

**HARMONY COMMUNITY  
DEVELOPMENT DISTRICT**

**AUGUST 26, 2010**

**AGENDA PACKAGE**

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# Harmony Community Development District

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August 19, 2010

Board of Supervisors  
Harmony Community Development District

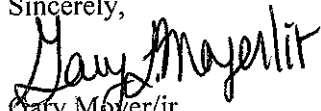
Dear Board Members:

The regular meeting of the Board of Supervisors of the Harmony Community Development District will be held on **Thursday, August 26, 2010 at 6:00 P.M.** at 7251 Five Oaks Drive, Harmony, Florida. Following is the advance agenda for this meeting:

1. **Roll Call**
2. **Approval of the Minutes of the July 29, 2010 Meeting**
3. **Subcontractor Reports**
  - A. Landscaping – Luke Brothers
  - B. Aquatic Plant Maintenance – Bio Tech
  - C. Dockmaster/Field Manager
    - i. Buck Lake Boat Use Report
    - ii. Proposal to Purchase Two Kayaks
    - iii. Assistant Field Manager Proposal
    - iv. Staffing Proposal (Supervisor Berube)
4. **Public Hearing to Adopt Fiscal Year 2011 Budget**
  - A. Fiscal Year 2011 Budget
  - B. Consideration of Resolution 2010-03 Adopting the Budget
  - C. Consideration of Resolution 2010-04 Levying the Assessments
5. **Acceptance of the Audit for the Fiscal Year Ended September 30, 2009**
6. **District Manager's Report**
  - A. July 2010 Financial Statements
  - B. Invoice Approval #124 and Check Run Summary
  - C. Meeting Schedule for Fiscal Year 2011
  - D. Public Comments/Communication Log
7. **Staff Reports**
  - A. Attorney
  - B. Engineer
  - C. Developer
8. **Supervisor Requests**
9. **Audience Comments**
10. **Adjournment**

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

Sincerely,



Gary Meyer  
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 on Thursday, July 29, 2010, 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
Steve Berube	Supervisor
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
Larry Medlin	Bio-Tech Consulting
Thomas Belieff	Dockmaster
Brenda Burgess	Moyer Management Group ( <i>by phone</i> )
Greg Golgowski	Harmony Development Company
Todd Haskett	Harmony Development Company
Jason Shafer	Luke Brothers
Shad Tome	Harmony Development Company
Residents and members of the public	

## FIRST ORDER OF BUSINESS

### Roll Call

Mr. Evans called the meeting to order at 9:00 A.M.

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

## SECOND ORDER OF BUSINESS

### Approval of the Minutes of the June 24, 2010, Workshop and Regular Meeting

Mr. Evans reviewed the minutes of the June 24, 2010 workshop and regular meeting and asked for any additions, correction, or deletions.

Ms. Kassel stated in the regular minutes, on Page 27 two-thirds of the way down where a resident is speaking, the sentence should read, "We are concerned about every little issue."

On MOTION by Ms. Snyder seconded by Ms. Kassel, with all in favor, the minutes of the June 24, 2010, workshop and regular meeting were approved, as amended.

### **THIRD ORDER OF BUSINESS**

### **Subcontractor Reports**

#### **A. Landscaping – Luke Brothers**

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

Mr. Shafer stated we had a fairly good month, but there are some areas that have some weeds, which we will be addressing as well as removing dead plant material. We made great strides this month and there is a vast improvement in the service level, but we need to work more on those two areas. This month we saw some chinch bug damage, but nothing like what it was last year. We treated them and replaced the sod and as a result, we will stay on top of them.

Mr. Evans stated the improvements have been very noticeable. I appreciate your commitment to stick it out and to take our comments and frustrations into account to improve. You kept your crews out here and worked through it. Whether it is our personal or business life, we have all been through challenges and challenging times. You never walked away. You stood here at our meetings and said you would figure it out and make it work. I compliment you on that. I know it is difficult and you took a good whipping here at a couple meetings. I, for one, greatly appreciate it.

Mr. Haskett stated I echo Mr. Evans's comments. They have come a long way since March and April. We see a lot of improvements throughout the property. Mr. Shafer acknowledged some areas that need improvement, but it is summer and the heavy growing season. We also need to take into consideration the dramatic weather changes we recently had. We had a very wet Winter and Summer arrived fairly quickly with not much of a Spring. Now we are in a drought situation, where the turf shows sometimes. In our dealings with Mr. Shafer, they are always quick to respond to adjust the irrigation. They work with Mr. Gologowski often to keep the MAXICOM system adjusted and managed well. They had minimal chinch bug damage compared to last year, which shows the effort they did in the Spring with preventative maintenance for insecticide. Overall they improved greatly and the property is looking nice.

Mr. Evans stated I agree. I have been in land development for over 25 years and I know how difficult landscape maintenance is. It is such a labor-intensive business and is really tough. You are not only dealing with the constant turnover of employees, but you are also dealing with the weather and things that you do not have any control over. It is a

balancing act. I do not ever expect it to be 100% perfect and will never be because it is changing on a daily basis. I appreciate your commitment and would like you to please pass that comment to Mr. Lucadano. It has been a challenge, but we worked through it and made some great strides.

Mr. Berube stated I have a slightly different opinion. I have some pictures that I will distribute. Approximately three or four months ago, we had some of the problems with the services provided by Luke Brothers. I have been paying careful attention to it, as has Mr. Haskett and a number of others. I agree with everyone's comments to date that the property has greatly improved overall. Their mowing cycles are better. Much of the maintenance on an ongoing basis is better. There are still a number of areas that need significant improvement and we need to be careful as we go forward that we do not lose sight of them. They had a vast improvement after we started voicing our dissatisfaction, where they brought in additional people and things improved significantly. Now I see a leveling out and possibly a sliding back toward where we were headed before. Their employee counts look correct, but I have not been watching them every day and will continue watching them very carefully. Picture #1 is of Lakeshore Park, showing a tree where the clippings are getting into the tree rings. It is not just at this location where it is happening and is largely because side-discharge mowers are being used. The clippings are getting into mulched areas and this is not an exclusive picture. To address this, some of the maintenance staff went into Lakeshore Park yesterday with mulch and treated a number of trees in that area that had a heavy buildup, but they missed a few others. The point is that it would be better if you can keep the clippings out so you do not have to go back and mulch.

Mr. Shafer stated this is an issue that we have addressed property wide.

Mr. Berube stated these pictures were taken Tuesday of this week. Picture #2 was also taken in Lakeshore Park, right behind the restroom building. The issue is weeds are growing in the mulch, which Mr. Shafer already addressed. This is a wide-spread problem. You can go to any planter bed in this community and see weeds growing in the mulch. The maintenance crews have been edging along the mulch and cutting the weeds. Can the person doing the weeding just reach down and pull out these weeds?

Mr. Shafer stated we have a mowing crew and a detail crew. If the mow crew stops to pull out weeds, they will get behind because this community is huge. We separate those tasks.

Mr. Berube stated that is fine. I give you credit for addressing the weed issue in several places, but it is a big deal. I have had several conversations with Mr. Shafer on this issue. It is a big place and the weeds are problematic.

Mr. Shafer stated the more we fertilize the plant beds, the more the weeds will grow, which compounds the problem. To help address this, every day the mowing crew is getting done earlier because they are getting better at what they do. Instead of them leaving the project, I take all of them and they assist the detail crew to keep up with these weeds. There are areas that had weeds earlier this week that do not have them now because of everyone pitching in and pulling weeds.

Mr. Berube stated picture #3 is of one of the larger trees in The Estates. I think these are Elm Trees. The canopies need trimming and they need to be moved up.

Mr. Shafer stated I agree.

Mr. Berube stated virtually all of this species in The Estates are hanging like this. One branch is about one foot off the ground and the entire canopy is only about three feet above the sidewalk. That applies to virtually all of the Live Oaks. They started to address many of them. This picture is on Blue Stem.

Mr. Shafer stated that was one of the three areas we did not get to this month but we lifted the tree limbs everywhere else.

Mr. LeMenager stated I would add Schoolhouse Road to the list. I would like to say there certainly have been improvements, but are we getting \$41,000 worth of service yet, I am not sure. A month ago you promised to get the canopies done and as you have just said, you were not able to accomplish that yet. There are a few things that definitely need some improvement. The other area I was going to comment on specifically was that I think the sports field went without any care for at least 10 days at the beginning of the month and it has been much more regular since then. The sports field is an extremely expensive investment on our part and should not be left to have tall weeds growing.

Mr. Shafer stated we applied fertilizer to the sports field in an effort to make it look better. In the beginning, it looked bad so we started to aggressively water it.

Mr. LeMenager stated it has improved. I only wanted to make that comment.

Mr. Shafer stated the sod was not getting watered enough and the fertilizer actually burned it. At that point, I left it alone for a couple days to let it come back up.

Mr. Berube stated this is not meant to beat up on Mr. Shafer. The landscape maintenance contract is the single most expensive item that we deal with on a monthly and annual basis. It is probably the most visible aspect of what is done here. It is important to everyone. I know you understand that. Picture #4 has a couple issues. The clippings are again getting into the beds. This picture was taken at the entrance to The Estates. The second issue is the plant material behind the front plant material is yellow and thin. There is a widespread lack of vitality in much of the greenery on the ground. Much of it has improved dramatically, but there are a lot of smaller bushes in the ground that appear yellowish and thin. They do not look vital and vibrant. Whether it is from lack of water or food or something else in the ground, I do not know, but we all see it.

Mr. Shafer stated some of that can be due to the fertilizer. We fertilized all of the shrubs earlier this year and we will do it again. We just purchased a new machine that shoots fertilizer instead of doing it the previous way. It is mounted on the back of a Gator and we can shoot fertilizer all the way to the wall as well as fertilize all of the plant material fairly rapidly.

Mr. Berube stated picture #5 is in the Drake neighborhood. There is a prominent weed growing up in the middle of it, about three feet tall. At the left of that is another example of what should be green plant material, which does not look vital. I wonder if it is frost damage, based on what we saw in a number of other areas this past winter. I am not necessarily saying it is your problem, but it would be nice when there is an area of bare wood like that for someone to clip it down. There are a lot of those around. We discussed one on Five Oaks a couple months ago where the center of a green area is white. It needs to be cleaned up so the green can come back.

Mr. LeMenager stated to the extent that people see a weed or overhanging branches, you can always pull them out. I have taken to putting a pair of clippers in my back pocket so when my wife and I walk around the sidewalks, if there are CDD trees that are hanging down too low, I take it upon myself to clip them.

Mr. Berube stated in regards to what you said earlier, we are paying \$41,000 each month to have these services performed.

Mr. LeMenager stated I am not disagreeing with you.



Mr. Berube stated this problem started last November with the mulching. Picture #6 is of an unmulched tree ring and it is one of six opposite 3350 Catbrier between the sidewalk and the golf course area. The mulching has not been done yet.

Mr. Evans asked do you meet with them once a week to review these types of issues?

Mr. Berube stated I rarely deal with Mr. Shafer. I normally deal with Mr. Haskett.

Mr. Evans stated Mr. Haskett is in direct contact with Mr. Shafer on a weekly basis. Is he totally ignoring your comments or are these other things? I am trying to decide if we need to review all of these issues. This is something Mr. Haskett deals with and he works with Mr. Shafer. You talk to Mr. Haskett regularly.

Mr. Berube stated I talk to Mr. Haskett on a regular basis. Earlier this month I provided a CD to Mr. Haskett with 72 pictures where half of the problems were resolved.

Mr. Evans asked are we going to go over the other half?

Mr. Berube stated no, I have only three more pictures to discuss. Picture #7 is of another tree ring in that area on Catbrier. It is mulched, but fairly lightly and you can see the weeds growing out of it. Picture #8 is of a dying Magnolia at the Schoolhouse Road pumping station. It appears to be dry. That entire area appears to be dry. In the past couple days, you started replacing sod in that area because it turned significantly brown.

Mr. Shafer stated it had chinch bugs.

Mr. Berube stated there are several other Magnolias in that area that appear to be dry. Picture #9 is the entrance to The Estates and you can see the sod turning brown. There is something wrong with the irrigation in that location because if you look beyond or to the side of the brown area, it is bright green.

Mr. Shafer stated there is Bahia in that area.

Mr. Haskett stated this area is not irrigated.

Mr. Berube stated then disregard that picture. There have been vast improvements, but there are still a number of issues visible to most people who walk in the community. This is why I am bringing this to your attention.

Mr. Haskett stated each month we see pictures of a particular weed, but the overall scope is being attended to and the property looks good. To spend time at each meeting to go over a tree ring that has some grass in it or a weed does not seem like the best use of our time. You can bring issues to my attention, as we get good results from Luke Brothers. It is somewhat disturbing to have these discussions every month. You may say

that it is not beating up on Mr. Shafer, but that is how I see it. They are doing a good job right now. If the grass was not being mowed like last year or if the irrigation was not functioning like it was last year, then I would agree. But the Board has given me the responsibility to keep Mr. Shafer accountable and this is what I do on a daily basis. That is how we get results. You could look at anyone's lawn on a regular basis and point out a number of things that are wrong in pretty much any yard. Overall they are doing a good job. Unless there is a disaster, at the next meeting I would like to move forward.

Ms. Kassel stated I appreciate that Mr. Berube pays so much attention to detail and that he is monitoring this and helping the CDD make sure we are getting our value from Luke Brothers. I appreciate him bringing to our attention the areas where he feels they are not complying with the contract. Something like this is good, but I agree with Mr. Haskett that spending 20 minutes or more every meeting to go over the small details is more than we need to do. I think Luke Brothers is getting the message and with Mr. Berube working with Mr. Haskett and providing a report like this at the meetings, let us know what the details are, which is helpful.

Mr. Berube stated I agree with what Mr. Haskett said. This is after three months of watching what is going on. I hesitated before I did it for exactly that reason. In my opinion, we need to be careful in how much praise we give because I am confident that they are sliding back. I hear resident comments and I received several yesterday, which I forwarded to Mr. Haskett of areas that I did not include in my review. Another example of where we are is that we have a number of Live Oak trees that are sitting along the street dead for the third month. Perhaps there is an action plan that I am not aware of, but if not, we need one. Most of the deficiencies that happen are supposed to be repaired within two weeks. It is a matter of bringing to the attention of the Board the things that I see. This is the last time it will happen.

