenture. Clearly we should be investing in something that yields more than zero. We will get this straightened out.

Ms. Snyder stated it was 0.01%, and I wondered if it was rounded off to zero.

Mr. Moyer stated the interest rate is set on the Federal Reserve rate, and as that rate changes, banks adjust their rates. This is a strange interest rate environment.

Ms. Kassel asked what is it that takes time to do? You said you would work on it last month; and now it is a month later.

Mr. Moyer stated the Trustee has to research what the investment will be. This is his responsibility under the Bond Trust Indenture. They are working on it, and I expect it will be done shortly. The types of investments we are talking about that are within the Trust Indenture will probably earn less than 0.5%.

Ms. Snyder asked can they invest in a CD or series of CDs?

Mr. Moyer stated there is a program to do that, CDARs, which is what we are doing with the operational money. The trust money is more complex and I will get a written report from the Finance Director. I will email that report to you as soon as I have it rather than wait for the next meeting to provide it to you. I can tell you that he is working on it, so the report should be forthcoming.

B. Invoice Approval #113 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.

Ms. Kassel stated we had some invoices from Aquatic Systems. Do they go through October?

Mr. Golgowski stated they go through September 30.

Ms. Kassel asked is the invoice from the City of St. Cloud for electricity?

Mr. Moyer stated I believe so.

Ms. Kassel stated I wondered why it was so low, for \$926.62. Did we pay it twice last month or will we pay it twice next month?

Mr. Evans stated it could very well be a timing issue of when the invoices were received. The invoices do not include electricity for the street lights.

Mr. Moyer stated that is correct.

Ms. Burgess stated normally your meetings are a few days later in the month. This meeting is as early in the month as it can be, so that moved our deadline a week earlier for agenda materials and invoices to be received.

Ms. Kassel stated then we will probably receive two invoices for street lighting in the next agenda.

Mr. Evans stated it is hard to say for sure until we receive all our invoices for this fiscal year, which wraps up next week.

Mr. Moyer stated we will not know our final year end figures until November because some of the expenses we incur in September will not be received until late October.

Ms. Kassel stated we spent over \$3,000 on the pools last month for various expenses, including chemicals, janitorial and other expenditures. Is that typical for a month? Does the line item for pools include all the maintenance and all expenses on the pools?

Mr. Evans stated it includes pool inspection fees.

Mr. Moyer stated you have regular pool service in addition to janitorial services.

Ms. Kassel stated I divided the expenses by 12 to see what an average monthly cost will be, I came up with \$3,000, and it seems like a lot.

Mr. LeMenager stated in the financials, if you add pool expenses plus pool supplies, the total is \$37,000 for 11 months, so \$3,000 is actually a little below average.

Mr. Moyer stated we rolled all that together into one line item for the 2010 budget, and that total line item is \$45,000. For this current fiscal year, we anticipate spending \$36,000, and we will be a little over budget.

On MOTION by Ms. Snyder, seconded by Ms. Kassel, with all in favor, approval was given to the invoices as presented.
--

C. Public Comments/Complaints

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

Mr. LeMenager stated I think this shows that the system works. This is a great idea and I think by us continuing to remind people the best way to get action is to get it logged in. It is also an indication that people are doing just that.

Ms. Kassel stated one entry indicates the public phone was removed.

Mr. Haskett stated it was not a public telephone. Several years ago, it was connected to the Development Office and I am not sure what the purpose was. It has not been connected for the past three years. Since it has been vandalized, we chose to remove it to get rid of any questions or false sense of security.

Ms. Kassel stated another entry indicated someone's son cut their hand on the pool tiles.

Mr. Haskett stated this happened the same day we removed the phone. Some of the tile is cracked around the pool edge. The repair was made with an underwater epoxy that covers up the sharp edges, which is acceptable to the Health Department. There is a new rule in the Florida Statutes that says if there is a sharp edge on a tile, there is an immediate closure of the pool, so we keep a close eye on it and address it as needed.

Ms. Kassel asked how do pool tiles get broken?

Mr. Haskett stated kids or adults playing around, but it appears that rocks in the plant beds are used as projectiles.

Mr. Belieff stated there is also some settling of the pool area.

Ms. Kassel stated I thought we replaced some tiles recently.

Mr. Haskett stated no, the tiles were cleaned and a few have been repaired, but they were not replaced.

Ms. Snyder stated Mr. Belieff mentions in his report that he inspects the tiles regularly.

D. Consideration of Revised Meeting Schedule for Fiscal Year 2010

Ms. Burgess stated when the Board discussed evening meetings at your last meeting, I did not check the calendar to see if those dates conflicted with any other meetings. The November meeting conflicts with another District that meets on the third Thursday at 6:00 p.m. My suggestion was rather than being disjointed in your morning and evening meetings, to make the even months evening meetings and the odd months morning meetings. Then your meetings will alternate back and forth between morning and evening.

Ms. Kassel stated as long as the August meeting is in the evening.

Ms. Burgess stated that is what drove the alternate months.

Ms. Kassel stated my primary goal was to have six meetings in the evening.

On MOTION by Ms. Kassel, seconded by Mr. LeMenager, with all in favor, approval was given to the revised meeting schedule for fiscal year 2010.

FOURTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. Qualls stated we drafted the contract for aquatic plant maintenance to be executed prior to their commencement of services on October 1, 2009.

B. Engineer

Mr. Boyd stated the contracts for the water line extension are ready for execution. We have issued the Notice to Proceed to Jr. Davis. They have submitted shop drawings and we will have a pre-construction conference in the next week or two. We are working with Jr. Davis on the alleys based on the scope we previously provided. At the last meeting, we discussed adding concrete around some of the corners to that scope of work. Their original price for the alley work was \$22,879.03, and they provided an additional price of \$3,625 to put a 12-inch header curb in several locations, which total about 2,500 linear feet. We are getting contract documents from them for this work and we will provide it for execution at a later date.

Mr. LeMenager stated at the last meeting, there was a comment made by Ms. Pam LeMenager that the problem is these big trucks will drive over the corners and destroy them anyway.

Mr. Boyd stated that is the purpose of adding a 12-inch header in certain areas. There will still be cases where a careless driver will run off the pavement, but a 12-inch header in the locations where that is a problem keeps the asphalt from breaking off and becoming a maintenance problem. If the wheel leaves the edge of the pavement, it does not destroy and break off the asphalt. A 12-inch header is a strip of concrete, not a curb, that is 12-inches wide and 18-inches deep, and its purpose is to hold the asphalt in place.

Ms. Kassel stated right now the asphalt abuts sandy ground, so you will reinforce it with this concrete header, and there will be less likelihood of it cracking and breaking.

Mr. Boyd stated that is correct and it adds 12 inches for the wheel to track over.

C. Dockmaster/Field Manager

Mr. Belieff 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.

Ms. Snyder stated I have heard a lot of positive comments about his job and the way he is interacting with people and the job he is doing.

Ms. Kassel asked what is the bottom picture with the screen?

Mr. Belieff stated there were a lot of dead hedges in the back and I removed those and installed some protocarpus and black silt fence until it grows up more. It was all grass inside there so I put in some liriopse to xeriscape it.

D. Landscaping – Luke Brothers

Mr. Nicholson reviewed the Monthly Landscaping Report, included in the agenda package and available for public review in the District Office during normal business hours.

Mr. Nicholson stated we made some changes with the crews to get things more fine tuned. Sod has been replaced and I am working with Mr. Golgowski on some irrigation issues. Irrigation Technicians are out here more frequently so things are being taken care of on a regular basis. I am working on a proposal with Ms. LeMenager and Ms. Kassel, but we need to make some minor changes based on the plant palette guidelines Mr. Haskett provided to me related to the guidelines on some proposed plant change outs. Fertilization will start this week and the changing of annuals will be at the end of the month.

Ms. Snyder stated I want to thank Ms. LeMenager and Ms. Kassel for donating their time.

Mr. Nicholson stated they have been a great asset to me, and it is a pleasure working with them.

Ms. Kassel stated the proposal did not include a stretch of park area in Long Park from the pavilion at the northern end of Cat Brier on the golf course side almost to the circle. We are looking to include that area because it has needed new landscaping for two years.

Mr. LeMenager asked do they come with a warranty?

Mr. Nicholson stated we warranty any plants that we install on the property for the life of our maintenance contract.

Mr. LeMenager asked will you be purchasing them locally?

Mr. Nicholson stated not necessarily. We deal with several nurseries and if they do not have the quality that I believe this community wants, then I will not purchase them. I am very particular on where I purchase my plant material.

E. Developer

Mr. Haskett stated the concrete pad at the small dog park is formed and it will be poured within the hour. It is 10-foot x 10-foot in size and is located to the left of the meter box and the pavilion. It is flush with the ground. It will have a center drain, which will drain out the back through the hedge and taper down 1.25 inches from the edges, so it will provide plenty of drainage and pools should fit perfectly on it. They are also

pouring a couple trash can pads, one for Lakeshore Park and one for the trash can in the park itself that was relocated to the Cypress gate area outside the transfer gates. A homeowner mentioned in a previous meeting about the drinking fountain at Lakeshore Park. It was reported that it had been vandalized, which is why it was not replaced. I received a price for a vandal-resistant fountain—the one there previously was not—for \$850 including installation.

Ms. Kassel stated I seem to remember that there was a fountain outside of the restrooms.

Mr. Haskett stated this is the one I am referring to.

Ms. Kassel stated there is another one between the pavilion and the fountain.

Mr. Haskett stated the one on the restroom building is chilled water. It was designed that way where it just plugs into the wall and is a simple one-line connection. I am looking for direction on replacing this drinking fountain.

Ms. Kassel stated that is the only fountain with chilled water.

Mr. Evans stated I think we should replace it.

Mr. LeMenager stated I agree.

Ms. Kassel asked would it pay to have a faux camera installed that is high enough where vandals cannot get at it?

Mr. Haskett stated we can do whatever the Board desires. There are many to choose from that will deter some vandalism until word gets out that they are not operating, which will happen over time.

Ms. Kassel stated they are pretty inexpensive; it may be worth \$15 or \$20 for the protection it will offer.

Mr. LeMenager stated we use functional cameras at the pools. Do we have any kind of surveillance at all at Lakeshore Park?

Mr. Haskett stated no, the closest surveillance would be at Buck Lake at the dock area. There are four cameras down there.

Mr. LeMenager asked why not get a real camera? We have a lot invested here.

Ms. Kassel stated they vandalize the soccer nets.

Mr. LeMenager stated perhaps you can get a camera that sweeps. It is worth looking into.

Ms. Kassel stated it is also expensive.

Mr. LeMenager stated we have a system now that is monitored.