Mr. Evans stated it is greatly appreciated relative to the oaks and trying to replace something in two weeks, but we are still trying to figure out why they are dying.

Mr. Berube stated I know.

Mr. Evans stated I had a similar situation on a project in Tampa where after four months, Live Oakes on one entire side of a street died, about \$50,000 worth, right after they were planted. We thought it was defective planting and went through a process of trying to figure it out why they died, only to find out that when they graded and filled the

road, it had a high mixture of clay in the soil that no one detected under the top soil. It created this artificial barrier that did not allow the soil to perk on this one side of the road. After 18 months of litigation and fighting with the landscaper and ending up with nothing, we determined that was the cause. I think to everyone's credit, they are trying to find out what caused this because it is not project wide. Out of the thousands of trees we have, only 20 have this issue.

Mr. Haskett stated we need to replace six trees and 20 that just need to be pruned.

Mr. Evans stated it has impacted a fairly small percentage of trees, but they are taking it seriously to find out what caused this.

Ms. Kassel stated so we do not replant the trees when we have not resolved the problem.

Mr. Evans stated that is correct. We need to identify the problem and everyone has an initial opinion. This goes back to our earlier meetings. We need to gather all of the facts. Everyone has their area of expertise saying it was the herbicide or the irrigation or the weather or the way they were originally planted or a series of events that have taken place after the fact with too much mulch on top of these rings over a series of years. There are many scenarios. There will be some discussion about replanting a lot of trees because some options have become available.

Mr. Shafer stated we will continue our efforts. When I ride around in my truck, I do not see the things I see when I ride around with Mr. Haskett in a golf cart.

Mr. Berube stated that is the point. Many people walk and ride their bicycles in this community and they see these things.

Mr. Shafer stated I now see things from your perspective.

Mr. Golgowski stated we had the opportunity in the past month or so to have people looking at trees generally around the property, including the County Extension Office, the University of Florida and our own Arborist. The one conclusion they had in common was that too much mulch was being applied around the trees, resulting in heavy organic mats around the base of the trees, which allowed the water to be retained, which was not good for the tree. The Arborist suggested not mulching ever again as he believed that we have plenty. Even if grass clippings blow in on bare ground, that is probably all the mulch we need around these trees. The sod was laid after the tree was installed, which raised the ground up and created a bit of a drain around the base of the tree. Our policy and the

mulch industry's policy is to bring in fresh mulch each year. I have not heard many no-mulch advocates in the industry, but if there were any, they would be telling us to reduce the amount of mulch.

Mr. Berube asked are you saying that the mulch is too deep?

Mr. Golgowski stated yes. It breaks down. If we raked it all out and brought new mulch in every year, we would probably be fine, but we do not have to keep adding to it. We need to have at least a six-inch clear zone around the trunk.

Ms. Snyder stated I thought the trees looked better at the second entrance.

Mr. Shafer stated they are pushing out new growth, but there are about six that I do not think will survive.

Ms. Snyder asked do you clip off the dead material?

Mr. Shafer stated yes.

Mr. Haskett stated the advice of our Arborist is to wait until December to do any heavy pruning on the trees, so we do not shock them anymore than they are now. In the agenda package for the Developer's Report, I included some tree proposals that are not within the Luke Brothers area of service that have died.

Ms. Snyder stated I agree that the grass clippings got into my tree ring at my house, but I never noticed it again.

Mr. Shafer stated we purchased an additional riding mower, which shoots the clippings a long distance and may have contributed greatly to this. This was not an issue until we purchased that mower. Yesterday at the dog park, I showed my crew several trees that were completely covered by grass clippings.

Ms. Snyder stated this happened in the plant beds in front of my home. I had never had that happen before and it has not happened again.

Mr. Shafer stated we put a block on the discharge shoot so it should not do that again. I would like to request authorization to proceed with the next phase of the plantings for seeding the beds in this area and along the golf course at Five Oaks Drive.

Ms. Kassel stated we have not seen that in a number of months as a Board; probably since November or December. I think we need a reminder in terms of what will occur in those beds. I did not bring my copy and we have nothing to distribute to the Board.

Mr. Berube asked are the other plantings complete?

Mr. Shafer stated yes. We had to pull some of the plants in Phase 1, which we will replace during the work activities for the next phase. I have copies you can review.

Ms. Kassel stated this phase totals approximately \$3,700. Is all the plant material available that is proposed, so you will not need to make any substitutions?

Mr. Shafer stated yes.

Mr. Berube asked how long do you anticipate the work will take to complete; a month or less than a month?

Mr. Shafer stated a couple weeks.

Mr. LeMenager asked is this the right time of year to be doing this?

Ms. Kassel stated it is a very hot time of the year. I wonder if we should wait another month or two just because everything will need so much water.

Mr. Shafer stated I am inclined to agree with you.

Ms. Kassel stated we can approve it now for the work to be done in September or wait to approve it until September.

Mr. Evans stated it makes no difference.

Ms. Snyder asked if we wait, will it run into the next quarter?

Ms. Kassel stated we are already running into the third quarter anyway.

Ms. Snyder stated if it is going to die after they put it in, there is no point installing it.

Ms. Kassel stated that is exactly my point. This is why I wonder if we should wait to approve this until September or approve it in August for the work to be done in September. We can also approve it now and tell them to wait to perform the work and then bill us accordingly.

Ms. Snyder stated I think we should approve it now.

Mr. Evans stated that will also give him time to schedule the work.

<p>On MOTION by Ms. Kassel seconded by Ms. Snyder, with all in favor Phase 2 of the landscaping renovations for seeding the beds along the golf course on Five Oaks Drive in the amount of \$1,069.50 and in other areas in the amount of \$2,636.75 were approved</p>
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**B. Aquatic Plant Maintenance – Bio-Tech Consulting**

Mr. Medlin reviewed the Monthly Aquatic Maintenance Report, which was included in the agenda package and available for public review in the District Office during normal business hours.

Mr. Medlin stated we were able to spray the ponds three times in July, with the majority dealing with algae. Every pond currently has some level of algae. We are scheduled to be here twice in August, but I think I can do three, possibly four treatments to try to stay on top of it better before the algae hits the surface. That will be our biggest challenge for the next couple months. Everything else seems to be stable as far as the buffer areas. We spent some time on the aesthetics of the buffers and cleaning weeds from the outfall structures. We are trying some new things on the Spikerush. We cleaned up some areas, but unfortunately, I think this led to some of the algae in Pond 27. That is the largest pond and it has the most Spikerush in it. When I was treating it yesterday, I noticed it had the most algae than any other pond. It looked better two weeks ago when I sprayed it, but now it looks terrible. I believe it is an algae bloom from the decaying material.

Mr. Evans stated this is the peak algae time because of the weather conditions.

Mr. Medlin stated that is correct. You will get algae year round, but in the summer, it is more constant.

Ms. Kassel stated the pond scum we have been treating is more cosmetic rather than a problem in terms of invasive or pond ecology, whereas the algae are a problem to the pond ecology.

Mr. Medlin stated the algae problem is not bad; it is more for aesthetics but it should never completely cover the pond year round. It should be maintained to as low a level as possible, which is best.

Ms. Kassel asked is that from an environmental standpoint, not from a cosmetic standpoint?

Mr. Medlin stated I was reading something from the St. John's website where they were trying to tell homeowners who live on their managed waterways to learn to appreciate algae for the good things. But they did say that too much algae is a bad thing and should be treated, but for the most part, let nature take care of it. We have unnatural ponds here since they were dug. We do our best to put plants in them to make them as natural as possible. The algae we are getting is not maintainable right now as much as a river would be due to the flowing water.

Ms. Kassel stated because we are supposed to be an environmentally friendly community, my concern is that we not over treat if it is just a cosmetic issue and treat when it is needed environmentally.

Mr. Medlin stated we are trying to strike that balance, and I think you can have both by keeping the good plants and eliminating the bad ones. Algae may be mostly an aesthetics issue, but to the degree it takes over the pond, we strive to keep it at its lowest possible level so it will not hurt anything ecologically. The chemicals we apply do not last long in the water; they work fairly quickly and are broken down in a few days. It is not like we are dumping a great deal of chemicals into the water that will have a long-term effect.

Mr. Berube stated it is clear that algae is a living organism. As you go through The Estates, the pond on the left had a significant algae bloom on the top. Nearly 50% of the surface area was covered. The pond on the right had clear water. Is there something unique about that pond or is it happenstance?

Mr. Medlin stated if you dig two holes next to each other, they will be different. They do not filter the water. Even though these ponds are in the same general area, they all have a slightly different chemistry, which that could explain why some are different. With the chemicals I am using, I am having great success in treating Spikerush in some ponds, but in others, I cannot seem to get beyond a certain point. I think that water chemistry is affecting what I am doing. Each pond is unique.

Ms. Kassel stated the pond on the left going into The Estates is on the border of a wetland, whereas the pond on the right is on the border of a hardwood area.

Mr. Berube stated that is my point. There are clear differences in chemistry because they are virtually side-by-side. One looked terrible and one looked relatively good.

Mr. Medlin stated the pond on the south side may have Spikerush in it while the other pond had Spikerush, but I was able to clean it out.

Mr. Berube stated it sounds like you are on top of it.

Mr. Medlin stated we are doing our best.

Mr. Evans stated at our last meeting, there was a discussion about some issues relative to the number of plants installed. Was this resolved?

Mr. Golgowski stated yes, I believe so. I toured the ponds with representatives of Bio-Tech looking at plants and counting them. Many of these plants are relatively small,

and as a result, they are often planted in groups of two or three. In my initial counts, I was counting them as one plant when in fact, there were multiples. After touring the property, I believe they installed exactly what they said. They even provided an invoice from the nursery where they purchased the plants, which indicated that they purchased more and I assume planted more than what they invoiced the District.

Mr. Berube stated it was deceiving at first. When we started reviewing this, it was nearly impossible to tell who did what. Mr. Golgowski and I had numerous conversations about this. Thirty days after installation, some were dead, some sprouted and some were in clumps so could not tell. It appears that in substance we received what we contracted for.

Ms. Kassel stated that invoice is not part of today's approval summary.

Mr. LeMenager stated we did not pay them last month, so we need to be sure to include that in our invoice approval this month.

Ms. Kassel stated we should not make them wait another month just to include their invoice in our approval package.

Mr. Berube asked how do we pay them?

Mr. Moyer stated you include their invoice with your approval for this month's invoices.

### **C. Dockmaster/Field Manager – Buck Lake Boat Use Report**

Mr. Belieff reviewed the Monthly Boat Report, which was included in the agenda package and available for public review in the District Office during normal business hours.

Mr. Belieff stated I want to thank Mr. Bill Fife, the Activities Director, for his help in the sailboat activities. We have a record number of people signed up for training this month. Residents are having a lot of fun with it.

Mr. LeMenager stated the report still shows zero usage.

Mr. Belieff stated it is a timing issue.

Mr. Berube stated we sent the Conservation Club out on a lake tour earlier this month, and everyone had a good time.

Ms. Snyder stated the report is only through July 10, which is probably why that sailboat usage was not included. I have been going out in the kayak and Mr. Belieff is always there and always helpful, getting the kayaks ready for us in the water and helping us out of the boat.



Ms. Kassel stated I want to thank Mr. Belieff for helping me rescue a baby Mockingbird on Sunday morning. It was sitting on Five Oaks Drive, so I put it in the grass and came by later with Mr. Belieff. He found it, got a ladder and put it back in the nest where its mother found it right away.

Mr. Belieff stated I am continuing to work on the trash cans and I hope to have this matter wrapped up by next month. I am trying to keep an eye on the pools because we have been having some issues. Mr. Haskett put up some signs, which seemed to help. Mr. Berube looked at the gate and did some modifications, which helped this past weekend. I am there for a couple hours every day and it is amazing to see the number of people who come out here every day from U.S. 192 who do not live in the community. When I see them, I send them on their way. People have been standing on the gate or break into it or jump over the fence right in front of me. The same thing happens in Ashley Park. Some people have gotten nasty with me for just trying to implement the rules. They have said some nasty things that I would never say to anyone, just for trying to enforce the rules.

Mr. Evans stated any time someone gives you a problem, call the Deputy. Do not hesitate. You are extremely polite and very patient, but it comes to a point of tolerance. If they want to be belligerent, call the Sheriff immediately and they will come out and remediate the situation rather quickly.

Ms. Kassel stated if a few people get ticketed for trespassing, the situation may change.

Mr. Berube stated the three of us got together last week and reinforced the gate latch. The gate has some issues on its own from people swinging or standing on it or breaking through it. The framework was damaged, so we refitted the latch and have stainless steel at the bottom. Now we have a secure gate. Mr. Haskett had some signs made saying "If you go through the gate, you are trespassing. If you are there without the proper key and Harmony resident identification, you are trespassing". We may not be fully legal on the trespassing issue, but if we have to call a Deputy, we should be able to refer to the signs. Pool security still has some problems.

Ms. Snyder stated I had a problem on Tuesday getting into Buck Lake with my key. I reached over and the inside worked, but the outside did not. When I was coming out, it was still hard to open the gate. Perhaps it just needs some WD-40.

Mr. Belieff stated kids sometimes jam the locks. A week or so ago, Mr. Haskett fixed the latch on the gate at Ashley Park and two days later, they had already jammed the deadbolt. People are always trying to find a way to jam the gates. I will lube the lock and take another look at it.

Mr. Berube stated the day after I repaired the gate latch, the next day someone had popped two screws out that were holding the striker. I glued them in this time. You can only make it so secure, and then they will go over the fence.

Ms. Kassel stated we need more enforcement.

Mr. Berube stated I agree.

#### **FOURTH ORDER OF BUSINESS**

#### **District Manager's Report**

##### **A. Financial Statements**

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

Mr. Moyer stated to the credit of the community, for all practical purposes, we collected 100% of our non-ad valorem assessments. On the expenses under all of the major categories of the budget, we are under budget for those major categories. We are in good shape as of the end of July.

##### **B. Invoice Approval #123 and Check Run Summary**

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

Mr. Moyer stated I request that the Board add the Bio-Tech invoice that was in last month's agenda package, but was withheld from the approval.

Mr. Golgowski stated I have copies of that invoice to distribute to the Board for informational purposes.

Mr. LeMenager stated I noticed that the invoice from John Deere will be paid 50% by the golf course. That should be reflected in our approval. I had a question about the legal invoice for \$596.75. It was not clear to me what this was for.

Ms. Kassel stated my concern was that a great deal of time was spent on resolving the issue with the County, where they were billing us and they did not have the right to bill us. It appears Mr. vanAssenderp spent a fair amount of time and our money to resolve an issue that has been going on for a number of years.

Mr. Berube stated that invoice was only about \$275, which is a small amount of money.

Ms. Kassel stated it was a small amount of money. It just seems that a lot of time was spent to resolve an issue that was not problematic to us and it is costing more in legal fees than the actual cost of the invoice.

Mr. Berube stated there was a point of the validity of the invoice coming from the County Commissioners.

Mr. LeMenager stated there are two invoices for that exact same amount and we are talking about two different issues.

Ms. Kassel stated on that invoice, there are a number of entries that discuss the entire issue with the Tax Collector and the Property Appraiser. The amounts for \$617, \$621, and \$623 involve that issue.

Mr. Qualls stated I spoke to Mr. vanAssenderp regarding those issues since these are his entries. He views these bills as another form of communication, so perhaps you should ask him the specific question. I do not have all of the details and the background information, but I know he has been working hard to make sure that the financial statements and issues with the Tax Collector and the Property Appraiser are pursuant to law. It seems pretty detailed what he has done. If your comment is that he spent too much time doing it, then he will listen and consider what you have to say.

Mr. LeMenager stated my question concerned the last item on June 28. The way it is written, I am not sure what it is.

Ms. Kassel stated it is what preceded the memorandum he sent to us about the rules and policies for no trespassing.

Mr. Qualls stated that is the issue about what the rules say.

Ms. Kassel stated I believe it was the issue of no fishing in the ponds. I do not know how anyone else feels about spending more in legal fees than we paid to the Tax Collector and what we should do about it or whether we should just leave it.

Mr. Berube stated it seems logical to start a battle and spend more than the invoice and it seems to be a matter of principle. But how far do you drag principle and how much money do you spend related to it? Overall, I think the law firm does a pretty good job, but you make a good point.

Mr. Qualls stated no battle of any sort has been started. These things are all important. The County Commission is still sending you a bill for things that there is no privity between this Board and the Board of County Commissioners, so it is a nullity. The Property Appraiser should be sending that bill. What is likely happening is the Property Appraiser is working with the County Commission and telling the County Commission they have a special bureau to handle this and want them to handle it for them. The County Commission is sending you a bill, but there is no contract. It is a fairly simple legal principle that if you do not have a contract for something and they are sending you a bill, that bill is a nullity. It is a simple fix and I noted that you have questions on it. If anyone wants to call Mr. vanAssenderp and discuss this, he does view these bills as another form of communication with the client. I am sure he will be happy to take into consideration what you would like for him to do.

Mr. Berube asked if the bill did not come from the County Commission and it came from the Property Appraiser, would we likely receive the same bill?

Mr. Moyer stated yes.

Ms. Kassel stated that is not the issue. The issue is not whether or not we should pay that bill. The issue is who the bill is from.

Mr. Berube stated I understand that. We are paying the Attorneys to force some County agency to change the way they submit the bill to us. I appreciate the attention to detail since I am a detail person. It is at least \$1,500 and we need to decide how much of our residents' money we need to spend to run through the semantics of where the bill comes from?

Mr. LeMenager stated I am thinking that Mr. vanAssenderp's point is that the Board cannot legally approve paying a bill that is a nullity, as pointed out. He is covering us if someone comes back to us and says we paid this bill but there is no legal basis to do so. I think that is what he is doing. It has nothing to do with getting them to do it the right way, but has everything to do with, as a public body, you cannot pay bills that do not exist. Anyone could send us a bill, but we cannot pay it if it is not appropriate.

Mr. Evans stated that is a good point.

Ms. Kassel stated Mr. Moyer manages a number of CDDs that pay this same bill and their Attorneys have not taken any issue with it. I understand that there is a legal issue. I wish Mr. vanAssenderp had said that this is an issue he wants to try to resolve and he will

put a ceiling on it if we so choose. I do not know if the issue with the County has even been resolved yet. We certainly spent a great deal of money resolving an issue we did not feel was a problem.

Mr. Qualls stated I understand that. It is an issue that I raised in May. I see your point and I will talk about this with Mr. vanAssenderp. I think Mr. LeMenager is correct that it is important. Other Districts may not see the issue. The contract you have is with the Property Appraiser and he is supposed to provide these services. Now the Board of County Commissioners is sending a bill. Other CDDs pay it and it may not seem like a big deal, but as Attorneys, we are concerned that sometimes it is the little things that can get clients into trouble. I am not saying this will lead to that. It is good that he is paying attention to those details, but he views this as a form of communication. I am sure if one of you wants to reach out to him and discuss this, you might find a courtesy discount in the next bill.

Mr. Evans stated I think Mr. vanAssenderp was just being thorough and I cannot fault him for that.

Mr. Berube stated I agree.

Mr. Moyer stated just so the Board understands, to the degree this is customary in Osceola County and the County Commission and the Property Appraiser wants to stay with that process, my concern as your Manager is that we get our assessments on the tax roll. I do not want to play games for a couple hundred dollars and have them say to us that we did not go through the proper channels with the County Assessment Department, so they decide not to put your assessments on the tax roll anymore. That is the other side of the story. I think we need to get this right. I will continue to do what I think this Board would want me to do, which is to get our assessments on the tax roll. We will worry about working out the details later.

On MOTION by Mr. LeMenager seconded by Ms. Snyder, with all in favor the invoices as presented were approved, including the Bio-Tech invoice for additional plantings in the amount of \$3,274.95, which was tabled at the June meeting and 50% of the John Deere invoice, which will be paid by the golf course.

**C. Comments and Questions on the Proposed Budget for Fiscal Year 2011 and Discussion of Government Accounting Standards Board (GASB-54)**

Mr. Moyer stated we picked up on all the discussion items from last month, although there is still one minor tweak that I need to make where we are showing reserves for self insurance. We keep adding to that and we agreed to cap it at \$50,000, which represents our deductible. The number is right, but we still have the header indicating it is self insurance. I will make this change to your budget before it comes back to you in August. I think the other items are covered. We also provided to the Board some information on the GASB rules dealing with the handling of funds and fund balances, which we discussed extensively. Basically that parallels what we indicated last month; to the degree you encumber a fund. You can set aside a reserve for a specific purpose and the most flexibility you can have, that can only take place in the General Fund, would be not to allocate it to a reserve, but to simply let it remain in the Fund Balance. That is something the Board might want to address as we go through the discussion of the budget at the public hearing next month, which is, how much restriction you want to put on these fund balances.

Ms. Kassel asked can we call them assigned?

Mr. Moyer stated if you assign it, that is the same as setting it aside for a specific purpose. If you leave it in an unassigned Fund Balance, to the degree we need to transfer money into any of your budget categories, the Board has the discretion to do that.

Mr. Evans stated it gives us more flexibility.

Mr. Moyer stated having said that, if you have a reserve for several hundred thousand dollars and the Board needs to move it to another place, you can go through a process to do this. Generally the intent and what the public would reasonably expect this Board to do is, if you put money into a reserve for a specific purpose, that you will use it for that specific purpose.

Mr. Berube stated to recap, right now it is unassigned.

Mr. Moyer stated most of it is unassigned.

Mr. Berube asked is your recommendation to leave it that way?

Mr. Moyer stated yes.

Ms. Kassel stated I think we are relatively fiscally responsible on this Board, but my concern is as the constitution of the Board changes as time goes on, Board members may choose to spend money on something else we are setting aside for refurbishments on

capital items. Then we will get a big assessment when we have to pay for those things later.

Mr. LeMenager stated I understand and I think you are absolutely correct that the Board can do this. My understanding in discussing this matter with Mr. Ray Walls, who is running for a seat on this Board, because he does this for Orange County, GASB 54 means you do what Mr. Walls mentioned earlier. You start at zero every year and make a determination as to how you are allocating your reserves for the future year. While during the course of a year, you are saying you are not going to spend that money this year, Ms. Kassel is correct that the Board can spend the money any way they want.

Mr. Berube stated actions have consequences.

Mr. LeMenager stated that is true. We are fairly small compared to Osceola County and Orange County, but you are absolutely right that a future Board can do this. The only comment I was going to make regarding a specific amount, especially seeing the revised numbers from our Engineer, I see we are talking about setting a renewal and replacement reserve for \$35,000 to set aside. Given that some of these facilities are already several years old, I would suggest starting at a higher amount. We have \$260,000 in undesignated cash and I wonder if we should call the irrigation improvement project a reserve as this is money we intend to spend next year.

Mr. Evans stated we have allocated \$60,000 to spend with the anticipation of recapturing \$30,000.

Mr. Moyer stated we can show it either way. We can actually move it into a line item and say that we will spend \$60,000 on irrigation and take it out of reserves, as long as it is budgeted for.

Mr. Evans stated we can budget just \$30,000. We would not spend that money unless we knew we were getting the \$30,000 back.

Mr. LeMenager stated it is not actually a reserve; but is something we are planning on spending. Those are my two comments on the budget. Otherwise, this is a good document.

Mr. Moyer stated on the issue of these reserves, the one thing I have some sensitivity to, in terms of them being undesignated, a future Board can use it for anything. We are thinking that they may use it for capital replacements or to cover unforeseen damages. The one thing you need to be careful of, depending on who is on the Board, they can take

that money and assign it against the non-ad valorem assessments and drastically reduce the assessments one year. Then you are back to having no reserves for any purpose.

Mr. Evans stated then you pay a severe price in the years to come.

Mr. Moyer stated it goes both ways. My comments assume we are going to continue to have Board members who are fiscally responsible and would not do that. If you get a Board that wants to show the community how much they saved the residents by reducing their assessments, that would be the way to do it.

Mr. Evans stated we are considering increasing the renewal and replacement reserve of the infrastructure, which is tied to Mr. Boyd's report. Do you want to increase it from \$35,000 to \$45,000?

Mr. LeMenager stated I suggest that we start off with \$100,000. It is 2010 and some of these facilities are already five years old. Mr. Boyd, did you prepare the report on the remaining useful life or useful life from zero?

Mr. Boyd stated it is on the useful life from zero, accumulating reserves.

Mr. LeMenager stated we have not accumulated anything yet.

Ms. Kassel stated I think we have.

Mr. LeMenager stated no, we have not.

Ms. Kassel stated not specifically. We have a total of \$260,044.

Mr. Evans stated that is Mr. LeMenager's entire point. We have this balance of money that we have earmarked internally, but not officially designated.

Ms. Kassel stated so now we can officially designate it.

Mr. LeMenager stated we should not be thinking we have \$260,000 we can spend.

Mr. Boyd stated I think these are accurate figures. We just did the alleys. The sidewalks will continue to be maintained in good condition. For the most part, this report can be looked at as useful life from this point forward.

Mr. LeMenager asked would you be happy with \$45,000 as a starting figure? My point is whether the report is based on now or a year or two ago.

Mr. Berube stated I think the \$45,000 is a floating number because of the various expected life spans of these facilities. I agree with Mr. LeMenager's suggestion of designating \$100,000 because effectively that is about two years' worth of reserve based on Mr. Boyd's report and we are certainly two years into this program.

Ms. Kassel stated we are seven years into most of the community.



Mr. Berube stated if you go that many years, the amount should be \$300,000.

Mr. LeMenager stated if you do not include the irrigation, we have almost \$300,000 because we will receive half of the irrigation expense as a reimbursement. I have no problem in saying we want to set aside \$100,000 for renewal and replacement. As this gets to be a better document, we can consider it on an annual basis.

Mr. Berube stated a year from now, we will have another year of history. We can look at it to see what we did for the previous year.

Mr. LeMenager stated I want to be responsible. Having \$260,000 in undesignated funds is a large amount of money. I can see why people would argue that our non-ad valorem assessments should be going down if we have that much.

Ms. Snyder asked what if we took \$30,000 from the irrigation reimbursement and add it to Mr. Boyd's figure for the renewal and replacement and made the designation \$65,000?

Mr. Evans stated I think these are two different things. One, we are looking at needing to generate \$45,000 or \$50,000 each year for renewal and replacement. Once we have the funds allocated next year, then we need to budget for a contribution to that fund. Mr. LeMenager brings up a good point. We have "x" amount of dollars that we can internally mark what we would do with that money. We have \$50,000 designated for the insurance deductible and several other line items. If this accumulated for the last five years, the Board needs to accumulate \$250,000 to be able to fix things that will come up in the future. I think we are right on target for what we truly need long term so we are not caught behind the curve.

Ms. Kassel asked are you proposing not to increase the renewal and replacement?

Mr. Evans stated no, I am saying that is really where the rest should go.

Mr. Berube stated we already accumulated five years of these numbers in undesignated cash.

Mr. Evans stated a lot of this is nomenclature. If we have "x" amount of dollars available for certain applications, if we designate a specific amount of those funds for a specific purpose, by Statute and by accounting rules, that is the only thing it can be used for.

Mr. Moyer stated that is correct.

Mr. Evans stated that is the allocation. What we are discussing is how we would use these funds without having our hands tied. We understand we have a certain amount of money. If we allocate the balance, which is close to \$250,000, we envision it is for a long-term maintenance program. But we do not want our hands tied because something can come up that could be more than that and we will need to shift some money around. It might be more than the \$250,000 plus the \$50,000 that we allocate in one year. If a hurricane comes through here, we will have significant damage.

Mr. Moyer stated we can probably make the argument that it is for renewal and replacement.

Mr. LeMenager stated I was going to make the same comment. In that case, we will accelerate some of the things on Mr. Boyd's list.

Mr. Evans stated you can argue both points. I think you bring up a good point, as does Ms. Kassel, that a future Board could strip this account because it looks good politically but it is disastrous from a financial accountability standpoint. Most people, unless you delve into this, will not understand all of this.

Mr. LeMenager stated that is why I would start at \$100,000 now and then we can add \$50,000 into it each year. Then we have a stronger base. It is a question of where we start. My concern is, someone quite legitimately may question why we are not lowering out assessments since these are tough economic times and the District has \$260,000 that is undesignated. That is a valid argument someone could make, while we are sitting here discussing that some funds should be a lot higher because we have not set aside money for years in order to do some things. It is how people view it. We are trying to be fiscally responsible and we are not trying to accumulate a large amount of money.