Mr. Tome stated you will need a separate DVR system. You would not be able to tie back to the dock. The cost is probably \$4,000 or \$5,000 just to protect an \$800 item.

Ms. Snyder stated it would also encompass the soccer field.

Mr. LeMenager stated I was thinking of protecting more than just the drinking fountain.

On MOTION by Ms. Kassel, seconded by Ms. Snyder, with all in favor, approval was given to replace the drinking fountain for \$850 and research the cost of installing a camera.

Ms. Snyder asked would you also look into quotes on having it monitored so we can have real surveillance?

Mr. Haskett stated yes.

Ms. Kassel stated I like Mr. LeMenager's idea of having it sweep so it includes the soccer field, the playground, the basketball courts, and the entire field area.

Mr. Haskett stated many times people will jump over the aluminum fence at the dock at Buck Lake, that is there to prevent people from gaining access who should not be there, especially at night when mischievous activities occur. It is hard to pinpoint on certain individual. I think the best remedy is to put a boat slip gate or dock gate toward the floating dock to protect the boats. That is where most of the damage is occurring. There is no other vandalism taking place at Buck Lake other than the boats. I would like to isolate the area by putting a gate right on the dock at the end with wings that stick out, similar to a marina, that has separate key access from the pools. The dockmaster will have the key since he checks people in and out. I think that would remedy some of the damage. If you want to move forward, I will get some proposals.

Ms. Kassel asked has there been any damage to the kayaks or the canoes?

Mr. Haskett stated no.

Mr. Belieff stated I think a six-foot fence across the front will deter everyone.

Ms. Snyder stated I thought of the same suggestion, putting it where you go in.

Mr. Haskett stated I looked into a six-foot chain link fence that was black, vinyl, commercial grade for \$5,300. Aesthetically, it is not appealing and it looks like a

compound. The lake is there for residents and their guests to enjoy. It is not the image I think the community would appreciate.

Ms. Kassel asked what kind of fence or gate are you proposing?

Mr. Haskett stated there are various styles. It can be an aluminum bar with slats like the pool gates, all the way down to a wire mesh or chain link. I would go for an upgraded look.

Mr. LeMenager stated something that fits in with the fact that it is a marina.

Mr. Haskett stated that is correct.

A Resident asked if they jump over the first fence, why will they not jump over the second fence?

Mr. Tome stated we are proposing a six-foot fence, but you can get them taller than that.

Mr. Evans stated I think it is a good idea, and I would like for you to look into it.

Ms. Snyder asked do any of the cameras scan that area?

Mr. Haskett stated yes, but because it is such a distance away, about 75 feet, you can see people but you cannot pick up faces, especially in the dark when most of it happens. It was mentioned last month about the signed CDP that the Development Company went through at the County to get all of our signs into compliance. There were three signs that I submitted on behalf of the CDD, the estate sign and the two Harmony entrance signs. The County said we had to have these permitted. The permits totaled \$807.48, and I am requesting a check from the CDD to the Board of County Commissioners to finalize the permitting.

Mr. LeMenager MOVED to approve the permit fee of \$807.48 to be paid to the Osceola County Board of County Commissioners for permitting of three District signs and Ms. Snyder seconded the motion.

Ms. Kassel asked the original work that was done to get this through, was that paid for by the CDD or by the developer?

Mr. Tome stated the developer.

Ms. Kassel asked what is the CDD paying for?

Mr. Haskett stated the signs that are on CDD property.

Mr. Tome stated there are some signs that need permits and some do not, depending if they are permanent or non-permanent signs. These are monument signs that are permanent and still require a permit to be achieved, even though we have a signed CDP covering all of the signs we are allowed to have. We have a lot of signs for the Development Company that we also have to permit, which are included in the development plan. Temporary signs do not need a permit if they are for temporary purposes.

Mr. Haskett stated I argued with the County for over a year because they said the signs were never permitted and it goes back to the structure itself, which was not correct. It boiled down to the fact that it is a sign when you put a letter on it, no matter if it is a structure you had permitted. Everything was permitted properly but they changed the rules midstream and we had to get these signs themselves permitted.

Ms. Kassel asked if something happens to those signs, who is responsible for maintaining them?

Mr. Tome stated the CDD, which has always been the case. They are power washed, just like the fence and are maintained if there are cracks or whatever may occur.

Mr. Evans stated those are monument signs, which were built by the District. The plans were submitted and approved showing the signs before they were built. The County came back later and said we now need a sign permit, in addition to the permit for the physical structure.

Upon VOICE VOTE, with all in favor, approval was given to the above motion.

FIFTH ORDER OF BUSINESS

Supervisor Requests

Ms. Snyder stated several neighbors asked about the house on Indian Grass that has fallen down. Will anything be done to it?

Mr. Tome stated those are HOA matters with regard to unsafe conditions and if they are not performing under the documents. I know the HOA has been addressing those.

Ms. Snyder stated it just does not look good to have some of these kinds of houses when people are coming here and looking to buy a home.

Mr. Tome stated we totally agree, but as the developer, we have very limited ability to enforce those types of matters. We are trying to do this through the HOA.

SIXTH ORDER OF BUSINESS

Audience Comments

A resident asked does the developer have continued interest during the construction phase of a house to have the property cleaned and a silt fence installed? It seems the developer does have an interest in that and not just the neighbors.

Mr. Tome stated we have an interest, but we have limited ability to act as the developer. We cannot walk onto someone's property. The HOA has the ability to do so. We can write letters, but if someone cannot or does not have the desire to do something, we are not a policing body. We do not have that authority to do that. County code enforcement and the HOA have that authority. If people do not do it on their own, the HOA will do it for them and fine them and hope to get their money back. That is what we are trying to juggle with the HOA as far as how much we want to spend. We could spend a lot of money in reference to that kind of issue.

The resident stated it seems to me that a builder has a contractual obligation with the developer during the building phase. There must be some angles of enforcement ability.

Mr. Tome stated that is correct, which means that builder cannot purchase future lots. Given the financial condition of most, if not all, the builders, they are not in the process of purchasing new lots. That is the reason you do not see much activity today because the banks are not willing to fund their activities or the clients they were working with have gone away. We have a tremendous interest and we are sending all the letters that we can, but we do not have someone on the other end who can remedy the situation, not because of desire but because of financial ability to do it.

The resident stated the house Ms. Snyder referenced is not just an aesthetic issue, but there is a real safety issue. Kids are playing there and it is no longer structurally sound because there has been so much water coming through the roof and the floor boards have significantly deteriorated.

Mr. Tome stated we have the same concerns and we are trying to address it. Code enforcement can help, but I am sure they are inundated with calls throughout the County. It is not going unnoticed. As the developer, we want to do as much as we can because it is in our interest to sell lots and homes.

The resident stated I think all of our interests converge in the sense we want a pleasant thriving community.

Mr. Dave Leeman stated Mr. Haskett mentioned a vandal-proof fountain. I do not think people who vandalize the fountain are actually reading the minutes to see

references to an inoperative camera. I raised a question at the last meeting for Luke Brothers after they left. The previous landscaping company would put up a sign once or twice a year at the dog parks saying they are spraying the park and the park will be closed for 24 hours. That resolved the fire ant problem and they did not have to spot treat every month. Is that a possibility for you to do? I am sure that was done on a regular basis by the previous landscaping company.

Mr. Nicholson stated we spot treat the community based on the scope of services in the contract.

Mr. Leeman stated if you sprayed the parks once or twice a year, you would not have to spray on a continuing basis, so that may be a cost savings.

Mr. Nicholson stated I will work on this with Mr. Haskett.

Mr. Leeman stated last month I raised the issue of money remaining from the waterline construction project. I said if we retire the debt, perhaps we could save money, but this was dismissed as being not much of a savings. But if there is \$50,000 left over, that is \$50,000 we do not have to pay at 7% interest. Our other money earns essentially zero, so we are losing money that way. If you pay 7%, it is \$3,500 per year. Even if there is only 10 years left to pay on the bonds, that is \$35,000 plus the \$50,000, which is \$85,000 you can save for the town if you retire the debt. The general idea is any retired debt saves money we would pay back later as well as the interest we are paying on that. I simply do not think this is insignificant.

Mr. Moyer stated my comment was to the degree other facilities are needed within the community, we cannot get a loan in this market for \$50,000 to do something the residents might request. I was warning the Board that I think we need to be cognizant if there are other capital improvements this community wants, that money should be left in the account to do them. If not, I agree with you 100%. If there are no other capital projects the Board wants to pursue, by law and by the Trust Indenture, we have to call those bonds.

Mr. Leeman stated I asked the Board to consider it as a policy, but now I find out it is a rule, that you do need to retire debt as quickly as possible. It does save us a lot of money. If things get worse, we will run into trouble collecting money to pay the debt.

Mr. Evans stated the wish list of improvements we have seen far exceeds the balance of funds we will have in the capital improvements funds.

Mr. Leeman stated other than the skate park, I have not heard a lot of what you want to spend money on.

Mr. Evans stated we only know about a small portion of them. There will be other park improvements that we need to do throughout the rest of the community, and we have not even touched on those. We may not have money to do those items. That is why we are so carefully watching those funds because we know we are at the end of those funds and we want to get the best value from that money.

SEVENTH ORDER OF BUSINESS

Adjournment

The meeting adjourned at 9:50 a.m.