Ms. Kassel stated we are trying to be ready so we do not have to assess the residents thousands of dollars.

Mr. LeMenager stated that is correct. We are trying to do this so 10 years from now, we do not have to issue a significant special assessment on every lot.

Mr. Evans stated since it goes on the tax bill, it is not a matter of whether or not it will get paid. In essence I think what we are saying is after closer examination of our financial status and closer examination by Mr. Boyd of what they perceive are our long-term repair and replacement obligations, this District sits in a very enviable position.

Ms. Kassel stated there was an article in the Orlando Business Journal a month or so ago about all of the CDDs in Osceola County that are in default on their bonds, about \$6 billion, which are involved.

Mr. Evans stated they did not do what we are doing.

Mr. Berube asked are we designating \$100,000?

Mr. LeMenager stated I would like to see \$100,000 in the next version of the budget and also a clarification as to this irrigation process. Clearly, we will have public discussion at our next meeting on this matter.

Ms. Kassel stated this does not necessarily have to be a line item, but there should be a note.

Mr. Moyer stated it will have to be taken from Fund Balance. I reconsidered what I said to Mr. LeMenager a moment ago. If we put this as a line item, we will exceed our budget revenues, which is fine because it will come out of Fund Balance anyway.

Mr. LeMenager stated we still have this reserve for self insurance that is not an expense. You can easily turn that into \$10,779. My point is that you can make this the balancing number.

Mr. Moyer stated you are correct.

Mr. LeMenager stated you can separate \$30,000 for the irrigation replacement and change this number. This is not an expense.

Mr. Moyer stated I understand.

Mr. LeMenager stated we will still balance.

Ms. Kassel stated I thought that was the money that was going into our renewal and replacement fund.

Mr. Moyer stated we are talking about a pool of money that is being allocated to various items.

#### **D. Public Comments/Complaints**

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

Mr. Berube stated one of the entries is for the interactive splash pool. A number of the outlets do not seem to be shooting.

Mr. Haskett stated they are not shooting. Over time, the diaphragms within two of the valves were not activating. I placed an order for the parts and it takes approximately three

weeks to receive them. The fountain has not had a good checkup since 2006, but Mr. Belieff and I work on it from time to time to keep it going.

Mr. LeMenager stated it is a popular facility.

Ms. Snyder stated there is one item on the log that is noted for CDD Board discussion on the request for the dying Maple Tree that is dying on Beargrass.

Ms. Kassel asked will this be addressed under Mr. Haskett's report?

Mr. Haskett stated yes.

## **FIFTH ORDER OF BUSINESS**

### **Staff Reports**

#### **A. Attorney**

Mr. Qualls stated Mr. vanAssenderp provided a memorandum on trespassing signs. It is both a civil and a criminal violation for a trespass, especially after you have warned them. That might scare them a little, but since it is a criminal offense, I would advise calling a Deputy. Do not put yourself in harms way. If you have any questions on the memorandum, please let me know.

Mr. LeMenager stated I think the clear message of the memorandum is that the small "No Fishing" signs we have now do not mean anything.

Mr. Qualls stated that is correct.

Mr. LeMenager stated personally, I have no problem with some fishing being allowed in the ponds that are in non-residential areas. I recognize that it is not a universally held view. I think one thing we are in agreement on is that we cannot let the current situation go on with a sign that the Sheriff will not enforce because it is not an appropriate sign. I think that has been demonstrated in court.

Ms. Snyder stated then we need an appropriate sign.

Mr. LeMenager stated if it is the Board's desire to prohibit fishing in every single pond, then yes, we need the right kind of sign. In reading the document carefully, I think you have to be careful in how you word the sign. I think we want to prohibit people from doing anything in the pond and not to prohibit people from walking around the ponds. I cannot help but notice that Mr. Golgowski installed some nice path signs. The edge around Long Pond is now an official walking path, which it should be. We need to be careful how we do these signs. Clearly, the current situation is unacceptable. We cannot have the Sheriff come out and say he cannot enforce the sign. We need to take some action with respect to the signs to make sure we are in compliance so that the Sheriff can

actually take some action. We can discuss the issue of whether or not people should be able to fish in Long Pond and disagree on that. The question is whether residents should be allowed to fish in ponds behind people's houses or behind the school or in the Birchwood neighborhood. I agree that you do not want people to be able to disturb others who live behind private ponds. There are two issues I see.

Ms. Kassel stated I propose that we lower the age to allow kids to fish at Buck Lake to 10. We have a dock there and it is specifically built to allow people to fish there. As unsightly as they will be, we should also put signs around the ponds for safety and other reasons. If we allow residents to fish in the pond, we should allow anyone to fish in the pond, whether or not they are from Harmony. That is one of the big issues I have with people fishing in the ponds, aside from the bigger issue, which is safety. It is not just the alligators, but the grade inside of the ponds.

Ms. Snyder stated I agree. One thing I was concerned with was lowering the age for kids to fish at the dock, and I think that has to be done. There are so many kids here who really enjoy fishing. I know Mr. Belieff has special groups who fish and kids want to come down to fish on their own, but they cannot get in there.

Mr. Berube asked do we have an actual rule?

Mr. Qualls stated I do not see one.

Mr. LeMenager stated I appreciate that it says 16 and older on the sign, but I want to know if that is in our actual rules. I do not know if it is a rule or just something we decided because it seemed like a good idea at the time.

Ms. Kassel stated there is a difference between the rules we adopted and the policies we set. I think what is posted on the sign is a policy that was set prior to this particular Board and we can change that if we choose. The rules were made general to some extent, so we can set policies beyond the rules to further regulate use.

Mr. Qualls stated in Rule 4.2 in the set of rules that were most recently adopted, it addresses the use of facilities by children. It indicates that children must be under adult supervision to use the soccer, volleyball and basketball facilities. There is a similar rule for pool use, Rule 3.1(d), which says children must be under adult supervision to use the swimming pool. I do not see a specific age mentioned. There is another set of rules that was adopted well before this Board and I will check those.

Mr. LeMenager stated it is more of a liability question. I appreciate what you are saying and that is the argument we had last month when Rich was making his comments. It comes back to what we actually are. My view is that we are actually like the Department of Parks and Recreation. We can say all we want, but because of the way this CDD is structured, that is what we are. I think it is important for us to give young teenagers or kids who are not yet teenagers plenty to do. Otherwise, they will get into mischief.

Ms. Snyder stated I agree. They use the facilities.

Mr. Berube stated regarding the "No Trespassing" signs, before we decide to put them up, we need to be careful. One of the things I noticed is that for any area you want to protect, you have to post signs every 500 feet. That is a lot of signs in many areas. It will be easy in some of the ponds, but how do you count 500 feet on some and what happens if you go around a corner?

Ms. Kassel stated it is probably linear feet.

Mr. Berube stated that may well be.

Mr. LeMenager stated we have a lot of ponds, though.

Mr. Berube stated yes, we do. If we post all of the signs, we are looking at a significant investment in signs, not to mention the aesthetics. We already have a lot of signs and most of them look good. It gets to the point when you have too many signs. At Lakeshore Park where the sundial is, there are between 7 and 11 signs for various things. How much is too much? If you put up a "No Trespassing" sign, then you get into the same problem we had with the pools on who the traffic cop is and how much we rely on Mr. Belieff to be policing all of this. It is fine to have rules.

Ms. Kassel stated that is what we are doing so the Sheriff can enforce it. Of course, we should check with the Sheriff to be sure they will enforce it if we have those signs.

Mr. Berube stated that is only in response to a call.

Ms. Kassel stated I have been told by someone who is familiar with the Sheriff's Office that they will not enforce it. How far apart are the current signs at the ponds?

Mr. Golgowski stated they are random.

Ms. Kassel stated we can start with certain ponds around people's homes and make it a staged implementation. Not all of the signs have to be installed at the same time. We

can stage it over a period of a few months, but I do not think it will be that much money. Yes, there is an issue of appearance, but what is the alternative?

Mr. Moyer stated based on some of my experience with other CDDs, a resident could not call the Sheriff to say someone is trespassing. A representative of the District will have to make that phone call and have to swear out the complaint for trespass.

Mr. Berube stated typically the first thing they get is a trespass warning where the Sheriff gets their name and address and other information, but it has no effect for a first-time violation. If they come back a second time, there is a record of that trespass. There is a process of doing that. I still think the ponds belong to the residents. I appreciate everyone's comments that sometimes this gets out of control. But I think we are dealing with public land. I have a hard time shutting it all off. To Mr. LeMenager's comment, you have to give the kids places to go. I suspect if we stagger the signage on the ponds, we will drive people from a newly signed pond to an unsigned one and I do not know where it will end up.

Ms. Snyder stated hopefully it will drive all of them to Buck Lake where they are allowed to fish.

Ms. Kassel stated we have a facility for the purpose of fishing.

Mr. Berube stated maybe so.

Ms. Kassel stated you fish out on a boat if they do not want to fish on the dock.

Mr. Berube stated maybe the fact that Buck Lake is gated off, it becomes a matter of easier enforcement because you need a key to get in. Maybe that is why people are fishing at the ponds, because they cannot get through the gate at Buck Lake.

Ms. Snyder stated I think we need to find something where these kids can do things outside. They are all outside now.

Ms. Kassel stated there are currently a lot of things they can do. There is basketball, volleyball, and other facilities.

Ms. Snyder stated there are so many kids who are interested in fishing.

Mr. Berube stated to that point, a resident mentioned to me that if we are going to allow fishing in the ponds and if we are contemplating signing it at some expense and some aesthetic value, why not put in a fishing dock in some of the ponds. It does not have to be anything extravagant.

Mr. Evans stated we have multiple issues. What are we going to do at Buck Lake? Are we going to remove the sign that says there is an age restriction because there really is not one?

Mr. Berube stated I am fine with that.

Mr. Evans asked is that where we are headed for Buck Lake?

Ms. Snyder asked are we saying there is no age restriction?

Mr. Evans stated there is not one now.

Ms. Kassel stated there is no rule with an age restriction, but we have a policy.

Mr. Evans stated that is what I am trying to get to. Are we going to change and implement an age restriction at Buck Lake? If so, what is it going to be for kids without adult supervision?

Ms. Kassel stated 10 years old.

Ms. Snyder stated I agree.

Mr. Evans asked is there anything in our rules that dictates an age?

Mr. Qualls stated the rules do not define an age. They just say "children."

Mr. Evans stated we can establish a working policy that defines a minimum age of 10 years old at Buck Lake without adult supervision.

Mr. LeMenager stated that is awfully young. What kind of liability does that open for us?

Mr. Berube stated I have an 11-year-old nephew who just moved here, and he is more than capable of going down there alone to fish.

Ms. Snyder asked that does not mean they can take out a boat, does it?

Mr. Evans stated no.

Mr. Berube stated boats are a separate issue.

Mr. LeMenager asked do we even need an age statement on the sign?

Mr. Evans stated that is my point. The only way they can get to Buck Lake is with a key and their parents have to give them the key.

Mr. Berube stated we are not their nannies. If the kid has a key or even if they do not, they will still go over the gate.

Mr. Evans asked do we still need to establish an age? We are not the parents. The only way they are getting access is with a key from their parents.

Mr. Berube asked why not eliminate the age and just put "children?"



Mr. Evans stated we need to be specific and come up with an age or leave it out altogether.

Ms. Snyder stated I would go with 10 years old.

Mr. Evans stated we either list an age or let the parents decide.

Mr. Berube stated it should be up to the parent. Kids run around the community everywhere. We do not restrict where they run around. They are outside skate boarding. They can run through traffic. They can go on the ponds. They can climb trees. We have a community that encourages people to move here so the kids can walk to school. A lot of them walk to school alone and that is fine. They walk down the street in traffic.

Mr. LeMenager stated the other issue I raise is, there is a gap over there with direct access to the lake. A kid of any age can walk right down to the lake through the E neighborhood. I would take the age statement off the sign.

On MOTION by Mr. LeMenager seconded by Mr. Berube, with all in favor, the age restriction will be removed from the Buck Lake sign.
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Ms. Kassel stated I think we should similarly remove the age limit at the dog parks. Kids come down all the time.

Mr. Berube stated we also have an age restriction at the pools.

Mr. LeMenager stated I understand why there is an age restriction at the pools.

Mr. Berube asked why?

Mr. LeMenager stated a kid can drown.

Mr. Qualls stated the current rules say that children must have adult supervision at the pools and at the other facilities such as basketball and volleyball. What you are doing now is making a motion to have a policy that will be reflected in the minutes. It is a policy and not a rule, so it will not do anything. While I think this discussion is helpful and useful, what we have done here is legally meaningless because I cannot do anything with it.

Mr. LeMenager stated we are removing the age restriction from the sign at Buck Lake so we have removed one impediment to kids wanting to fish.

Ms. Snyder stated I would like to discuss the age restriction at the dog parks. I agree with Ms. Kassel that we should remove the age limit at the dog parks.

On MOTION by Ms. Kassel seconded by Ms. Snyder, with all in favor, the age restriction will be removed from the dog park signs.

Mr. Evans stated let us wrap up the discussion on the ponds. The internal ponds were designed for stormwater management. They were never designed for people walking back and forth and hanging out on the edge of the lakes, nor were they built for fishing. There happens to be fish in these lakes, but they were never designed for people to access them. We have a fishing location, so we will let them fish there. If it turns into a real problem, we will address it then. The retention ponds were designed and built for a specific purpose. Just because there is fish there does not mean we are going to open all of the retention ponds for fishing.

Mr. Berube stated in next month's Harmony Notes, perhaps we can mention what we discussed at this meeting and maybe encourage people.

Mr. LeMenager stated I would like more public feedback before we make a final decision. All we have in the audience are three to four residents.

Ms. Snyder asked are we opening this for discussion again?

Ms. Kassel stated we dealt with the age issue at Buck Lake. Now we are dealing with whether or not to allow fishing in the ponds, even if we get the signs and enforce no fishing. Mr. LeMenager is suggesting that we request feedback from the community before we decide.

Mr. Berube stated now that we changed the age and lifted the restriction for kids at Buck Lake, I am happy to write an article for next month's Harmony Notes telling people we changed the guidelines for use of the dog parks and the Buck Lake dock for fishing and encourage them to stay out of the neighborhood ponds for all of the reasons we have discussed. Hopefully with some encouragement, we can guide people where we want them to be. The Harmony Notes come out the first of every month, so you should get yours in the mailbox in seven to eight days.

Ms. Kassel stated I would still like to look into the cost for the signs and how many we will need. Then if we decide to go that route, we will have this information.

Mr. Evans stated I agree.

Mr. LeMenager stated what we have now does not work. You cannot just put up a sign for no fishing because Mr. Qualls just told us it does not mean anything. We either get rid of the signs or put up signs that have some enforceability.

Mr. Qualls stated I have a couple things for you to consider. One, the sign has a dual purpose of (1) keeping people out if you were to call the sheriff and (2) putting people on warning that if they are in there and something does happen, they have been warned. It is an interesting debate and no one likes the legislators to legislate morality for people's stupidity, yet people will not hesitate to sue. Two, I think we are running into the fact that we have rules, policies and Board discussions about those rules and policies. If the Board makes a decision to do something with a sign and that sign is not consistent with the rules, I am not quite certain those signs are enforceable anyway, with the exception of "No Trespassing" signs that conform to State Statute. This is something to consider and if over the course of the next several years, this continues to be a problem, you may want to consider adopting more formal rules. That is the process that gives teeth to these kinds of decisions. I am not at all suggesting that needs to be done now. I understand it is a lengthy and sometimes laborious process. Rules do give teeth. Policies are meaningless and incredibly hard to enforce.

**B. Engineer**

Mr. Boyd stated I provided a revised sidewalk assessment to the Board. When we did this work in 2008, we had about 104 locations that required a priority 1 or 2 repair. This report has only 67, so it is about two-thirds of what we had two years ago. We are identifying areas with Category 1 and Category 2 repairs, which are hazards and need to be repaired. Category 1 is  $\frac{3}{4}$  inch or greater vertical or horizontal upset. Category 2 is anything from  $\frac{1}{2}$  inch to  $\frac{3}{4}$  inch, pursuant to the policy that was established. The report identifies the locations and the priority level. We will ask Severn Trent to provide a proposal for this work. The repairs should be less than they were two years ago since there are fewer locations to repair. The good news is, the trees are growing and maturing, but the bad news is, the trees are growing and pushing up the sidewalks.

Ms. Kassel stated the Sycamores are the worst.

Mr. LeMenager asked do we need to authorize the repair work?

Mr. Moyer stated the work that was done last time was performed by a young man who was looking for summer employment. He did a good job for the most part. That is not available this year. Severn Trent actually has employees who do sidewalk grinding, but I suspect that will not be at the same rate we paid this young man two years ago. I will bring back a proposal to the Board, unless you want to authorize an amount not to

exceed and I will work against that amount. Otherwise, I will just bring back a formal proposal.

Mr. Evans stated I would rather see a proposal.

Ms. Snyder stated I would, too.

Mr. Evans stated otherwise, we are just picking a number out of thin air.

**C. Developer**

Mr. LeMenager stated I see the developer has a number of proposals. One comment a constituent had was regarding the repair of the pool. It is in the long-term projections to repair the pool. We have a problem with a huge number of broken tiles. When I went on my walk this morning, it dawned on me what the problem was. The pool was built wrong. Who decided to put all of those tiles along the edge? That should have been concrete from the beginning and then we would never have needed this discussion regarding the broken tiles. It is my understanding that the condition of the pool now could lead to action by the County Health Department to say it is not safe anymore and they can shut down the pool.

Mr. Haskett stated that is correct.

Mr. LeMenager stated the Health Department can shut down the pool because it is not safe and yet we keep talking about new projects and other things. The pool is an important facility. I do not know if we should be talking about a longer term project to resurface the pool. It is a waste of money to replace tiles. I do not understand why we installed the tiles in the first place because they will all get broken. I think we should be considering a project where we get rid of all the tiles, especially all of the tiles around the edges and just resurface it with concrete or whatever appropriate material. If we just replace tiles, we will need to do it again someday. We should design it so there are no tiles around the edge. Are there tiles around the edge in Ashley Park?

Mr. Haskett stated yes, tiles are a requirement by the State of Florida during construction. It creates a visual between the finish and the edge of the pool. If you jump in or are walking out, you see a tile edge at the steps. The lap lanes have tile down the center, the trough area has tile around it, plus the trough background is all tile for easy cleaning. The material used for the pool itself has to stay moist; otherwise, it will deteriorate.

Mr. LeMenager stated I will take a look at other pools because I am sure that the lips on other pools do not have tile in such a way that it is the main thing that will get broken.

Mr. Berube stated I think we are dealing with two different problems. The tiles along the top edge are a construction issue having to do with the coating as they are cracked. When you look at the tiles along the edge steps, there are many chips in them. Kids will take the stones in the pool area and start chipping away at the tiles. We watched that happen in front of the parents. Sometimes the stones will end up in the pool. There are very few cracked edge tiles. Most of them are chipped and have been patched with epoxy to keep them from getting sharp. The lower you go in the water and the lower the steps are, there are fewer chipped tiles because the kids cannot get down there and pound on the tile with the stones. There are no chips and no broken tiles in the lap lanes because it is virtually impossible for kids to get there with the rocks. If we are going to redo this pool, I think we need to look at the plantings and change them. They do not look good for most of the year. We also need to get rid of the rocks and have some other type of ground cover. We should do a sprucing up in general when we redo the tiles and get rid of the rocks because they are an attractive nuisance for the kids.

Mr. LeMenager stated I am not making a proposal to do anything specific. We talk about the problems at the pool month after month and the fact that it could be shut down, but it does not get addressed. I realize we are waiting for Winter, but we have one of the most popular facilities in town that could get shut down any day because we have chipped tiles.

Mr. Haskett stated it can get shut down at any point if there are exposed or open tiles. Tiles that are broken are not exposed. As Mr. Berube said, they are repaired with epoxy so therefore, the pool will not get shut down. As long as it is monitored and the pool is safe to swim in, I do not anticipate the pool being shut down. All of the cracked or broken tiles should all be repaired at this point. I have proposals to replace the tile. I presume that the Board would not want to shut down the pool during the busy season for this work, which is why I have not brought it for your consideration. It would seem that Fall or Winter is more appropriate to perform this repair. It is being addressed, but now is not the right time for the work.

Ms. Kassel asked does "resurface" for the pool mean the entire cavity of the pool rather than the apron around the pool?

Mr. Boyd stated when I put this together, I was thinking about resurfacing the primary surface of the pool, not so much the tiles.

Ms. Kassel stated perhaps something needs to be added to this report where we will need to replace the tile every five to seven years.

Mr. Haskett stated I agree with Mr. Berube that we need to make some revisions to the pool. The rock was obviously a bad idea.

Ms. Snyder stated so the rock was the bad idea, not the tile.

Ms. Kassel stated the tile is required.

Mr. Haskett stated kids get a hold of the rocks and start throwing them.

Mr. Berube stated it used to amaze me to see kids sitting in the pool on the steps chipping on the tiles, right in front of their parents.

Mr. Haskett stated that pool takes a tremendous amount of abuse. It has stood up fairly well for the abuse that it gets.

Mr. Boyd stated the figure I included in the Reserve Report had the assumption that we would hand replace the tiles at the same time as an overhaul. What is not included is periodic tiling.

Ms. Kassel stated periodic maintenance is not included in reserves. That is where we are talking about replacement and major refurbishment.

**i. Lakeshore Park Swing Set Proposals**

Mr. Haskett stated the last swing set I received a proposal for was about \$6,000 for four swings in two bays. I have a new proposal for two swings in a single bay for \$1,925.28 with installation. If you look at the images I submitted, there are two signs in the Lakeshore Park area that can be relocated elsewhere in the playground, which will give you enough room for two seats in that area without having to install additional safety zone mulch plus excavating and everything else associated with it.

Ms. Kassel stated the proposal says that it does not include site preparation, foam material, or borders. Are you saying that is not necessary?

Mr. Haskett stated that is correct. The mulch in Buck Lake grounds does need to be freshened up to keep that safety zone of fall impact ratio. Currently there is mulch in the area that we are proposing to be freshened, but nothing dramatic.

Mr. LeMenager asked do we need more swings in this particular location?

Mr. Berube stated if you recall, there was a survey that the Development Company sent out where about two-thirds of the residents who answered the survey said they viewed it as a positive. At the time the survey was done, the question was if we wanted to spend \$6,000 on the swings at the beginning of this budget. Now we are almost at the end

of this budget year and we are looking good. Just because we have money does not mean we need to spend it. When you look at the recreation amenities, you will notice that it quite popular; a lot of people go there. Most of the facilities are for small kids. I think the swings would give the slightly older kids and even some adults the ability to swing. Are the swings for smaller kids more money?

Mr. Haskett stated I did not have time to research it this morning. It is probably \$100 more.

Ms. Snyder asked is that for a baby seat?

Mr. Berube stated yes, for a baby up to 3 or 4 years old. It has a seatbelt in it. There will be two swings and part of this is for the kids and maybe adults. Most swing sets, especially ones that have four swings, have at least one devoted to the smaller kids. When I look at what is going on at the water feature, there are many small kids running around in that water. I have to think they will be part of the target audience for the swing set. The other thing Mr. Haskett raised is the ability for residents to monitor their kids from their front window. You can see how many people are using the swing set. If it is really popular, we can put another one in at Ashley Park or some other park. It is a starting point.

Mr. LeMenager stated when the voluntary kindergarten is moved over there, we will have more kids wanting to use it.

Mr. Berube stated that is exactly right.

Ms. Kassel asked what is the weight limit on these swings? Are they meant for children?

Mr. Haskett stated they are meant for children and adults.

Ms. Kassel stated if they are meant for children and adults, I presume that an adult swinging on them will not void a warranty. Is there a warranty?

Mr. Haskett stated yes, there is a warranty and I will find out the length.

Mr. Berube stated there are two proposals and the major differences appeared to be pricing.

Mr. Haskett stated that is correct; it is pretty much the same equipment in shape and color.

Mr. Berube asked do both companies seem equal?

Mr. Haskett stated yes.

Mr. Berube asked it will be financially safe to take the lower proposal?

Mr. Haskett stated there is quite a bit of difference in shipping. Miracle is a local installer.

On MOTION by Mr. Berube seconded by Ms. Snyder, with all in favor the swing set proposal from Miracle Recreation Company for the Lakeshore Park playground area, with one of the swings being a child swing was approved.

**ii. Proposed Dog Park Trail Between the Dog Park and Schoolhouse Road**

Mr. Golgowski stated the trail plan that we worked on a couple years ago originally called for a trail connection between the dog park westward to Schoolhouse Road. As part of the construction for a ball field at the elementary school, we have been able to get the contractor to agree to help us out with constructing this trail from the dog park to Schoolhouse Road. It runs on top of the gas pipeline. The developer is proposing to construct this, but part of the land involves CDD property, including the dog park, which is why we are bringing this item to you. The dog park diagram on the second page shows a fence marking the edge of the dog park. The trail runs along the side where the hedge is on the right side and it will get moved in about 12 feet or so to allow construction of this path. The path will be a shell surface. We will probably install another entry point into the dog park at the west end of this fenced-in area so people coming from the Green neighborhood will have access to the park. At the far end, there will be a shell path at the Schoolhouse end. I expect to work with our residents in getting a bridge across that ditch. Initially it will be a culvert with fill to allow access. The work will be done by the developer and the people doing the work at the ball fields.

Ms. Kassel asked will all costs be borne by the developer associated with moving the fence, installing the trail and a new gate at the west end?

Mr. Golgowski stated that is correct.

Mr. Berube asked is the terminating point at Schoolhouse Road?

Mr. Golgowski stated yes.

Ms. Snyder asked are there going to be doggie pots along the trail?

Ms. Kassel stated there will be one at this end. There is currently one at the Schoolhouse end, not too far away.

Mr. Berube stated no, the closest one will be near the traffic circle.



Ms. Snyder stated we should make it easy for dog owners so that there are no problems.

Ms. Kassel stated we have one on Schoolhouse Road across from Primrose Willow by the water feature, one across from Pond Pine by the sundial and one in the middle. We could actually move that one because it is not needed there and it could be moved to the Schoolhouse side of the park.

Ms. Snyder stated just to prevent any problems with that area not being covered.

Ms. Kassel stated I think this will be a benefit to have this for the school kids to walk across.

Mr. LeMenager stated this is a great idea.

<p>On MOTION by Mr. LeMenager seconded by Ms. Kassel, with all in favor, the developer was authorized, at their expense, to relocate the fencing at the large dog park and install a gate at the west end, in order to construct a path along the gas line.</p>
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### **iii. Proposed Tree Planting within CDD Parks**

Mr. Golgowski stated a nursery not too far from us is liquidating and we have the opportunity to purchase plants from them at a discount. It is a tree nursery, so there are many substantial trees that are in pots, with a 2-inch or 3-inch caliper diameter and perhaps 10 feet or more above the pot. They are not what we would specify as the ones we have on the main streets, but they are not much smaller than that. We have an opportunity to perhaps beef up some of the pond plantings. One diagram shows an area along Five Oaks on the east side toward Cat Lake where we could put in 12 trees in clumps to provide some shade at the benches in that area. It is somewhat of an unshaded walk to Cat Lake along that Long Park path. At the west entrance area of the pond in the corner of Dark Sky Drive and Five Oaks, we would like to install a group of Cypress Trees along Five Oaks at the edge of the pond and at the far end, install clumps of oaks to provide a backdrop and a buffer between the houses in that neighborhood as well as to increase the wildlife corridor. There are also a couple parks where some trees died that we can replace. There may be an opportunity for some of the internal streets with secondary trees that have been lost that we can replace, as well. Normally trees like this would cost between \$85 and \$100 per pot. We negotiated price of \$55 per pot. We are

proposing that the CDD purchase the tree and have the developer take care of the installation.

Mr. Berube asked what is your suggested quantity of trees?

Mr. Golgowski stated maybe 35 or 40 trees.

Ms. Kassel stated every time we walk by the soccer field in Long Park, people are sitting under the trees and not using the bleachers because they are metal and they sit out in the sun and are very hot. If we can get trees of that size, perhaps we can plant some in that location. I am not sure if Mr. Haskett will be addressing this in his tree report.

Mr. Haskett stated Mr. Tome and I drove around last week and made the same suggestions that Mr. Golgowski recommended.

Mr. Evans stated Ms. Kassel requested more trees in the dog park.