Gary L. Moyer, Secretary

Robert D. Evans, Chairman

THIRD ORDER OF BUSINESS

3A

**Harmony
Community Development District**

Financial Statements

September 30, 2009

**HARMONY CDD
BALANCE SHEET
SEPTEMBER 30, 2009**

	GENERAL	2001 DEBT SERVICE	2004 DEBT SERVICE	2004 CAPITAL PROJECTS	TOTALS
ASSETS	\$	\$	\$	\$	\$
CASH	360,340	-	-	-	360,340
CASH ON HAND	500	-	-	-	500
ASSESSMENTS RECEIVABLE, NET	11,433	36,418	-	-	47,851
DUE FROM OTHER FUNDS	18,110	-	-	-	18,110
INVESTMENTS:					
CONSTRUCTION FUND	-	-	-	240,425	240,425
PREPAYMENT ACCOUNT	-	14,325	3,229	-	17,554
RESERVE FUND	-	1,430,769	861,350	-	2,292,119
REVENUE FUND	-	261,506	230,035	-	491,541
TOTAL ASSETS	<u>\$ 390,383</u>	<u>\$ 1,743,018</u>	<u>\$ 1,094,614</u>	<u>\$ 240,425</u>	<u>\$ 3,468,440</u>
LIABILITIES & FUND BALANCES					
LIABILITIES	\$	\$	\$	\$	\$
ACCOUNTS PAYABLE	30,597	-	-	-	30,597
ACCRUED EXPENSES	40,530	-	-	12,344	52,874
DUE TO OTHER FUNDS	-	-	-	18,110	18,110
DEPOSITS	500	-	-	-	500
TOTAL LIABILITIES	<u>71,627</u>	<u>-</u>	<u>-</u>	<u>30,454</u>	<u>102,081</u>
FUND BALANCES					
RESERVED FOR DEBT SERVICE	-	1,743,018	1,094,614	-	2,837,632
RESERVED FOR CAPITAL PROJECTS	-	-	-	209,970	209,970
UNRESERVED/UNDESIGNATED	318,756	-	-	-	318,756
TOTAL FUND BALANCES	<u>318,756</u>	<u>1,743,018</u>	<u>1,094,614</u>	<u>209,970</u>	<u>3,366,358</u>
TOTAL LIABILITIES & FUND BALANCES	<u>\$ 390,383</u>	<u>\$ 1,743,018</u>	<u>\$ 1,094,614</u>	<u>\$ 240,424</u>	<u>\$ 3,468,439</u>

HARMONY CDD
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE PERIOD ENDING SEPTEMBER 30, 2009

	ANNUAL ADOPTED BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	YTD BUDGET VS. ACTUAL VARIANCE FAVORABLE (UNFAVORABLE)
	\$	\$	\$	\$
REVENUE				
INTEREST - INVESTMENTS	5,728	5,728	638	(5,090)
INTEREST - TAX COLLECTOR	-	-	206	206
SPECIAL ASSMNTS - ON ROLL	622,750	622,750	619,002	(3,748)
SPECIAL ASSMNTS - OFF ROLL	914,363	914,363	838,208	(76,155)
SPECIAL ASSMNTS - DISCOUNTS	(24,910)	(24,910)	(7,638)	17,272
OTHER MISCELLANEOUS REVENUES	-	-	1,836	1,836
TOTAL REVENUE	<u>1,517,930</u>	<u>1,517,930</u>	<u>1,452,252</u>	<u>(65,678)</u>
EXPENDITURES				
ADMINISTRATIVE				
P/R-BOARD OF SUPERVISORS	12,000	12,000	9,200	2,800
FICA TAXES	918	918	704	214
WORKERS' COMPENSATION	2,000	2,000	-	2,000
PROFSERV-ARBITRAGE REBATE	3,000	3,000	1,200	1,800
PROFSERV-DISSEMINATION AGENT	500	500	500	-
PROFSERV-ENGINEERING	26,000	26,000	29,948	(3,948)
PROFSERV-LEGAL SERVICES	20,000	20,000	29,014	(9,014)
PROFSERV-MGMT CONSULTING SERV	50,740	50,740	50,740	-
PROFSERV-SPECIAL ASSESSMENT	10,714	10,714	10,714	-
PROFSERV-TRUSTEE	10,000	10,000	10,748	(748)
AUDITING SERVICES	15,500	15,500	15,500	-
COMMUNICATION - TELEPHONE	250	250	182	68
POSTAGE AND FREIGHT	3,400	3,400	1,223	2,177
INSURANCE - GENERAL LIABILITY	23,000	23,000	18,484	4,516
PRINTING AND BINDING	7,000	7,000	6,795	205
LEGAL ADVERTISING	3,000	3,000	1,581	1,419
MISC-ASSESSMNT COLLECTION FEE	12,455	12,455	13,873	(1,418)
MISC-CONTINGENCY	1,000	1,000	296	704
OFFICE SUPPLIES	1,000	1,000	987	13
ANNUAL DISTRICT FILING FEE	175	175	175	-
CAPITAL OUTLAY	750	750	-	750
TOTAL ADMINISTRATIVE	<u>203,402</u>	<u>203,402</u>	<u>201,864</u>	<u>1,538</u>
OPERATIONS AND MAINTENANCE				
FIELD				
PROFSERV-FIELD MANAGEMENT	-	-	32,712	(32,712)
TOTAL FIELD	<u>-</u>	<u>-</u>	<u>32,712</u>	<u>(32,712)</u>

HARMONY CDD
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE PERIOD ENDING SEPTEMBER 30, 2009

	ANNUAL ADOPTED BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	YTD BUDGET VS. ACTUAL VARIANCE FAVORABLE (UNFAVORABLE)
	\$	\$	\$	\$
LANDSCAPE				
UTILITY - REFUSE REMOVAL	-	-	13,759	(13,759)
R&M-GROUNDS	-	-	13,497	(13,497)
R&M-IRRIGATION	22,000	22,000	27,179	(5,179)
R&M-LAKE PHASE II	52,000	52,000	29,868	22,132
R&M-LANDSCAPE - LAKESHORE PARK	25,000	25,000	14,653	10,347
R&M-LANDSCAPE - TOWN SQUARE	30,600	30,600	18,356	12,244
R&M-LANDSCAPE - US 192 ENTR	63,000	63,000	38,082	24,918
R&M-SWIMMING POOL	13,300	13,300	7,555	5,745
R&M-TREES AND TRIMMING	15,000	15,000	25,602	(10,602)
R&M-TURF CARE	-	-	125,101	(125,101)
R&M-SHRUB CARE	-	-	48,392	(48,392)
R&M-LANDSCAPE PARC D-1 PARK	7,000	7,000	4,081	2,919
R&M-LANDSCAPE PARC C-2 PARK	6,000	6,000	3,673	2,327
R&M-LANDSCAPE PET PARK	21,000	21,000	12,813	8,187
R&M-LANDSCAPE HWY 192	30,000	30,000	17,500	12,500
R&M-LANDSCAPE PARCEL G PARK	14,400	14,400	8,652	5,748
R&M-LANDSCAPE POND AREAS	140,100	140,100	87,563	52,537
R&M-LANDSCAPE BUCK LAKE	6,000	6,000	2,250	3,750
R&M-LANDSCAPE PARC B PARK	6,500	6,500	3,749	2,751
R&M-LANDSCAPE PARC C PARK	6,000	6,000	3,425	2,575
R&M-PHASE I	80,000	80,000	46,979	33,021
R&M-PHASE III	80,000	80,000	48,276	31,724
R&M-LANDSCAPE PARCEL D-2 & E	13,200	13,200	8,786	4,414
MISCELLANEOUS SERVICES	10,000	10,000	7,540	2,460
TOTAL LANDSCAPE	641,100	641,100	617,331	23,769
UTILITY				
ELECTRICITY - GENERAL	21,000	21,000	28,975	(7,975)
ELECTRICITY - STREETLIGHTING	371,000	371,000	375,011	(4,011)
UTILITY - WATER & SEWER	120,000	120,000	84,685	35,315
TOTAL UTILITY	512,000	512,000	488,671	23,329
OPERATION & MAINTENANCE				
PAYROLL-SALARIED	30,889	30,889	2,513	28,376
FICA TAXES	2,111	2,111	192	1,919
CONTRACTS-LAKE AND WETLAND	40,000	40,000	33,328	6,672
COMMUNICATION - TELEPHONE	2,700	2,700	2,980	(280)
R&M-COMMON AREA	12,000	12,000	13,035	(1,035)
R&M-EQUIPMENT	5,000	5,000	21,954	(16,954)
R&M-POOLS	25,000	25,000	31,016	(6,016)
R&M-LANDSCAPE LAKESHORE PARK	4,000	4,000	-	4,000
R&M-HARDSCAPE CLEANING	10,000	10,000	9,638	362
MISC-LICENSES & PERMITS	900	900	2,180	(1,280)
MISC-PARKS	3,600	3,600	1,903	1,697
MISC-CONTINGENCY	12,000	12,000	17,893	(5,893)
OP SUPPLIES-POOL AND FOUNTAIN	7,500	7,500	10,593	(3,093)
TOTAL OPERATION & MAINTENANCE	155,700	155,700	147,225	8,475

HARMONY CDD
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE PERIOD ENDING SEPTEMBER 30, 2009

	ANNUAL ADOPTED BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	YTD BUDGET VS. ACTUAL VARIANCE FAVORABLE (UNFAVORABLE)
	\$	\$	\$	\$
RESERVES				
1ST QUARTER OPERATING RESERVES	173,924	173,924	-	173,924
TOTAL RESERVES	<u>173,924</u>	<u>173,924</u>	<u>-</u>	<u>173,924</u>
TOTAL EXPENDITURES	1,686,126	1,686,126	1,487,803	198,323
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(168,196)</u>	<u>(168,196)</u>	<u>(35,551)</u>	<u>132,645</u>
OTHER FINANCING SOURCES				
RESERVE - SELF INSURANCE	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>	<u>50,000</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>	<u>50,000</u>
NET CHANGE IN FUND BALANCES	<u>(218,196)</u>	<u>(218,196)</u>	<u>(35,551)</u>	<u>182,645</u>
FUND BALANCE, OCTOBER 1	<u>381,906</u>	<u>381,906</u>	<u>354,305</u>	<u>(27,601)</u>
FUND BALANCE, ENDING	<u>\$ 163,710</u>	<u>\$ 163,710</u>	<u>\$ 318,754</u>	<u>\$ 155,044</u>

HARMONY CDD
2001 DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE PERIOD ENDING SEPTEMBER 30, 2009

	ANNUAL ADOPTED BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	YTD BUDGET VS. ACTUAL VARIANCE FAVORABLE (UNFAVORABLE)
	\$	\$	\$	\$
REVENUE				
INTEREST - INVESTMENTS	25,000	25,000	6,129	(18,871)
SPECIAL ASSMNTS - ON ROLL	1,048,703	1,048,703	1,042,391	(6,312)
SPECIAL ASSMNTS - OFF ROLL	461,018	461,018	429,813	(31,205)
SPECIAL ASSMNTS - PREPAYMENT	-	-	31,009	31,009
SPECIAL ASSMNTS - DISCOUNTS	(43,015)	(43,015)	(15,238)	27,777
TOTAL REVENUE	<u>1,491,706</u>	<u>1,491,706</u>	<u>1,494,104</u>	<u>2,398</u>
EXPENDITURES				
ADMINISTRATIVE				
MISC-ASSESSMNT COLLECTION FEE	21,508	21,508	19,676	1,832
TOTAL ADMINISTRATIVE	<u>21,508</u>	<u>21,508</u>	<u>19,676</u>	<u>1,832</u>
DEBT SERVICE				
PRINCIPAL DEBT RETIREMENT	270,000	270,000	270,000	-
PRINCIPAL PREPAYMENTS	-	-	30,000	(30,000)
INTEREST EXPENSE	1,174,138	1,174,138	1,166,525	7,613
TOTAL DEBT SERVICE	<u>1,444,138</u>	<u>1,444,138</u>	<u>1,466,525</u>	<u>(22,388)</u>
TOTAL EXPENDITURES	<u>1,465,645</u>	<u>1,465,645</u>	<u>1,486,201</u>	<u>(20,556)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>26,061</u>	<u>26,061</u>	<u>7,903</u>	<u>(18,158)</u>
NET CHANGE IN FUND BALANCES	<u>26,061</u>	<u>26,061</u>	<u>7,903</u>	<u>(18,158)</u>
FUND BALANCE, OCTOBER 1	<u>1,725,707</u>	<u>1,725,707</u>	<u>1,735,114</u>	<u>9,407</u>
FUND BALANCE, ENDING	<u>\$ 1,751,768</u>	<u>\$ 1,751,768</u>	<u>\$ 1,743,017</u>	<u>\$ (8,751)</u>