Ms. Kassel stated we planted some, but we sure would not mind more.

Mr. Evans stated I am not opposed to getting 100 trees for \$5,500.

Ms. Snyder asked if we purchase a larger quantity, will they give us a better price?

Mr. Golgowski stated we can always ask them.

Mr. Evans stated I would take what we can get.

Mr. Berube stated we will need to move money if we are going to purchase them.

Mr. Evans stated we have money to do this in this year's budget.

Mr. Berube asked will we take it from various landscape line items?

Mr. LeMenager stated when I reviewed this proposal, I drove up and down Five Oaks Drive. I do not support spending more money on that side of the community, which will not be occupied for another 10 years. It would be great if it were sooner, but I am not sure in the current economic environment that we should be talking about planting trees along Five Oaks, which are for the enjoyment of a fairly small number of people. I did not, however, realize that we had the opportunity to take advantage of someone's going-out-of-business sale, which is very attractive. My main comment when I reviewed this was that this was cool, but it is a capital expense, not a maintenance item or an upgrade. Let us take advantage of an opportunity. Putting in a row of Cypress Trees sounds like a nice idea. We have \$68,000 left in capital funds. If it is the desire of the Board to do this, I will support it if it is a capital expense. It is clearly not part of our regular budget.

Mr. Berube stated it can go either way when you change things. Would this not be an improvement to what is already here?

Ms. Kassel stated I can see the argument for it being an upgrade.

Ms. Snyder stated part of it is and maybe part of it is not.

Mr. Evans stated I had several thoughts. We have a carry-forward surplus from this year's projections of about \$40,000. We just spent \$2,000 on the swing and \$3,600 on additional plantings.

Ms. Kassel stated I thought that was part of the budget.

Mr. Evans stated no, it is not part of the carry-forward surplus.

Mr. Berube stated it is part of the budget but, we are looking at what we have left.

Mr. Evans stated that is correct.

Ms. Snyder stated I thought the cost for the plantings was already designated.

Ms. Kassel stated it was not designated, but I thought we had amounts in the landscaping budget to allow for the refurbishment of plantings.

Mr. Evans stated that is correct, but we have not spent that amount. In other words, for what we have not actually spent, we are looking at about \$40,000.

Mr. Berube stated he does not want to go through this entire budget and end up with a negative amount.

Mr. Evans stated that is correct. There were a number of items raised at the beginning of this fiscal year of what we would like to do. We decided to wait until we were closer to the end of the fiscal year to see what funds we would have leftover for some of these projects. We discussed kayaks and the swing set and we mutually agreed to hold off on these items. Ms. Kassel spent an enormous amount of time on the landscape enhancement and we said that we would schedule it over a period of time. Now is that time. If we have an opportunity, especially when we are getting free labor, to get a lot of trees, I would like to see a lot more trees at Long Park and Lakeshore Park.

Mr. Golgowski stated our offer for free labor was for installing 35 trees.

Mr. Evans stated even if we pay Luke Brothers a certain amount to install these trees, we have an opportunity to buy more good trees. We need to replace some of the street trees that were alley trees for the side streets that we obligated ourselves to do. There are a number of those we need to replace. There are also a number of things to consider, where now is the time to decide if we are going to take advantage of an opportunity to purchase trees at half price or less and act on it.

Mr. Berube stated let us remember that while part of this is for optional enhancements, some of it is required by our covenants. We have a number of dead trees that we are required to replace.

Ms. Kassel stated if we purchase up to 100 trees, we have only discussed areas for about 30 of them. It will take time to figure out the other locations and get them installed. Should we expect a proposal at the next meeting for locations for the balance of the trees?

Mr. Evans stated yes, give us a list of where you think they will be most applicable and some ideas of where they will fit. We will prioritize them starting with the ones we need to replace and then start working our way down the list.

Mr. Berube asked how much does it cost to install a tree, \$100 or \$200?

Mr. Golgowski stated we will ask Luke Brothers to work with us and I can get a proposal from them.

Mr. Berube stated you were offering free installation of 35 trees, and we are authorizing 65 additional trees. Over and above the \$55 for the cost of the tree, what is our cost likely to be for the additional 65 trees? Could it be \$50 per tree?

Mr. Golgowski stated yes, at the most.

Mr. Berube stated so we are looking at another \$3,000 or so.

Ms. Snyder stated let us go back and see what we can get as discounts for the trees if we purchase them in higher increments.

Mr. Berube stated I am conscious of the budget. I do not want to blow through it. We are discussing what we want to do. I think the Development Company will offer to install more of these trees as time goes on. I want to know the commitment if we proceed with this.

Mr. Evans stated probably about \$7,500 by the time we purchase the trees and cover the additional labor cost.

Mr. LeMenager stated to the extent you are talking about replacement trees, that is a reasonable expense, but we do not have that many replacement trees. This is an unplanned expense. They are new trees and it should come out of the \$68,000 in the capital fund.

Mr. Evans stated there is \$68,000 in the Series 2004 bond issue, which is for Phase 2. Those funds should be spent on that phase and nowhere else. Those were the funds we

used to connect the waterline. If you are going to redirect them, that is where they need to be going.

Mr. LeMenager stated clearly, what is being proposed is a capital expense.

Ms. Kassel stated it is an invoicing issue.

Mr. Evans stated I think we are splitting hairs. The landowners here are entitled to the same privileges as landowners anywhere else.

Mr. LeMenager stated I am not disagreeing. Every time we talk about spending money on something extra, I want to bring this Board back to the fact that the reason there is only \$68,000 left in capital funds is because it was this Board that made decisions on spending. To the extent this Board was controlled by the landowner, i.e., developer, up until recently, that is not our fault.

Mr. Evans stated that is not the point. The funds from the Series 2004 bond issue were specific in nature as far as what they could be spent on in the geographic area and the type of infrastructure. That goes back to the Engineer's Report when these bonds were issued.

Mr. LeMenager asked does that not include landscaping?

Mr. Evans stated yes, it did, but we just ran out of money. We have \$68,000 left in that fund. The expenditures in that bond issue were highly monitored. We had a finite amount of money and we stretched it as far as we could go to get the things done that were necessary. We have \$68,000 remaining for capital improvements within the Phase 2 areas that are identified in the Engineer's Report. That is a different discussion. What I am referring to is the carry-forward surplus, the money from this current fiscal year that we have leftover, based on the actions of this Board to save, conserve and prudently manage the funds available to the District. You have an opportunity to do some of the things we have wanted to do from those savings and this is the cash that we currently have. Those are the funds I am talking about using.

Mr. Berube stated I agree with Mr. LeMenager's comment about the area down here, but when you look at it and the number of trees that will be installed, it is hardly worth separating it out from the overall project and taking it out of the remaining \$68,000 in capital funds. It is a fairly small amount of money, but you are right; that area is separate.

Mr. Evans stated no, it is not. The landowners in that area are contributing the same amount on an equitable basis as is everyone else, which goes into the General Fund

budget. The funds we are discussing and leftover from the General Fund budget, not from the capital improvement funds. Regardless of the landowner, everyone is entitled to the same benefits. If we take the money that everyone contributed and shift it to one area and charge that area double for it, that is not what we are about.

Mr. Berube stated I am saying to leave the \$68,000 alone because even if you allocate this, it is a small piece of the \$68,000. The overall project we are proposing is likely to cost about \$7,500. Even if it is \$10,000, I still think that is fine. This community is its trees.

Mr. Evans stated you bring up a good point. With the \$68,000, we will always be talking about wanting to enhance something that will come from those funds. We discussed fishing and more opportunities in that phase. That is another conversation that will be coming up in the next several months or next year about where we should spend those funds to get the most out of that money. My suggestion is that we keep the \$68,000 in the Capital Fund and then look at what we can do with some of these enhancements out of the General Fund surplus and go from there.

Mr. LeMenager asked are these trees in pots now?

Mr. Golgowski stated yes.

Mr. LeMenager stated it is the consensus of the Board to purchase trees and keep them in a nursery area until we figure out where to install them all.

On MOTION by Ms. Kassel seconded by Ms. Snyder, with all in favor the purchase of up 100 trees at the negotiated rate not to exceed \$55, with a total expenditure amount including the purchase of the trees and installation in the locations discussed, not to exceed \$7,500 paid from the General Fund was approved
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#### **iv. Discussion of Requested Street Tree Replacements**

This item was discussed in conjunction with item 5iii.

#### **v. Miscellaneous Items**

Mr. Golgowski stated we submitted the application for the irrigation upgrade that we discussed last month. An opportunity came up since the last meeting and the Toho Water Authority approached us with a Water Conserving Program where they have been directing residential users to install moisture sensors. We have been approached by them to have that done. The program has some leftover sensors and they want to install some at locations that are not at houses. We did take advantage of that at no cost to the District,

but there is a potential savings as a result of this effort. They were installed at each of the seven neighborhood parks that are offline with the MAXICOM system and also the landscaped areas at Ashley Park. It is another opportunity to save some money in irrigation costs.

## **SIXTH ORDER OF BUSINESS**

### **Supervisor Requests**

Ms. Snyder stated I would like to find out the status of the kayaks.

Ms. Kassel stated we do not have any proposals for them yet.

Mr. Berube stated all we did was discuss it.

Ms. Snyder asked did we request four and they recommended two?

Ms. Rachel Garwood stated four would be great, but two would be adequate.

Ms. Kassel stated we discussed two at the last meeting; which was how many Ms. Garwood requested. Originally we thought they each cost \$500, but they actually cost about \$1,000.

Mr. Golgowski stated my understanding was we were going to include them in the fiscal year 2011 budget.

Ms. Kassel stated we could do that, but we do not have to.

Mr. Berube stated we could purchase them this year.

Mr. Evans stated let us obtain some proposals for the next Board meeting.

Mr. Berube asked did we decide on two extra kayaks or four extra ones?

Ms. Kassel stated two is what was requested.

Ms. Snyder stated four were originally requested and then they decided two would be enough.

Ms. Garwood stated I indicated two additional kayaks would be fine. We need a total of four rather than two.

Mr. LeMenager asked can we allow private individuals to use their own kayaks on the lake?

Ms. Snyder stated there is a problem with that, either in the rules or something that says kayaks have to be washed off with a certain chemical if it is taken in and out of the water. That applies to boats so I presume it also applies to kayaks.

Mr. Golgowski stated my understanding is that you may bring in a hand-carried craft, such as a canoe or kayak, but it does need to be cleaned. The issue is cross contaminating a body of water with weeds from the boat.

Mr. Evans stated there is a provision in the Development Order that addresses that and I think there is a provision in the Licensing Agreement. I do not recall the language in the Licensing Agreement.

Mr. Golgowski stated it allows for the hand carrying of boats.

Mr. LeMenager stated people have asked us this before.

Ms. Snyder stated I thought there was an issue in going from one body of water to another where it could carry something.

Mr. Berube stated it could carry aquatic weeds and invasive pests into the lake.

Mr. Golgowski stated what I have advised residents is that they may hand carry their boat in, but they need to check with Mr. Belieff and not just show up. He needs to know who is out on the lake.

Ms. Snyder asked is there space for another boat if someone wanted to bring their own?

Mr. Golgowski stated we do not allow storage.

Ms. Kassel stated we will wait to receive proposals at the next meeting and decide what to do on the kayaks.

Mr. Berube stated security of the pool has become a big issue. We discussed the potential of changing to key cards or some other kind of security devices. Last month, I realized there was some resistance to securing the dog parks. The only reason we included that in the proposal was because I thought we wanted to encourage residents to register their pets. There seems to be a move away from that. If we eliminate the chain link gate or the need to secure a chain link gate, it changes the entire complexion of what we are going to secure with key cards. It becomes significantly less money. I want to know what direction the Board wants to proceed in so I know where to go with this proposal.

Mr. LeMenager stated I absolutely love the proposal you provided last month. I thought the fact that it is so easy to slip out one deadbolt and insert another one was a great idea. I was a little hesitant when we first started discussing new keys, but my opinion changed fairly quickly. To the extent we can do that at the pools and Buck Lake, I think it is a great idea. Over the years, everyone and his brother have a key.

Mr. Berube stated Mr. Belieff has been confiscating fake keys as he encounters them.

Mr. LeMenager stated I think this is a wonderful idea.



Mr. Berube stated I agree. That is the fanciest system, but it is also the most expensive. My point is that I can have the proposals redone today, but what doors and gates do we want to secure? Today, I am thinking that we want to secure the Swim Club pool gate and the Ashley Park pool gate. Are we going to close off the second gate to Ashley Park because of access problems?

Mr. Haskett stated yes.

Mr. Berube stated the problem with gates is, the more you have, the more there are for people to damage. There is only one at the Swim Club and there will only be one at Ashley Park. We have two bathrooms at the front of the Swim Club that are always locked because we do not want public access. As part of this, it would be relatively simple to designate them for resident access only by use of a key or a card and then those could be used. They are accessible from the street, facing Town Square, but they are always locked. We pay to maintain them on a regular basis, but they are always locked because we do not want the public using them. Do we secure those? We have them and they are a CDD facility, but they are always closed. I think we should provide resident-only access through keys for the last two gates, eliminating the dog parks and everything the two restrooms at Lakeshore Park. They are currently open to everyone now. Should we secure them, as well?

Ms. Snyder asked the locked bathrooms at the Swim Club are off of the street?

Mr. Berube stated when you come in the front of the Swim Club, not through the gate, there are two in the swimming area, but they are off of the sidewalk. On the street side when you come in that building, there are two bathrooms. They are always locked and separate from the ones in the pool area.

Ms. Kassel asked can you use the same keys to get into the other bathrooms?

Mr. Haskett stated no, they are keyed separately. We only open them for special events like the Dark Sky Festival.

Ms. Snyder stated I never knew they were there.

Ms. Kassel stated I would not include them. It would be a substantial cost and no one is using them now anyway. They can come into this building to use the bathrooms.

Mr. LeMenager stated I would not support including those.

Ms. Snyder stated if you are a resident, you can use them.

Mr. LeMenager stated we are talking about not including those and just keeping them for larger community activities.

Mr. Berube stated I am not sure we should unlock them even then, because usually we have outhouses to use.

Ms. Snyder stated I do not think we knew they were there. Are they included in the count when you order outhouses?

Mr. Haskett stated yes, we have little signs pointing to the restrooms.

Mr. Berube stated the other facility is the one at Lakeshore Park. Do you want to let everyone use those bathrooms and leave them unsecured and wide open?

Mr. LeMenager stated yes.

Mr. Berube stated the last one is the gate down to the docks.

Mr. LeMenager stated lock it up.

Ms. Kassel stated I agree, lock it.

Ms. Snyder asked does the second gate need it?

Mr. Berube stated the one to the boats is separate.

Mr. LeMenager stated the key would not work there.

Mr. Berube stated that is correct.

Ms. Kassel stated we are talking about locking the two pools and the gate at Lakeshore Park.

Mr. Berube stated that is correct. If we go with the IntelliKey proposal, which looks good, all of the costs will be reduced dramatically, but you will still have the cost of the keys themselves, which are \$30 each versus potentially \$3 to \$5 for a plastic card. The advantage of the plastic card is we could note on that card a name, address and picture. When we change to some new security at the gate, all of the keys that are out will suddenly be unusable. The identification option might not be necessary. I can tell you that the cost of providing the current population of Harmony with a key or a card will be six times more money for the keys.

Mr. Evans asked when the current keys are given to residents, are they charged for them?

Ms. Snyder stated no.

Ms. Kassel stated not unless they request additional keys.

Mr. Evans stated we pay either \$25 or \$50 for the access keys.

Ms. Snyder stated that is if you have to have it replaced.

Mr. Evans stated no, that is to begin with. When you close on a unit, they charge you for the key.

Mr. Berube stated my proposal was going to be \$50 for a key.

Mr. Evans stated then I can get as many as I want. There has to be a fee for every key, so they do not have a tendency to lose it.

Mr. Berube stated that is exactly right.

Mr. LeMenager stated that is true. When something is free, it has no value.

Mr. Berube stated it has a greater tendency to walk away. That is how it is with the current keys now

Mr. Evans stated you have an easy way of tracking how many keys each family has. If you have a family of four and you want four keys, there will be a cost for those keys. When they turn them back in when they sell their house or move away because they are reusable, you refund their deposit.

Mr. Berube stated there is no doubt that the IntelliKey proposal is the most up to date. There are other options available that are more technologically sophisticated, but IntelliKey has been around for a long time. My problem with them was their initial cost of the keys. For 500 keys, we have to pay \$15,000. That becomes a pass through if we are going to collect a deposit on the keys.

Ms. Kassel asked are we charging a deposit for the keys or are we charging for the keys? I think there are a lot of families that cannot pay \$50 for a key right now.

Mr. LeMenager stated I would be concerned about that.

Ms. Kassel stated if they turn in their current keys, we will not be able to use them, but it shows they are somewhat responsible.

Mr. LeMenager stated I think they will definitely turn in their current key to get a new one.

Mr. Berube stated then it has no value.

Ms. Kassel stated it does because if they lose it, they will have to pay \$100 for a replacement one.

Mr. Evans stated if the keys cost \$30, we can tell them they can save \$20 per key by turning in their current keys, for their deposit. You can find a balance. Anything that is free has no value.

Ms. Kassel stated I agree. But people have a key that is free now and now we are going to charge them. A lot of residents will be upset by that.

Mr. Berube stated that may be, but there are other things that go on with those keys. As an example, we were at the pool a couple weeks ago and there was a woman there who was swimming and she had a key. My wife started talking to her. As it turns out, she does not own a house here. She just bought a house in Sweetwater, which is in St. Cloud. Her real estate agent lives here and was kind enough to give her a key and let her use the pool because they are friends. I know this happens. My neighbors moved into a rental house on Beargrass Road and the rental agent gave them a key. They went to the Welcome Center to do the right thing and they were told they were entitled to two keys, but it had to come from the real estate agent. There is a certain amount of abuse because the keys are free and they get passed out. We can hassle with the cost of the keys, but I am looking for focus. Now that I know we are going to secure three facilities, I will get revised proposals for the IntelliKey and for a plastic card access system, which we can discuss that further. Does that work?

Mr. LeMenager stated yes.

Ms. Snyder stated I think we should talk about residents, not owners. I own four homes here and I rent some of them to tenants. My renters have keys to the facilities.

Mr. Berube stated we can call it the keys that are assigned to a particular house or location. I mean renters and all residents.

Mr. LeMenager stated we cannot limit it just to owners.

Mr. Berube stated I agree. We will establish a certain number of keys per house. I have the direction of the Board and I will proceed.

Mr. Moyer stated I have a resident who would like to address this topic.

Mr. Evans stated that is fine; they can do that under Audience Comments.

Ms. Kassel stated we are not making a decision about this now, in terms of spending the money. We are just getting proposals, but we can certainly hear those comments during the Audience Comments portion of the meeting.

Mr. Berube stated I was just looking for direction.

Mr. LeMenager stated I was definitely a convert to your idea about the keys at the last meeting.

Ms. Snyder stated I want to learn more about it.

**SEVENTH ORDER OF BUSINESS**

**Audience Comments**

Ms. Kassel stated there is a three-minute time limit for audience comments. There is a signal at the end of the three minutes.

Mr. George Schiro asked is this meeting being recorded today?

Mr. Moyer stated yes.

Mr. Schiro stated I submitted a request to Mr. Moyer and I was under the impression that he was going to bring it to the Board's attention as part of the agenda, but apparently that is not the case. I told Mr. Moyer I wanted to appeal one of the motions made at the April 29, 2010 meeting. On the basis of that appeal, I require a verbatim transcript of that meeting. Perhaps the Attorney can address this.

Mr. Qualls stated if you want a verbatim transcript, it would be your responsibility to bring a Court Reporter to the meeting. The Attorney General's office concluded that the minutes of Sunshine Law meetings do not need to be verbatim transcripts of the meetings. Rather, use of the term "minutes" in Section 286.011, Florida Statutes, contemplates a brief summary, series of brief notes or memorandum reflecting the events of the meetings. That is from Attorney General Opinion 82-47, which also cites 91-175-cc. I can provide the rest of that opinion to you after the meeting.

Mr. Schiro stated there is a part of the law that requires a statement to be made in meeting notices stating if someone asks to appeal a motion, that verbatim transcripts will be provided.

Mr. Qualls stated no, it states if you want to appeal a motion, it might be a good idea to keep in mind that it will be good to have a verbatim transcript of the meeting, so bring a Court Reporter to the meeting and get your transcript made.

Mr. Schiro asked if you do not know if you want to appeal a decision until after the meeting has actually transpired and you did not bring a Court Reporter with you, are you then out of luck?

Mr. Qualls stated yes. I have actually gone to court without a Court Reporter and when I went to appeal, I had to base it on the written motion since I did not have a written transcript of the hearing. That is common course and is not unusual.

Mr. Schiro stated so you cannot appeal anything and expect a verbatim transcript on anything you did not anticipate.

Mr. Qualls stated no, if you want to appeal something, there is no requirement that in order to have a lawful appeal, you need a verbatim transcript.

Mr. Schiro asked how do I go about getting a lawful appeal?

Mr. Qualls stated we can discuss that after the meeting. There is a formal process to go through as described in Chapter 120, Florida Statutes.

Mr. Schiro stated I brought to Mr. Berube's attention that the meeting notice is missing this information. I was surprised you did not bring that up. Is that something that should be fixed?

Ms. Kassel stated we have exceeded the three minutes.

Mr. Schiro asked is he going to respond to my question?

Mr. Evans stated he is not required to respond. This is for audience comments.

Ms. Kassel stated he can respond to you after the meeting.

**EIGHTH ORDER OF BUSINESS**

**Adjournment**

Ms. Kassel stated I will not be at next month's meeting. However, I can attend by phone.

The meeting adjourned at 11:40 A.M.

---

Gary L. Moyer, Secretary

---

Robert D. Evans, Chairman

## **Third Order of Business**

**3A**





**LUKE BROTHERS INC.**  
LANDSCAPE SERVICES

**RIVER BIRCH TREE INSTALLATION PROPOSAL:**

***HARMONY C.D.D.***

**To: Mr. Todd Haskett, Project Manager**  
**From: Pete Lucadano, President & ISA Certified Arborist**  
**Date: August 12, 2010**



**SCOPE OF WORK**

- Installation of (8) 30-gallon river birch trees in decided locations.
- Includes materials, delivery, tax and installation.
- Trees will be Florida # 1 in grade or better.
- Trees to be used for project were photographed at their nursery site and included in this proposal.
- Unit cost per tree is \$120.00.

**TOTAL PROJECT CHARGE: \$960.00**

\_\_\_\_\_  
Proposal Accepted By

\_\_\_\_\_  
Date

***Thank you for the opportunity to submit this proposal. Should you approve of this proposal, please sign and fax the proposal to (727) 937-6458 or e-mail the proposal to [petel@lukebrothers.com](mailto:petel@lukebrothers.com).***

By signing this proposal, I hereby agree to pay all statements and/or invoices within thirty (30) days of receipt and interest on any statements and/or invoices not paid within such period at the rate of 1 ½ percent (1 ½ %) per month until paid in full and I further agree to be responsible for any and all costs and fees, including but not limited to attorneys' fees and court costs incurred by Luke Brothers, Inc. in collecting any amounts due and owing under this contract.



**LUKE BROTHERS INC.**  
LANDSCAPE SERVICES

**OAK TREE INSTALLATION PROPOSAL:**  
***HARMONY C.D.D.***

To: Mr. Todd Haskett, Project Manager  
From: Pete Lucadano, President & ISA Certified Arborist  
Date: August 12, 2010



**SCOPE OF WORK**

- Installation of (6) 200-gallon “cathedral” live oak trees in decided locations.
- Trees are 20’-22’ o.a., 10’-12’ spread.
- Includes materials, delivery, tax and installation.
- Trees will be Florida # 1 in grade or better.
- Trees to be used for project were photographed at their nursery site and included in this proposal.
- Unit cost per tree is \$645.00.

**TOTAL PROJECT CHARGE: \$3,870.00**

\_\_\_\_\_  
Proposal Accepted By

\_\_\_\_\_  
Date

***Thank you for the opportunity to submit this proposal. Should you approve of this proposal, please sign and fax the proposal to (727) 937-6458 or e-mail the proposal to [petel@lukebrothers.com](mailto:petel@lukebrothers.com).***

By signing this proposal, I hereby agree to pay all statements and/or invoices within thirty (30) days of receipt and interest on any statements and/or invoices not paid within such period at the rate of 1 ½ percent (1 ¼ %) per month until paid in full and I further agree to be responsible for any and all costs and fees, including but not limited to attorneys' fees and court costs incurred by Luke Brothers, Inc. in collecting any amounts due and owing under this contract.

**3B**

## MAINTENANCE REPORT

CUSTOMER Harmony CDD Ponds DATE 7-28-10

BTC ACCOUNT NO. 582-01

BIOLOGIST / TECHNICIAN Larry

### TREATMENT SERVICES

POND SITE INSPECTED	EMERG. VEG.	SUBMERG. VEG.	FLOATING VEG.	ALGAE	AQUASTAR	AQUATHOL k	COPPER SULFATE	CUTRINE	POND DYE	REWARD	SONAR	WEEDAR	OTHER	Hydrothol
15, 14, 17	x			x				/		/				/
19, 8, 7				x										
24, 27	x			x										
28, 21				x										
4, 20, 23				x										
32, 33				x										

**TARGETED VEGETATION** 15: Treated algae along perimeter. 14: Treated algae and spikerush along perimeter. 17: Treated algae along 1/2 of pond perimeter. 19: Treated scattered algae and mats of spikerush along 1/2 of pond perimeter. 8, 7: Treated scattered algae/ spikerush.

**ADDITIONAL NOTES / CONCERNS** 24: Treated algae/spikerush along perimeter and scattered bladderwort patches. 27: Treated large mats of algae and scattered patches of spikerush.

28: Treated ring of algae and large mat in southern end. 21: Treated algae/spikerush along perimeter.

4, 20, 23: Treated ring of algae along perimeter. 32, 33: Treated algae ring and floating mats.

## MAINTENANCE REPORT

CUSTOMER Harmony CDD Ponds DATE 8/9/10

BTC ACCOUNT NO. 582-01

BIOLOGIST / TECHNICIAN Larry, Roma

### TREATMENT SERVICES

POND SITE INSPECTED	EMERG. VEG.	SUBMERG. VEG.	FLOATING VEG.	ALGAE	AQUASTAR	AQUATHOL K	COPPER SULFATE	CUTRINE	POND DYE	REWARD	SONAR	WEEDAR	OTHER
27	x				/							/	
21	x												
2	x												
4	x												
19	x												
10	x												
14	x												
5	x												
1	x												
6	x												

TARGETED VEGETATION Treated ponds and buffer areas for torpedograss, cogongrass, primrose willow and brush.