HARMONY CDD
2004 DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE PERIOD ENDING SEPTEMBER 30, 2009

	ANNUAL ADOPTED BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	YTD BUDGET VS. ACTUAL VARIANCE FAVORABLE (UNFAVORABLE)
	\$	\$	\$	\$
REVENUE				
INTEREST - INVESTMENTS	20,000	20,000	3,934	(16,066)
SPECIAL ASSMNTS - OFF ROLL	<u>1,205,596</u>	<u>1,205,596</u>	<u>849,935</u>	<u>(355,661)</u>
TOTAL REVENUE	<u>1,225,596</u>	<u>1,225,596</u>	<u>853,869</u>	<u>(371,727)</u>
DEBT SERVICE				
PRINCIPAL DEBT RETIREMENT	195,000	195,000	195,000	-
INTEREST EXPENSE	<u>1,028,025</u>	<u>1,028,025</u>	<u>1,028,025</u>	<u>-</u>
TOTAL DEBT SERVICE	<u>1,223,025</u>	<u>1,223,025</u>	<u>1,223,025</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,223,025</u>	<u>1,223,025</u>	<u>1,223,025</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,571</u>	<u>2,571</u>	<u>(369,156)</u>	<u>(371,727)</u>
NET CHANGE IN FUND BALANCES	<u>2,571</u>	<u>2,571</u>	<u>(369,156)</u>	<u>(371,727)</u>
FUND BALANCE, OCTOBER 1	<u>1,461,322</u>	<u>1,461,322</u>	<u>1,463,770</u>	<u>2,448</u>
FUND BALANCE, ENDING	<u>\$ 1,463,893</u>	<u>\$ 1,463,893</u>	<u>\$ 1,094,614</u>	<u>\$ (369,279)</u>

HARMONY CDD
2004 CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE PERIOD ENDING SEPTEMBER 30, 2009

	ANNUAL ADOPTED BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	YTD BUDGET VS. ACTUAL VARIANCE FAVORABLE (UNFAVORABLE)
	\$	\$	\$	\$
REVENUE				
INTEREST - INVESTMENTS	-	-	1,059	1,059
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>1,059</u>	<u>1,059</u>
CONSTRUCTION IN PROGRESS				
CONSTRUCTION IN PROGRESS A	-	-	45,218	(45,218)
TOTAL CONSTRUCTION IN PROGRESS	<u>-</u>	<u>-</u>	<u>45,218</u>	<u>(45,218)</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>45,218</u>	<u>(45,218)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>(44,159)</u>	<u>(44,159)</u>
NET CHANGE IN FUND BALANCES	<u>-</u>	<u>-</u>	<u>(44,159)</u>	<u>(44,159)</u>
FUND BALANCE, OCTOBER 1	<u>-</u>	<u>-</u>	<u>254,129</u>	<u>254,129</u>
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 209,970</u>	<u>\$ 209,970</u>

**Harmony
Community Development District**

Notes to the Financial Statements

September 30, 2009

GENERAL FUND - BALANCE SHEET

ASSETS

CASH AND INVESTMENTS	See Cash and Investment Report for details		
ASSESSMENTS RECEIVABLE, NET	Delinquent assessments from FY2006	\$	11,433
DUE FROM OTHER FUNDS	Due from Capital Project Series 2004	\$	18,110

LIABILITIES

ACCOUNTS PAYABLE	Young Van Assenderp, P.A.	\$	2,854
	M & W Concrete Inc.		1,100
	Robert Pool Services & Repair		1,180
	Severn Trent Management Services		9,005
	Hydrocom Technologies Inc.		1,609
	Kissimmee Utility Authority		6,953
	Woolpert Inc.		1,804
	Ledesma Innovations, Inc.		4,368
	Various invoices		1,725
		Total \$	<u>30,597</u>
 ACCRUED EXPENSES	 Kissimmee Utility Authority - Water & Sewer from 9/19 - 10/18/09	 \$	 7,000
	City Of St. Cloud - electricity general from 9/10 - 10/9/09		2,200
	City Of St. Cloud - electricity streetlight 9/10 - 10/9/09		31,330
		Total \$	<u>40,530</u>
 DEPOSITS	 Deposits for Pool Keys	 \$	 500

Harmony Community Development District

Notes to the Financial Statements

September 30, 2009

GENERAL FUND - REVENUES AND EXPENDITURES

REVENUES

INTEREST- INVESTMENTS	Interest Income as of September 2009
INTEREST - TAX COLLECTOR	Interest on Assessments collected as of September 2009
SPECIAL ASSMNTS - TAX COLLECTOR	See Assessment Collection Schedule for details
SPECIAL ASSMNTS - DISTRICT COLLECTED	Birchwood Acres monthly assessment bill - \$76,197
SPECIAL ASSMNTS - DISCOUNTS	See Assessment Collection Schedule for details
OTHER MISCELLANEOUS REVENUES	Donation - Doreen Bardell Memorial \$1,050 Insurance Payment- Accident 2/4/09 CP Westerkamp \$627 Golf Club Reimbursement for repairs \$150

EXPENDITURES

ADMINISTRATIVE

PROFSERV-ENGINEERING	Woolpert invoices paid through August 2009
PROFSERV-LEGAL SERVICES	Young vanAssenderp P.A . invoices paid through September 2009 Invoices higher than usual for January and March. Increased legal activity due to adoption of new rules.
PROFSERV-TRUSTEE	US Bank annual fees plus expenses for Series 2001 and Series 2004
COMMUNICATION - TELEPHONE	Charges for telephone and faxes.
POSTAGE AND FREIGHT	Postage for monthly agenda packages and correspondence with trustee.
INSURANCE - GENERAL LIABILITY	Public Risk Agency - Paid in Full for FY 2009 for General Insurance Policy Preferred Government - Second Installment for FY 2009 for Worker's Comp Policy
MISC-ASSESSMNT COLLECTION FEE	Commission on collected assessment, balance includes an administrative costs of \$779
MISC-CONTINGENCY	Shade Systems - Wire Fee

FIELD

PROFSERV- FIELD MANAGEMENT	Salary for full-time dockmaster. Monthly fee \$3,568 started in Febraury 2009
----------------------------	---

**Harmony
Community Development District**

Notes to the Financial Statements

September 30, 2009

LANDSCAPE

UTILITY - REFUSE REMOVAL	Luke Bros monthly fee for trash removal and litter control within District
R&M-GROUNDS	Luke Bros monthly fee to maintain ground cover and plant annuals within District
R&M-IRRIGATION	Irrigation repairs by Luke Bros Landscape. Payment for part of May 2009 \$1,425 REW Lanscape final bill \$45 Walker Technical Services average monthly fee monitoring of Maxi Com \$583
R&M-LAKE PHASE II	REW Landscape monthly fee for \$4,083 for Secondary Entrance. Final bill \$1,284
R&M-LANDSCAPE - LAKESHORE PARK	REW Landscape monthly fee \$1,975. Final Bill \$828
R&M-LANDSCAPE - TOWN SQUARE	REW Landscape monthly fee \$2,429 Final Bill \$1,019
R&M-LANDSCAPE - US 192 ENTRY	REW Landscape monthly fee \$5,015 for Entry US 192. and \$200 for US 192 Entrance to Fence line West Side. Final Bill \$1,577
R&M-SWIMMING POOL	REW Landscape monthly fee \$1,018. Final bill \$427
R&M-TREES AND TRIMMING	A Cut Above Tree and Landscape- One time tree work \$14,000 Trimming of 384 trees \$ 3,000 Luke Bros monthly fee for pruning and maintenance for trees under 10 feet
R&M-TURF CARE	Luke Bros monthly fee for mowing, edging and maintenance of turf within District
R&M-SHRUB CARE	Luke Bros monthly fee for pruning,mulching and maintaining shrubs within District
R&M-LANDSCAPE PARK D-1 PARK	REW Landscape monthly fee \$550. Final bill \$231
R&M-LANDSCAPE PARK C-2 PARK	REW Landscape monthly fee \$495. Final bill \$208
R&M-LANDSCAPE PET PARK	REW Landscape monthly fee \$1,673. Final bill \$702 REW Landscape- Installation of Live Oak \$400
R&M-LANDSCAPE HWY 192	REW Landscape monthly fee \$2,500. Final bill.
R&M-LANDSCAPE PARCEL G PARK	REW Landscape monthly fee \$1,200. Final bill \$251
R&M-LANDSCAPE POND AREAS	Greer's Landscape monthly fee \$11,675. June bill \$5,838
R&M-LANDSCAPE BUCK LAKE	REW Landscape monthly fee \$200.
R&M-LANDSCAPE PARK B PARK	REW Landscape monthly fee \$520. Final bill \$109
R&M-LANDSCAPE PARK C PARK	REW Landscape monthly fee \$475. Final bill \$100
R&M-PHASE I	REW Landscape monthly fee \$6,332 for Blvd & Linear Park. Final bill \$2,655
R&M-PHASE III	REW Landscape monthly fee \$6,600 for Long Park East and Streetscape Final bill \$ 2,076
R&M-LANDSCAPE PARCEL D-2 AND E	REW Landscape monthly fee \$1,100. Final bill \$461 REW Landscape- Installation of Holly, mulch \$625
MISCELLANEOUS SERVICES	REW Landscape- Playground mulching \$7,540

Harmony Community Development District

Notes to the Financial Statements

September 30, 2009

UTILITY

ELECTRICITY - GENERAL	City of St. Cloud average monthly fee \$2,384 for services paid through August 2009. Accrued September services
ELECTRICITY - STREETLIGHTING	City of St. Cloud average monthly fee \$28,480 for services paid through August 2009. Accrued September services
UTILITY - WATER & SEWER	KUA average monthly fee \$6,704 for services paid through August 2009. Accrued September services

OPERATION & MAINTENANCE

PAYROLL-SALARIED	Salary for assistant dockmaster.	
FICA TAXES	Taxes for assistant dockmaster.	
CONTRACTS-LAKE AND WETLAND	Aquatic System monthly fees of \$2,388 and \$386. The \$378 monthly billing in effect since Jan 2006 covers ponds in Sites 32-34 and Control Structure Outfalls 5,7,8,10,12,13,15,17,18,19,21,24,25,27,28-34 The \$2,388 monthly billing covers 30 Ponds 1-8,10-31.	
COMMUNICATION - TELEPHONE	AT&T and Embarq monthly fee paid through September 2009	
R&M-COMMON AREA	Monthly trash pick up and dumpster pick up services by REW Landscape. Folsom Services- Electrical work, Installed boxes \$1,644 Intelliccept- Skatestoppers \$375 GMS- Remove Swin Club Gate \$405 Harmony Development Co. Maintenance \$467	
R&M-EQUIPMENT	Advance Marine boat supplies	\$ 16,934
	NAPA Auto Parts	3,199
	St. Cloud Welding - Pontoon Repair	887
	Ismael Garcia - Solar boat repair	875
	United Fire Protection - Installation of fire extinguisher	59
	Total	\$ 21,954

R&M-POOLS

Jan Pro and Robert's Pool Service monthly fee \$1,915
Chapco Fence- Fence Installation \$2,440
Wesco - Water Feature part \$780

R&M-HARDSCAPE CLEANING

Various invoices for pest control and pool supplies \$4,815
Ledesma Innovations Inc.- Pressure washing post and rail \$9,638

MISC-LICENSES & PERMITS

Osceola County Health Department- Re-Inspections

MISC-PARKS

REW Landscape- Doggy litter bags \$1,099
All Florida Septic- Repair pipe in lift station \$375
Harmony Development Co, Llc - reimbursements \$429

Harmony Community Development District

Notes to the Financial Statements

September 30, 2009

MISC-CONTINGENCY	Shade System for Swim Club	\$	5,487
	Chapco Fence- Fence repair Dog/Water Park		3,355
	GMS Home Repair- Installation		1,045
	M & W Concrete - Install 100 S.F Concrete Pad W Drain/Pump		1,100
	Poolworks- New Pool Drain March		1,650
	FMS- Repair sidewalks		5,256
		Total \$	17,893

OP SUPPLIES-POOL AND FOUNTAIN Spies Pool LLC average monthly fee \$ 876 for pool chemicals and bleach.
Higher volume in Summer.

SERIES 2001 DEBT SERVICE FUND - BALANCE SHEET

ASSETS

CASH AND INVESTMENTS	See Cash and Investment Report for details
ASSESSMENTS RECEIVABLES, NET	Delinquent assessments from FY2006. Added to On-Roll assessments for FY2010

SERIES 2001 DEBT SERVICE FUND - REVENUES AND EXPENDITURES

REVENUES

INTEREST- INVESTMENTS	Interest Income as of July 2009; Invested in US Treasury Bill since September
SPECIAL ASSMNTS - TAX COLLECTOR	See Assessment Collection Schedule for details.
SPECIAL ASSMNTS - DISTRICT COLLECTED	Received assessments for FY 2008
SPECIAL ASSMNTS - PREPAYMENT	Prepayment received from Vista Title Company
SPECIAL ASSMNTS - DISCOUNTS	See Assessment Collection Schedule for details

EXPENDITURES

ADMINISTRATIVE

MISC-ASSESSMNT COLLECTION FEE	Commission on Collected Assessments
-------------------------------	-------------------------------------

DEBT SERVICE

INTEREST EXPENSE	Due to previous years principal prepayment, the interest payment was lower than budgeted.
------------------	---

Harmony Community Development District

Notes to the Financial Statements

September 30, 2009

SERIES 2004 DEBT SERVICE FUND - BALANCE SHEET

ASSETS

CASH AND INVESTMENTS	See Cash and Investment Report for details
----------------------	--

SERIES 2004 DEBT SERVICE FUND - REVENUES AND EXPENDITURES

REVENUES

INTEREST- INVESTMENTS	Interest Income as of July 2009; Invested in US Treasury Bill since September
SPECIAL ASSMNTS - DISTRICT COLLECTED	Received assessments for FY 2008

EXPENDITURES

ADMINISTRATIVE

MISC-ASSESSMNT COLLECTION FEE	Commission on Collected Assessments
-------------------------------	-------------------------------------

DEBT SERVICE

INTEREST EXPENSE	Due to principal prepayment, interest is lowered than budgeted.
------------------	---

SERIES 2004 CAPITAL PROJECTS FUND - BALANCE SHEET

ASSETS

CASH AND INVESTMENTS	See Cash and Investment Report for details
----------------------	--

LIABILITIES

ACCRUED EXPENSES	Accrued requisitions # 235 - 239
------------------	----------------------------------

DUE TO OTHER FUNDS	Due to General Fund	\$	18,110
--------------------	---------------------	----	--------

SERIES 2004 CAPTIAL PROJECT FUND - REVENUES AND EXPENDITURES

REVENUES

INTEREST- INVESTMENTS	Interest earned as of June: since July there has not been any interest earnings
-----------------------	---

CONSTRUCTION IN PROGRESS

CONSTRUCTION IN PROGRESS	Paid several requisitions
--------------------------	---------------------------

**Harmony
Community Development District**

**Cash and Investment Report
September 30, 2009**

<u>ACCOUNT NAME</u>	<u>BANK NAME</u>	<u>YIELD</u>	<u>BALANCE</u>
GENERAL FUND			
Checking Account- Operating	Centerstate Bank	0.25%	\$ 360,340
Cash On Hand			500 (1)
DEBT SERVICE AND CAPITAL PROJECT FUNDS			
Series 2001 Prepayment Fund	US Bank	0.05%	14,000
Series 2001 Reserve Fund	US Bank	0.05%	1,429,971
Series 2001 Revenue Fund	US Bank	0.05%	239,995
Series 2004 Prepayment Fund	US Bank	0.05%	3,000
Series 2004 Reserve Fund	US Bank	0.05%	860,982
Series 2004 Revenue Fund	US Bank	0.05%	229,995
Series 2004 Contruction Fund	US Bank	0.05%	-
		Subtotal	\$ 2,777,943 (2)
Series 2001 Prepayment Fund	US Bank	0.00%	326
Series 2001 Reserve Fund	US Bank	0.00%	798
Series 2001 Revenue Fund	US Bank	0.00%	21,510
Series 2004 Prepayment Fund	US Bank	0.00%	229
Series 2004 Reserve Fund	US Bank	0.00%	368
Series 2004 Revenue Fund	US Bank	0.00%	40
Series 2004 Contruction Fund	US Bank	0.00%	240,425
		Subtotal	\$ 263,695 (3)
		Total	\$ 3,402,478

NOTE 1 - PETTY CASH.

NOTE 2 - INVESTED IN US TREASURY BILLS

NOTE 3 - INVESTED IN FIRST AMERICAN GOVERNMENT OBLIGATION FUND - RATING AAAM/AAA

Harmony
COMMUNITY DEVELOPMENT DISTRICT
ASSESSMENT COLLECTIONS SCHEDULE - OSCEOLA COUNTY
FISCAL YEAR ENDING SEPTEMBER 30, 2009

Date Received	Net Amount Received	Discount Amount	Commission Amount	Gross Amount	General Fund Gross Assessments	Series 2001 Debt Service Gross Assessments
Assessments Levied				\$1,671,453	\$ 622,750	\$ 1,048,703
Allocation %				100%	37%	63%
11/12/08	\$ 1,824	\$ 103	\$ 37	\$ 1,964	\$ 732	\$ 1,232
12/01/08	18,609	791	380	19,779	7,369	12,410
12/11/08	134,952	5,738	2,754	143,444	53,444	89,999
12/23/08	516,851	21,944	10,548	549,343	204,674	344,669
01/14/09	26,157	826	534	27,517	10,252	17,265
02/14/09	15,572	434	318	16,323	6,082	10,241
03/13/09	14,415	190	294	14,899	5,551	9,348
04/15/09	701,295	26	14,312	715,633	266,630	449,002
05/14/09	29,769	(803)	608	29,574	11,019	18,555
06/09/09	8,900	(265)	182	8,817	3,285	5,532
06/23/09	101,186	(3,494)	2,065	99,757	37,167	62,589
07/14/09	2,987	(131)	61	2,917	1,087	1,830
09/14/09	33,233	(2,483)	678	31,428	11,709	19,718
TOTAL	\$ 1,605,747	\$ 22,876	\$ 32,770	\$ 1,661,393	\$ 619,002	\$ 1,042,391
% COLLECTED				99.40%	99.40%	99.40%
TOTAL OUTSTANDING				\$ 10,060	\$ 3,748	\$ 6,312

3B

Harmony CDD

October 19, 2009

INVOICE APPROVAL #114

<u>PAYEE</u>	<u>ITEM</u>	<u>A=Approval</u> <u>R= Ratification</u>	<u>General Fund</u>
<u>A-1 Pest Control</u>	#100109	A	\$75.00
		Vendor Total	\$75.00
<u>AT & T</u>	#993377858X09262009 9/11-9/18	R	\$157.49
		Vendor Total	\$157.49
<u>City of St Cloud</u>	Billing Period 8/10-9/9	R	\$33,342.59
		Vendor Total	\$33,342.59
<u>Department of Community Affairs</u>	#21710	R	\$175.00
		Vendor Total	\$175.00
<u>Embarq</u>	#4074983185 9/7-10/6	R	\$48.98
	#4078911308 9/25-10/24	R	\$43.08
	#4074893185 10/7-11/6	R	\$48.95
	#4078927636 10/4-11/3	R	\$46.59
		Vendor Total	\$187.60
<u>Fedex</u>	#9-353-96507	R	\$6.33
	#9-322-98731	R	\$12.78
	#9-355-08499	R	\$6.33
		Vendor Total	\$25.44
<u>Garys Lock & Safe</u>	#47907	A	\$152.50
		Vendor Total	\$152.50

Harmony Golf Preserve

#000999

R

\$46.22

Vendor Total

Home Depot Credit Services

Billing Period 8/20-8/31

R

\$2,187.36

Billing Period 9/18-10/2

R

\$312.56

Vendor Total

Hydrocom Technologies

#2041

A

\$1,608.64

Vendor Total

Jan-Pro

#11576

A

\$735.39

Vendor Total

Kissimmee Utility Authority

Billing Period 8/19-9/18

R

\$6,953.36

Vendor Total

Ledesma Innovations

#092809

A

\$4,368.00

Vendor Total

M & W Concrete Inc.

#1048

R

\$1,100.00

Vendor Total

Orlando Sentinel

#741411002

\$45.80

#741411001

\$44.00

Vendor Total

Osceola County : Signage Permits

#PO9-002313	R	\$269.16
#PO9-002314	R	\$269.16
#PO9-002315	R	\$269.16

Vendor Total \$807.48

Osceola County Board Of County

#100109	R	\$779.00
---------	---	----------

Vendor Total \$779.00

Roberts Pool Service

#91509	A	\$1,180.00
--------	---	------------

Vendor Total \$1,180.00

Severn Trent

#2043290	A	\$9,004.51
----------	---	------------

Vendor Total \$9,004.51

Spies Pools

#203530	A	\$159.95
#203531	A	\$35.75

Vendor Total \$195.70

Walker Technical

#669	A	\$250.00
------	---	----------

Vendor Total \$250.00

Woolpert

#2009007013		\$1,803.59
-------------	--	------------

Vendor Total \$1,803.59

Young Van Assenderp

#8950	A	\$2,056.50
#9047	A	\$797.75

Vendor Total \$2,854.25

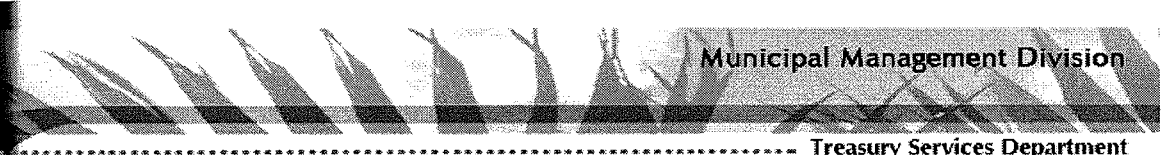
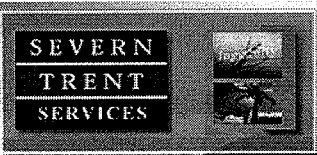
Grand Total **\$68,391.48**

**Harmony
Community Development District**

Check Register

HARMONY CDD
Check Register By Fund
For The Period from 9/1/09 to 9/30/09

Fund No.	Check No.	Posting Date	Vendor Name	Vendor Inv. No.	Posting Description	G/L Description	G/L / Org	Check Amount
001	51668	9/1/2009	AT & T	993377858X08262009	#993377858 7/19-8/18	Communication - Telephone	541003 - 53910	71.88
001	51669	9/1/2009	KISSIMMEE UTILITY AUTHORITY	082609	BILLING 7/20-8/19	Utility - Water & Sewer	543021 - 53903	8,334.95
001	51670	9/1/2009	LUKE BROTHERS INC.	0908-96025	MTHLY LAWN SERVICE-AUG	R&M-Landscape Buck Lake	546310 - 53902	9,399.68
001	51670	9/1/2009	LUKE BROTHERS INC.	0908-96025	MTHLY LAWN SERVICE-AUG	R&M-Turf Care	546130 - 53902	11,931.76
001	51670	9/1/2009	LUKE BROTHERS INC.	0908-96025	MTHLY LAWN SERVICE-AUG	R&M-Turf Care	546130 - 53902	2,969.26
001	51670	9/1/2009	LUKE BROTHERS INC.	0908-96025	MTHLY LAWN SERVICE-AUG	R&M-Turf Care	546130 - 53902	3,499.43
001	51670	9/1/2009	LUKE BROTHERS INC.	0908-96025	MTHLY LAWN SERVICE-AUG	R&M-Grounds	546037 - 53902	2,039.40
001	51670	9/1/2009	LUKE BROTHERS INC.	0908-96025	MTHLY LAWN SERVICE-AUG	R&M-Shrub Care	546131 - 53902	10,753.88
001	51670	9/1/2009	LUKE BROTHERS INC.	0908-96025	MTHLY LAWN SERVICE-AUG	R&M-Trees and Trimming	546099 - 53902	1,911.52
001	51670	9/1/2009	LUKE BROTHERS INC.	0908-96025	MTHLY LAWN SERVICE-AUG	Utility - Refuse Removal	543020 - 53902	3,057.60
001	51670	9/1/2009	LUKE BROTHERS INC.	0908-96025	MTHLY LAWN SERVICE-AUG	R&M-Irrigation	546041 - 53902	2,850.00
001	51670	9/1/2009	LUKE BROTHERS INC.	0908-96025	MTHLY LAWN SERVICE-AUG	R&M-Grounds	546037 - 53902	960.00
001	51671	9/1/2009	ORLANDO SENTINEL	081681902	LEGAL AD-MTG 8/27	Legal Advertising	548002 - 51301	165.20
001	51675	9/8/2009	EMBARQ	082509-11308	#4078911308 8/25-9/24	Communication - Telephone	541003 - 53910	43.08
001	51676	9/8/2009	OSCEOLA COUNTY HEALTH DEPARTME	082809-00621	49-60-00621 POOL REINSPECTION 8/26	Misc-Licenses & Permits	549066 - 53910	50.00
001	51676	9/8/2009	OSCEOLA COUNTY HEALTH DEPARTME	082809-00622	49-60-00622 POOL REINSPECTION 8/26	Misc-Licenses & Permits	549066 - 53910	50.00
001	51676	9/8/2009	OSCEOLA COUNTY HEALTH DEPARTME	082809-00634	#49-60-00634 POOL REINSPECTION 8/26	Misc-Licenses & Permits	549066 - 53910	50.00
001	51676	9/8/2009	OSCEOLA COUNTY HEALTH DEPARTME	082609-00687	#49-60-00687	Misc-Licenses & Permits	549066 - 53910	50.00
001	51677	9/10/2009	FMS	2	REPAIRED SIDEWALK	Misc-Contingency	549900 - 53910	5,256.00
001	51678	9/11/2009	EMBARQ	090409-27636	#4078927636 9/4-10/3	Communication - Telephone	541003 - 53910	46.62
001	51679	9/11/2009	KISSIMMEE UTILITY AUTHORITY	090309-12210	#1525420-812210 7/20-8/19	Utility - Water & Sewer	543021 - 53903	522.14
001	51680	9/14/2009	LUKE BROTHERS INC.	0906-95732	MTHLY LANDSCAPE-JUNE	R&M-Landscape Buck Lake	546310 - 53902	9,399.68
001	51680	9/14/2009	LUKE BROTHERS INC.	0906-95732	MTHLY LANDSCAPE-JUNE	R&M-Turf Care	546130 - 53902	11,931.76
001	51680	9/14/2009	LUKE BROTHERS INC.	0906-95732	MTHLY LANDSCAPE-JUNE	R&M-Turf Care	546130 - 53902	2,969.26
001	51680	9/14/2009	LUKE BROTHERS INC.	0906-95732	MTHLY LANDSCAPE-JUNE	R&M-Turf Care	546130 - 53902	3,499.43
001	51680	9/14/2009	LUKE BROTHERS INC.	0906-95732	MTHLY LANDSCAPE-JUNE	R&M-Grounds	546037 - 53902	2,039.40
001	51680	9/14/2009	LUKE BROTHERS INC.	0906-95732	MTHLY LANDSCAPE-JUNE	R&M-Shrub Care	546131 - 53902	10,753.88
001	51680	9/14/2009	LUKE BROTHERS INC.	0906-95732	MTHLY LANDSCAPE-JUNE	R&M-Trees and Trimming	546099 - 53902	1,911.52
001	51680	9/14/2009	LUKE BROTHERS INC.	0906-95732	MTHLY LANDSCAPE-JUNE	Utility - Refuse Removal	543020 - 53902	3,057.60
001	51680	9/14/2009	LUKE BROTHERS INC.	0906-95732	MTHLY LANDSCAPE-JUNE	R&M-Irrigation	546041 - 53902	2,850.00
001	51680	9/14/2009	LUKE BROTHERS INC.	0906-95732	MTHLY LANDSCAPE-JUNE	R&M-Grounds	546037 - 53902	960.00
001	51681	9/16/2009	CITY OF ST CLOUD	091109	BILLING PERIOD 8/10-9/9	Electricity - Streetlighting	543013 - 53903	31,329.93
001	51681	9/16/2009	CITY OF ST CLOUD	091109	BILLING PERIOD 8/10-9/9	Electricity - General	543006 - 53903	2,012.66
001	51682	9/16/2009	EMBARQ	090709-83185	#4074983185 9/7-10/6	Communication - Telephone	541003 - 53910	48.98
001	51683	9/16/2009	FEDEX	9-322-98731	#2506-5623-8	Postage and Freight	541006 - 51301	12.78
001	51684	9/16/2009	HOME DEPOT CREDIT SERVICES	090309-08018	#603532202490818 8/20-8/31 SWIM CLUB	R&M-Common Area	546016 - 53910	271.11
001	51684	9/16/2009	HOME DEPOT CREDIT SERVICES	090309-08018	#603532202490818 8/20-8/31 SWIM CLUB	R&M-Common Area	546016 - 53910	305.84
001	51684	9/16/2009	HOME DEPOT CREDIT SERVICES	090309-08018	#603532202490818 8/20-8/31 SWIM CLUB	R&M-Common Area	546016 - 53910	305.10
001	51684	9/16/2009	HOME DEPOT CREDIT SERVICES	090309-08018	#603532202490818 8/20-8/31 SWIM CLUB	R&M-Common Area	546016 - 53910	159.02
001	51684	9/16/2009	HOME DEPOT CREDIT SERVICES	090309-08018	#603532202490818 8/20-8/31 SWIM CLUB	R&M-Common Area	546016 - 53910	386.44
001	51684	9/16/2009	HOME DEPOT CREDIT SERVICES	090309-08018	#603532202490818 8/20-8/31 SWIM CLUB	R&M-Common Area	546016 - 53910	229.55
001	51684	9/16/2009	HOME DEPOT CREDIT SERVICES	090309-08018	#603532202490818 8/20-8/31 SWIM CLUB	R&M-Common Area	546016 - 53910	96.95
001	51684	9/16/2009	HOME DEPOT CREDIT SERVICES	090309-08018	#603532202490818 8/20-8/31 SWIM CLUB	R&M-Common Area	546016 - 53910	169.00
001	51684	9/16/2009	HOME DEPOT CREDIT SERVICES	090309-08018	#603532202490818 8/20-8/31 SWIM CLUB	R&M-Common Area	546016 - 53910	264.35
001	51686	9/25/2009	ADVANCED MARINE SERVICES	42127	ROA	R&M-Equipment	546022 - 53910	406.04
001	51686	9/25/2009	ADVANCED MARINE SERVICES	41614	SUPPLIES	R&M-Equipment	546022 - 53910	119.08
001	51687	9/25/2009	AQUATIC SYSTEMS, INC	0000129969	MTHLY LAKE & WETLAND SEPT	Contracts-Lake and Wetland	534021 - 53910	395.00
001	51687	9/25/2009	AQUATIC SYSTEMS, INC	0000129951	MTHLY LAKE & WETLAND SEPT	Contracts-Lake and Wetland	534021 - 53910	2,388.00
001	51688	9/25/2009	A-1 HOME INSPECTION SVC	090309	PEST CONTROL-SEPT	R&M-Pools	546074 - 53910	75.00
001	51689	9/25/2009	HARMONY DEVELOPMENT CO, LLC	82609	REIMBURSEMENT/GOOD SPORTS LAKESHORE PARK	Misc-Parks	549071 - 53910	294.05
001	51690	9/25/2009	JAN-PRO OF ORLANDO	11372	JANITORIAL FEES-SEPT 2009	R&M-Pools	546074 - 53910	735.39
001	51691	9/25/2009	LUKE BROTHERS INC.	0909-96179	MTHLY LANDSCAPE-SEPT	R&M-Landscape Buck Lake	546310 - 53902	9,399.68
001	51691	9/25/2009	LUKE BROTHERS INC.	0909-96179	MTHLY LANDSCAPE-SEPT	R&M-Turf Care	546130 - 53902	11,931.76
001	51691	9/25/2009	LUKE BROTHERS INC.	0909-96179	MTHLY LANDSCAPE-SEPT	R&M-Turf Care	546130 - 53902	2,969.26



HARMONY CDD
Check Register By Fund
For The Period from 9/1/09 to 9/30/09

Fund No.	Check No.	Posting Date	Vendor Name	Vendor Inv. No.	Posting Description	G/L Description	G/L / Org	Check Amount
001	51691	9/25/2009	LUKE BROTHERS INC.	0909-96179	MTHLY LANDSCAPE-SEPT	R&M-Turf Care	546130 - 53902	3,499.43
001	51691	9/25/2009	LUKE BROTHERS INC.	0909-96179	MTHLY LANDSCAPE-SEPT	R&M-Grounds	546037 - 53902	2,039.40
001	51691	9/25/2009	LUKE BROTHERS INC.	0909-96179	MTHLY LANDSCAPE-SEPT	R&M-Shrub Care	546131 - 53902	10,753.88
001	51691	9/25/2009	LUKE BROTHERS INC.	0909-96179	MTHLY LANDSCAPE-SEPT	R&M-Trees and Trimming	546099 - 53902	1,911.52
001	51691	9/25/2009	LUKE BROTHERS INC.	0909-96179	MTHLY LANDSCAPE-SEPT	Utility - Refuse Removal	543020 - 53902	3,057.60
001	51691	9/25/2009	LUKE BROTHERS INC.	0909-96179	MTHLY LANDSCAPE-SEPT	R&M-Irrigation	546041 - 53902	2,850.00
001	51691	9/25/2009	LUKE BROTHERS INC.	0909-96179	MTHLY LANDSCAPE-SEPT	R&M-Grounds	546037 - 53902	960.00
001	51692	9/25/2009	NAPA AUTO PARTS	482137	BATTERY	R&M-Equipment	546022 - 53910	225.97
001	51692	9/25/2009	NAPA AUTO PARTS	486826	BATTERY CABLES/BATTERY	R&M-Equipment	546022 - 53910	888.48
001	51693	9/25/2009	ROBERTS POOL SERVICE & REPAIR	081509	POOL MAINT-AUG	R&M-Pools	546074 - 53901	1,475.00
001	51694	9/25/2009	SEVERN TRENT ENVIRONMENTAL SER	2042865	MGT FEES-AUG 2009	ProfServ-Mgmt Consulting Serv	531027 - 51201	4,228.33
001	51694	9/25/2009	SEVERN TRENT ENVIRONMENTAL SER	2042865	MGT FEES-AUG 2009	ProfServ-Field Management	531016 - 53901	3,568.00
001	51694	9/25/2009	SEVERN TRENT ENVIRONMENTAL SER	2042865	MGT FEES-AUG 2009	Postage and Freight	541006 - 51301	26.66
001	51694	9/25/2009	SEVERN TRENT ENVIRONMENTAL SER	2042865	MGT FEES-AUG 2009	Printing and Binding	547001 - 51301	389.40
001	51694	9/25/2009	SEVERN TRENT ENVIRONMENTAL SER	2042865	MGT FEES-AUG 2009	Office Supplies	551002 - 51301	56.50
001	51694	9/25/2009	SEVERN TRENT ENVIRONMENTAL SER	2042865	MGT FEES-AUG 2009	Communication - Telephone	541003 - 51301	2.99
001	51694	9/25/2009	SEVERN TRENT ENVIRONMENTAL SER	2042865	MGT FEES-AUG 2009	Communication - Telephone	541003 - 51301	2.20
001	51695	9/25/2009	SPIES POOL LLC	200325	POOL SUPPLIES	Op Supplies-Pool and Fountain	552008 - 53910	179.90
001	51695	9/25/2009	SPIES POOL LLC	200326	POOL SUPPLIES	Op Supplies-Pool and Fountain	552008 - 53910	179.90
001	51695	9/25/2009	SPIES POOL LLC	201314	POOL SUPPLIES	Op Supplies-Pool and Fountain	552008 - 53910	180.15
001	51695	9/25/2009	SPIES POOL LLC	201313	POOL SUPPLIES	Op Supplies-Pool and Fountain	552008 - 53910	233.35
001	51695	9/25/2009	SPIES POOL LLC	203353	BULK BLEACH	Op Supplies-Pool and Fountain	552008 - 53910	485.50
001	51695	9/25/2009	SPIES POOL LLC	203304	POOL SUPPLIES	Op Supplies-Pool and Fountain	552008 - 53910	302.55
001	51695	9/25/2009	SPIES POOL LLC	203303	SUPPLIES	Op Supplies-Pool and Fountain	552008 - 53910	75.10
001	51695	9/25/2009	SPIES POOL LLC	203352	BULK BLEACH	Op Supplies-Pool and Fountain	552008 - 53910	284.00
001	51696	9/25/2009	WALKER TECHNICAL SERVICES	659	MOITORING MAXI-COM SYSTEM-SEPT	R&M-Irrigation	546041 - 53902	250.00
001	51697	9/25/2009	WOOLPERT INC.	2009006181	ENG FEES-JULY 2009	ProfServ-Engineering	531013 - 51501	2,840.00
001	51697	9/25/2009	WOOLPERT INC.	2009002016	ENG FEES-FEB 2009	ProfServ-Engineering	531013 - 51501	1,965.00
001	51697	9/25/2009	WOOLPERT INC.	2009001816	ENG FEES-DEC 2008	ProfServ-Engineering	531013 - 51501	2,235.00
001	51697	9/25/2009	WOOLPERT INC.	2009001862	ENG FEES-JAN 2009	ProfServ-Engineering	531013 - 51501	4,331.63
001	51672	9/4/2009			ROBERT D. EVANS	PAYROLL		184.70
001	51673	9/4/2009			NANCY M. SNYDER	PAYROLL		184.70
001	51674	9/4/2009			MARK W. LEMENAGER	PAYROLL		184.70

Credits	-
Sub Total	\$ 227,721.44

Fund No.	Check No.	Posting Date	Vendor Name	Vendor Inv. No.	Posting Description	G/L Description	G/L / Org	Check Amount
201	51685	9/25/2009	US BANK NATIONAL ASSOC	092409	TRANSFER OF TAX RECEIPTS 2008/09	Due From Other Funds	131000 -	20,850.73

Credits	-
Sub Total	\$ 20,850.73

Total Checks Paid	\$ 248,572.17
--------------------------	----------------------



Municipal Management Division

3C

HARMONY FY 2008 COMMUNICATION LOG

Date	Description of complaint	Location	Action taken	Work Status	Completed by:	Date	Name	Phone Number
5/29/2008	doggy pot has no bags	Button Bush Loop & Five Oaks		Complete			kerul	
6/2/2008	bushes are dying, spreading into net yard	3348 Primrose Willow	emailed Shad Tome				Judy Bardell	321-480-8361
6/4/2008	water spigot not turning off, leaking	small dog park	emailed Shad Tome	Complete			Kerul	
6/4/2008	trees fallen in median by high winds	Pond Pine & Schoolhouse	trees will get heavier straps	Complete			Dave Lehman	201-406-0244
6/5/2008	gusher sprinkler head	Long Park	REW will handle it	Complete	REW		Kerul	
6/11/2008	trees down in large dog park & median		emailed Shad Tome	Complete		6/11/2008	Dave Lehman	201-406-0244
6/17/2008	pool shower leaking & cameras damaged	Ashley Park pool		Complete		6/17/2008	Jeanna McGinnis	513-205-2855
6/17/2008	irrigation head broken	3351 Schoolhouse Road		Complete		6/17/2008	Pam Yeager	407-414-5570
6/17/2008	water fountain not working			Complete		6/17/2008	Jeanna McGinnis	513-205-2855
7/15/2008	shower head leaking at Ashley Pool		drip reduced, not fully solved			7/15/2008		
7/15/2008	no camera at pool where swim club is, vandalism		District needs to decide whether to buy camera			7/15/2008		
8/6/2008	water dripping out of hose, valve can't close	small dog park					Kerul	
8/28/2008	missing doggy pot	Lakeshore Park	pots are being replaced with new ones	Complete			Dave Lehman	201-406-0244
9/3/2008	hose on faucet broken, leaking	small dog park next to pavilion	Shad looking into it	Complete		9/3/2008	Dave Lehman	201-406-0244
9/5/2008	chinch bugs	CDD turf & Buttonbush	REW will be replacing				George Schiro	
9/8/2008	graffiti on walls in Ashley Park Pool		Shad & Todd correcting	Complete		9/8/2008	Mr. Hazlett	
9/8/2008	doggy pot has no bags	CatBriar & Pondpine					Dave Lehman	
9/18/2008	roof damage to under cover seating area	small dog park					Jim Warren	
9/18/2008	trash bin damaged	small dog park					Jim Warren	
9/22/2008	street light malfunctioning	7012 Beargrass Rd.					Carl Fsadni	
10/14/2008	pothole in alley	7136 Forty Banks Road			Todd		Chad	407-506-6328
11/6/2008	fire ants in park							
11/6/2008	playground gate lock doesn't work							
11/14/2008	doggy pots need bags	throughout community				11/18/2008	Kerul	
11/14/2008	soffit missing in pavilion	Primrose willow					Kerul	
12/11/2008	doggy gate doesn't latch properly, holes under fence						Jean Palazuelos	407-580-3201
12/29/2008	doggy bins full, no bags		Shad will take care of today			12/29/2008		
12/30/2008	shelter needs repair & paint							
1/8/2009	pothole behind condos in Ashley Park		Needs to be handled by CDD					
1/29/2009	playground has wasp nest	next to dog park		Complete		1/2/2009		

3D



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

September 30, 2009

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

We are pleased to confirm our understanding of the services we are to provide Harmony Community Development District, Osceola County, Florida ("the District") for the fiscal year ended September 30, 2009. We will audit the financial statements of the governmental activities and each major fund, which collectively comprise the basic financial statements of Harmony Community Development District as of and for the year ended September 30, 2009. This letter serves to renew our agreement and establish the terms and fee for the 2009 audit.

The document we submit to you will include the following supplementary information required by accounting standards generally accepted in the United States. As part of our engagement, we will apply certain limited procedures to this supplementary information, but the information will not be audited. These limited procedures will consist principally of inquiries of management regarding the methods of measurement and presentation, which management is responsible for affirming to us in its representation letter.

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

Audit Objectives

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

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

Management Responsibilities

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

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

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

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

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

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

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether

from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

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

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

Audit Procedures—Internal Controls

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

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

Audit Procedures—Compliance

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

Audit Administration, Fees, and Other

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

The audit documentation for this engagement is the property of Grau & Associates and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to a cognizant or oversight agency for audit or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Grau & Associates personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies. Notwithstanding the foregoing, the parties acknowledge that various documents

reviewed or produced during the conduct of the audit may be public records under Florida law. The District agrees to notify Grau & Associates of any public record request it receives that involves audit documentation.

Our fee for these services will not exceed \$8,000 for the September 30, 2009 audit. The fee for each annual renewal will be agreed upon separately.

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

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. Invoices will be submitted in sufficient detail to demonstrate compliance with the terms of this agreement. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate.

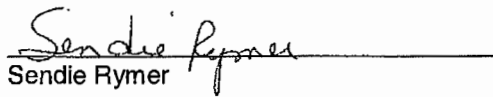
This agreement is automatically renewed each year thereafter subject to the mutual agreement by both parties to all terms and fees.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2007 peer review report accompanies this letter.

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

Very truly yours,

Grau & Associates


Sendie Rymer

RESPONSE:

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

By: _____

Title: _____

Date: _____

A I C P A
PEER REVIEW PROGRAM

is proud to present this

Certificate of Recognition

to

GRAU & ASSOCIATES

For having a system of quality control for its accounting and auditing practice in effect for the year ended June 30, 2007 which has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA and which was complied with during the year then ended to provide the firm with reasonable assurance of conforming with professional standards.



A handwritten signature in black ink, appearing to read "G. William Graham".

G. William Graham, *Chair*
AICPA Peer Review Board
2008

3E

October 14, 2009

Board of Supervisors
Harmony Community Development District

Dear Board Members:

With the continuing downward trend in investment yields, I would like to take this opportunity to discuss with you the factors/limitations that determine the available options for investing *Debt Service Funds* and the strategies the District can utilize to improve their investment yields.

Limitations on Investment Options

Unlike investing Operating funds, there are more limitations on what options are available when investing the District's debt service funds.

- **Bond Indenture** - Each bond has a list of allowable investments for Debt Service Funds. The Trustee is responsible for ensuring that the District invests only in the allowable investments.
- **Safety** - When investing Debt Service funds, it is extremely important to consider the safety of the principal because not all of the allowable investments are fully protected by the FDIC and/or the US government. For example, CDs are only insured up to \$250,000. Commercial Paper is only as secure as the issuer of the paper. On the other hand, Government Obligations are backed by the federal government. The downside of investing in Government Obligations is that the yields right now are extremely low.
- **Liquidity Requirements** - Since principal and/or interest payments are made every six months, the Debt Service funds must be available on Nov 1 and May 1. In addition, the Construction fund must be available to pay requisitions. This limits the length the funds can be invested to avoid investment losses on early withdrawals or emergency sales. Unfortunately the yields are much better on investments with maturities greater than six months.

{Currently the District's Debt Service funds (except the Construction Fund) are invested in T-Bills with a yield of .05% and a maturity date of 10/29/09}

Strategies to Improve Investment Yields

Although there are limitations on investment options, certain strategies can be used to improve the District's investment yields.

- **Increase Investment Terms** - After 11/1/09, the District can invest in T-Bills or other investments that mature on 4/29/09. This strategy will improve the yield of the investments and still ensure the funds are available for the next Debt Service payment.
- **Review Liquidity Needs** - Any funds that are not required for the May 1, 2010 principal and interest payments can be invested until 10/29/2010. In addition any Construction Funds not required immediately can be invested in longer term securities. This strategy will also increase investment yields without hindering future Debt Service payments or construction requisitions.
- **Investigate Other Options** - Because the financial markets are constantly changes, it is important that the investments are continually monitored. Likewise, it is important to continue searching for other investment options. The Trustee (US Bank) is currently working on additional options that will allow the District to improve the yield on Debt Service funds without restricting the District's access to the funds..

We hope this information has been helpful. We will continue to search for additional investment options and provide these opportunities to the board as they become available. Should you have any questions or concerns, please feel free to contact us at any time.

Sincerely,



Stephen Bloom
Accounting Manager
Severn Trent Management Services
Telephone: (954)-753-5841 Ext. 3022

FOURTH ORDER OF BUSINESS

4C

**Harmony CDD
Buck Lake Boat Use
9/14/09-10/12/09**

Passengers

Days of the Week	Total Passenger	20' Pontoon	16' Pontoon	Small Fishing Boat	18' Fishing Boat	Sail Boat	Canoes	Kayaks	Solar Boat
Mon, Thurs *	12	6			4			2	
Fri, Sat, Sun	11	5			6				
Totals	23	11	0	0	10	0	0	2	0
Comments									

Trips

Days of the Week	Total Trips	20' Pontoon	16' Pontoon	Small Fishing Boat	18' Fishing Boat	Sail Boat	Canoes	Kayaks	Solar Boat
Mon, Thurs *	4	1			2			1	
Fri, Sat, Sun	4	1			3				
Totals	8	2	0	0	5	0	0	1	0
Comments	* Buck Lake is closed on Tuesday & Wednesday								

Last Month

Passengers	69	37	12	0	17	0	3	0	0
Trips	19	6	5	0	7	0	1	0	0

FIFTH ORDER OF BUSINESS

From: Ritter, Wendy [mailto:WRitter@severntrentms.com]
Sent: Wednesday, October 14, 2009 5:03 PM
To: Moyer, Gary; Wright, Brenda
Subject: Harmony Question from Meeting Notes 9/24: City of St Cloud

Gary,

The Recording Secretary for Harmony, Ilana Rabone has referred to me the question that was brought up during the September 24, 2009 meeting which questioned why the City of St Cloud Bills were so low, \$926.62, for the period indicated on Invoice Approval #113. Please note that for the time period in question, Billing period 7/9-8/10, the bulk of the invoices were received at the time of preparation of Invoice Approval # 112 in the amount of \$32,526.07. These remaining bills for that cycle were received after the cutoff for preparation of Invoice Approval #112.

In addition to the timing of the meeting, which Brenda mentions in the notes, Invoice Approvals for Harmony need to be prepared 10 days in advance and therefore the cutoff prevented me from waiting for receipt of all City of St Cloud bills for Invoice Approval #112. Therefore, these six bills amounting to \$926.62 were placed on the next Invoice Approval, #113.

Invoice Approval #114 for the 10/29 meeting will contain the next billing period for City of St Cloud, 8/10-9/9, in the amount of \$33,342.59. Therefore, this should address Mr. Kassel's question regarding whether anything was paid twice or not paid.

If you have any further questions please let me know.

Thank you



Wendy Ritter
Accounts Payable Specialist
Severn Trent Management Services

210 N. University Drive, Ste 702 • Coral Springs, FL 33071
Tel 954 753 5841 Ext 3039 • Fax 954 345 1292
WRitter@SevernTrentMS.com

Rabone, Ilana

From: Prenter, Kim
Sent: Friday, October 16, 2009 1:57 PM
To: Bloom, Stephen
Cc: Rabone, Ilana
Subject: FW: Harmony Question from Meeting Notes 9/24: City of St Cloud

Will this be with the financials or a separate letter

Kim

From: Moyer, Gary [mailto:Gary.Moyer@thevillages.com]
Sent: Thursday, October 15, 2009 9:47 AM
To: Ritter, Wendy; Wright, Brenda
Cc: Rabone, Ilana; Cessna, Tiziana; Bloom, Stephen; Prenter, Kim; Davis, Paula
Subject: RE: Harmony Question from Meeting Notes 9/24: City of St Cloud

Ilana, please put this in the agenda package under "supervisors request". Stephen, if at possible I would like to include your memo on the trust account investments that we talked about a couple of weeks ago to answer this boards questions from last month.

From: Ritter, Wendy [mailto:WRitter@severntrentms.com]
Sent: Wednesday, October 14, 2009 5:03 PM
To: Moyer, Gary; Wright, Brenda
Cc: Rabone, Ilana; Cessna, Tiziana; Bloom, Stephen; Prenter, Kim; Davis, Paula
Subject: Harmony Question from Meeting Notes 9/24: City of St Cloud

Gary,

Ilana has referred to me the question that was brought up during the September 24 meeting which questioned why the City of St Cloud Bills were so low, 926.62, for the period indicated on Invoice Approval #113. Please note that for the time period in question, Billing period 7/9-8/10, the bulk of the invoices were received at the time of preparation of Invoice Approval # 112 in the amount of 32,526.07. Theses remaining bills for that cycle were received after the cutoff for preparation of Invoice Approval #112.

In addition to the timing of the meeting, which Brenda mentions in the notes, Invoice Approvals for Harmony need to be prepared 10 days in advance and therefore the cutoff prevented me from waiting for receipt of all City of St Cloud bills for Invoice Approval #112. Therefore, these six bills amounting to 926.62 were placed on the next Invoice Approval, #113.

Invoice Approval #114 for the 10/29 meeting will contain the next billing period for City of St Cloud, 8/10-9/9, in the amount of 33,342.59. Therefore, this should address Mr. Kassel's question regarding whether anything was paid twice or not paid.

If you have any further questions please let me know.

Thank you

10/16/2009



Wendy Ritter
Accounts Payable Specialist
Severn Trent Management Services

210 N. University Drive, Ste 702 • Coral Springs, FL 33071
Tel 954 753 5841 Ext 3039 • Fax 954 345 1292
WRitter@SevernTrentMS.com