ADDITIONAL NOTES / CONCERNS \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**3Ci**

**Buck Lake Boat Use**  
July 12-August 8, 2010

Name	Date	Time	M-W-TH	F-S-S	Total Passengers	20' Pontoon	16' Pontoon	18' Boat	Bass Boat	Sail Boat	Canoes	Kayaks	Solar
Belieff, Thomas (Conserv Café)**	7/31/2010	9-2pm		x	12	x							
Berzanski, Frank	7/15/2010	6-11am	x		3			x					
Berzanski, Frank	8/7/2010	630-11am		x	6	x							
Farnsworth, Scott	7/17/2010	11-1230pm		x	1					x			
Flowers, Tim	7/18/2010	830-12pm		x	3		x						
Garwood	8/1/2010	830-12pm			3					x			
Garwood	7/30/2010	am			3						x	x	
Garwood, Don	7/25/2010	9-11am		x	4		x						
Garwood, Don	7/23/2010	830-11am		x	3					x			
Garwood, Don	7/22/2010	8-1030am	x		4						x	x	
Garwood, Rachel	7/16/2010	9-1130am		x	2						x		
Llanos, Philip	7/16/2010	10-1pm		x	2		x						
Mardrosiac, Huddie	7/17/2010	1-4pm		x	3					x			
Matusik, Diana	7/17/2010	8-11am		x	2					x			
Quebman, Kay	7/16/2010	9-12pm		x	3						x	x	
Quebman, Kay	7/18/2010	9-11am		x	3					x			
Quebman, Kay	7/23/2010	8-1030am	x		1						x		
Sosa, Albert	8/1/2010	10-1pm			2		x						
Walige, Margaret	7/17/2010	1-3pm		x	6	x							
Walige, Margaret	8/8/2010	7-9am		x	1							x	
Walls, Ray	7/18/2010	6-12pm		x	2			x					
Wolk, Dan	8/5/2010	10-12pm	x		2		x						

**Comments:**

Buck Lake is closed on Tues & Wed

\*\*Conservation Café Group tour

71	3	5	2	-	6	5	4	-
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25 Total Trips

<b>Last Month</b>	75	Passengers
	28	Trips

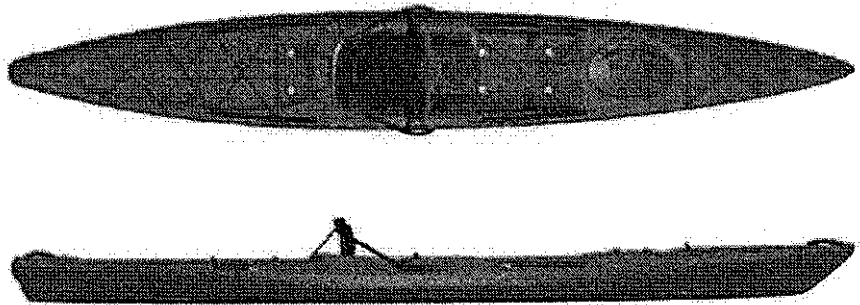
**3C ii**



Proposal to purchase two kayaks and paddles to match the two already owned by the Harmony CDD at Buck Lake: Travel Country, Outdoors Altamonte Springs: \$2045.90

**Wilderness Systems Tarpon 160i Kayak**

The Wilderness Systems Tarpon 160i is the mark by which other sit-on-tops measure themselves. There's room for you, your gear and your big, adventurous spirit. Standard features include a cup holder, foot braces, back support, two large dry storage hatches, and an optional rudder. The Wilderness Systems Tarpon 160i is a paddler-friendly sit-on-top, great for exploring wildlife areas, fishing, or relaxed day touring.



**Travel Country Outdoors**

1101 East Hwy 436  
 Altamonte Springs, FL 32701  
 407-831-0777 1-800-643-3629

Sold by: VIELLENAVE, Inv# QUOTE  
 Saturday 08/14/2010 11:24 am #15

\*\*\*\* Price QUOTE ONLY! \*\*\*\*

HARMONY CDD 941326066773  
 3500 HARMONY SQUARE DRIVE  
 SAINT CLOUD, FL 34773

*KAYAKS*

729282733580	WS	TARPON 160	ORANGE	09
1	@	\$ 963.00	\$963.00	
729282733559	WS	TARPON 160	YELLOW	09
1	@	\$ 963.00	\$963.00	

You SAVED \$214.00 1

\*\*\*\*\* PRICE QUOTE #1317 \*\*..\*\*\*  
 \* Subtotal --> \$ 1926.00 \*  
 \* Tax --> \$ ~~134.82~~ \*  
 \* Total--> \$ ~~2060.82~~ \*  
 \*\*\*\*\*

**Travel Country Outdoors**

1101 East Hwy 436  
 Altamonte Springs, FL 32701  
 407-831-0777 1-800-643-3629

Sold by: VIELLENAVE, Inv# QUOTE  
 Saturday 08/14/2010 11:35 am #15

\*\*\*\* Price QUOTE ONLY! \*\*\*\*

HARMONY CDD 941326066773  
 3500 HARMONY SQUARE DRIVE  
 SAINT CLOUD, FL 34773

*PADDLES*

717320400228	AQU	WHISPER II 220	2P	BLK
2	@	\$ 59.95	\$119.90	

\*\*\*\*\* PRICE QUOTE #1318 \*\*\*\*\*  
 \* Subtotal --> \$ 119.90 \*  
 \* Tax --> \$ ~~8.39~~ \*  
 \* Total--> \$ ~~128.29~~ \*  
 \*\*\*\*\*

**3C iii**

## ***ASSISTANT FIELD MANAGER PROPOSAL***

<b>START UP COSTS</b>	<b>ONGOING COST</b>	<b>BUDGETED FUNDS</b>	
26,000.00 (40x\$12.50hr x52wks)	26,000.00	Refuse Removal	32,576.00
8,600.00 (Misc Payroll costs)	8,600.00	JanPro (12x757.45)	9,089.40
10,000.00 ( 4x4 Cart )	0.00	Asst Payroll	8,781.00
1,000.00 ( Cleaning Tools)	250.00	Cell Phone	160.00
1,000.00 ( Bags,Dsnfctnt,Paper)	1,000.00		
1,000.00 ( Fuel/misc for Cart)	1,000.00		
160.00 ( Cell Phone)	160.00		
2,400.00 ( Dumpster)	2,400.00		

***\$50,160.00 Start Up                      \$39,410.00 Ongoing      Current Budget \$50,606.40***

***First Year Savings: \$446.40                      Ongoing Savings: \$ 11,196.40***

### **Proposal Narrative:**

**This proposal is to hire a ( full time?) Assistant Field Manager so as to have coverage every day as well as to back-up Field Manager.**

**Proposal assumes removal of Trash Collection from Luke Bros. contract as well as cancellation of Jan-Pro restroom cleaning contract incorporating those duties into this new job category which should include “handyman” in its description.**

**In addition, position can assist Mr.Haskett with a variety of tasks including monitoring ongoing contractor/supplier activities such as pool cleaners and chemical deliveries, as well as non-routine contracts such as pond plantings.**

**As needed, the handyman aspect could be wide ranging including such items as repairing/painting concrete columns in neighborhood parks as well as needed painting of restroom doors at Lakeshore Park.**

**Monitoring of Swimming pool activities has become a highlight, and with the possible change to a Key Card system, this person likely will be needed to handle the key transition at least initially. Ideal person might be a resident-possibly a retiree.**

**There are many variables such as Full vs. Part Time and hourly pay as well as trash disposal costs. Obviously, on-going savings might shrink as costs rise but even under current operations, those costs will rise.**

**Possibly, the most valuable aspect of this is in gaining a handyman-type person to assist Mr. Haskett in his ever-growing list of tasks to accomplish and lastly, this allows trash collection & rr cleaning to be done as-needed.**

## **Fourth Order of Business**

**4A**

**Harmony  
Community Development District**

**Operating and Debt Service Budget**

**Fiscal Year 2011**

*Draft 4  
August 26, 2010*

**Prepared by**



# Harmony

## Community Development District

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## Community Development District

### Proposed Budget - Fiscal Year 2011

ACCOUNT DESCRIPTION	ACTUAL	ADOPTED	ACTUAL	PROJECTED	TOTAL	PROPOSED
	FY 2009	BUDGET FY 2010	THRU JULY-2010	JUNE- SEP-2010	PROJECTED FY 2010	BUDGET FY 2011
<b>REVENUES</b>						
Interest - Investments	\$ 638	\$ 500	\$ 2,572	\$ 900	\$ 3,472	\$ 1,500
Interest - Tax Collector	358	-	200	-	200	-
Special Assmnts- Tax Collector	617,964	622,750	621,490	1,260	622,750	622,750
Special Assmnts- CDD Collected	902,971	914,363	761,970	152,393	914,363	914,363
Special Assmnts- Delinquent	1,066	-	4,785	-	4,785	-
Special Assmnts- Discounts	(7,634)	(24,910)	(9,437)	-	(9,437)	(24,910)
Other Miscellaneous Revenues	1,836	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>1,517,199</b>	<b>1,512,703</b>	<b>1,381,580</b>	<b>154,553</b>	<b>1,536,133</b>	<b>1,513,703</b>

### EXPENDITURES

#### Administrative

P/R-Board of Supervisors	9,800	9,600	7,200	1,600	8,800	9,600
FICA Taxes	750	734	551	121	672	734
Workers' Compensation	-	2,000	-	-	-	-
ProfServ-Arbitrage Rebate	1,200	3,000	-	1,200	1,200	1,200
ProfServ-Dissemination Agent	500	500	500	-	500	500
ProfServ-Engineering	32,050	18,000	15,007	2,638	17,645	18,000
ProfServ-Legal Services	29,959	24,000	17,323	3,000	20,323	23,000
ProfServ-Mgmt Consulting Serv	50,740	52,516	43,763	8,753	52,516	54,091
ProfServ-Special Assessment	10,714	11,089	11,089	-	11,089	11,422
ProfServ-Trustee	10,748	11,000	9,186	-	9,186	11,000
Auditing Services	15,500	15,500	8,000	-	8,000	8,000
Communication - Telephone	182	175	55	14	69	175
Postage and Freight	1,223	2,000	663	273	936	1,200
Insurance-General Liability (see Note 1 on pg. 3)	18,484	19,500	18,274	1,000	19,274	19,850
Printing and Binding	6,795	7,000	3,077	560	3,637	5,000
Legal Advertising	1,581	2,500	382	92	474	1,000
Misc-Assessmnt Collection Cost	7,908	12,456	13,116	319	13,435	12,455
Misc-Contingency	296	1,000	233	69	302	1,000
Office Supplies	987	1,000	598	110	708	1,500
Annual District Filing Fee	175	175	175	-	175	175
Capital Outlay	-	750	-	500	500	750
<b>Total Administrative</b>	<b>199,592</b>	<b>194,495</b>	<b>149,192</b>	<b>20,250</b>	<b>169,442</b>	<b>180,652</b>

#### Field

Payroll - Part time assistant	-	8,525	3,761	1,548	5,309	6,240
Payroll - Field Manager	32,712	43,896	36,580	7,316	43,896	45,213
<b>Total Field</b>	<b>32,712</b>	<b>52,421</b>	<b>40,341</b>	<b>8,864</b>	<b>49,205</b>	<b>51,453</b>

#### Landscape

Utility - Refuse Removal	13,759	32,576	29,425	6,051	35,476	38,000
R&M-Grounds	13,497	32,994	24,485	7,001	31,486	33,894
R&M-Irrigation	27,179	37,500	28,098	7,670	35,768	38,355

Prepared by:

Severn Trent Management Services



## Community Development District

### Proposed Budget - Fiscal Year 2011

ACCOUNT DESCRIPTION	ACTUAL	ADOPTED	ACTUAL	PROJECTED	TOTAL	PROPOSED
	FY 2009	BUDGET FY 2010	THRU JULY-2010	JUNE- SEP-2010	PROJECTED FY 2010	BUDGET FY 2011
R&M-Lake Phase II	29,868	-	-	-	-	-
R&M-Landscape - Lakeshore Park	14,653	-	-	-	-	-
R&M-Landscape - Town Square	18,356	-	-	-	-	-
R&M-Landscape - US 192 Entr	38,082	-	-	-	-	-
R&M-Swimming Pool	7,555	-	-	-	-	-
R&M-Tree Trimming Services	-	15,000	6,000	8,648	14,648	15,000
R&M-Trees and Trimming	25,602	21,115	17,066	3,795	20,861	21,689
R&M-Turf Care	125,101	283,001	223,512	51,335	274,847	291,341
R&M-Shrub Care	48,392	110,539	83,791	19,524	103,315	113,765
R&M-Landscape Parc D-1 Park	4,081	-	-	-	-	-
R&M-Landscape Parc C-2 Park	3,673	-	-	-	-	-
R&M-Landscape Pet Park	12,813	-	-	-	-	-
R&M-Landscape Hwy 192	17,500	-	-	-	-	-
R&M-Landscape Parcel G Park	8,652	-	-	-	-	-
R&M-Landscape Pond Areas	87,563	-	-	-	-	-
R&M-Landscape Buck Lake	2,250	-	-	-	-	-
R&M-Landscape Parc B Park	3,749	-	-	-	-	-
R&M-Landscape Parc C Park	3,425	-	-	-	-	-
R&M-Phase I	46,979	-	-	-	-	-
R&M-Phase III	48,276	-	-	-	-	-
R&M-Landscape Parcel D-2 & E	8,786	-	-	-	-	-
Miscellaneous Services	7,540	10,000	600	3,000	3,600	10,000
<b>Total Landscape</b>	<b>617,331</b>	<b>542,725</b>	<b>412,977</b>	<b>107,024</b>	<b>520,001</b>	<b>562,044</b>
<b>Utility</b>						
Electricity - General	28,762	40,000	28,363	10,134	38,497	40,000
Electricity - Streetlighting	375,011	385,220	313,299	62,660	375,959	385,220
Utility - Water & Sewer	84,986	90,000	75,863	2,757	78,620	83,000
<b>Total Utility</b>	<b>488,759</b>	<b>515,220</b>	<b>417,525</b>	<b>75,551</b>	<b>493,076</b>	<b>508,220</b>
<b>Operation &amp; Maintenance</b>						
Payroll-Salaried	2,513	-	-	-	-	-
FICA Taxes	192	-	-	-	-	-
Contracts-Lake and Wetland	33,328	33,250	18,575	5,060	23,635	21,360
Communication - Telephone	3,345	2,500	2,686	600	3,286	3,950
R&M-Common Area	13,351	10,500	2,390	1,996	4,386	7,000
R&M-Equipment	21,954	21,000	5,388	4,694	10,082	21,000
R&M-Pools	31,016	45,213	47,467	2,936	50,403	65,000
R&M-Roads & Alleyways	-	5,000	-	-	-	3,000
R&M-Sidewalks	-	9,000	25	800	825	10,000
R&M-Parks & Amenities	-	10,600	1,619	450	2,069	6,000
R&M-Hardscape Cleaning	9,638	10,000	6,180	1,000	7,180	10,000
Misc-Licenses & Permits	2,180	-	-	-	-	-

Prepared by:

Severn Trent Management Services

**Community Development District**

**Proposed Budget - Fiscal Year 2011**

ACCOUNT DESCRIPTION	ACTUAL	ADOPTED	ACTUAL	PROJECTED	TOTAL	PROPOSED
	FY 2009	BUDGET FY 2010	THRU JULY-2010	JUNE- SEP-2010	PROJECTED FY 2010	BUDGET FY 2011
Misc-Parks	1,903	-	-	-	-	-
Misc-Contingency	17,893	20,000	-	-	-	34,025
Misc-Irrigation Project	-	-	-	-	-	30,000
Op Supplies-Pool and Fountain	10,593	-	-	-	-	-
<b>Total Operation &amp; Maintenance</b>	<b>147,906</b>	<b>167,063</b>	<b>84,330</b>	<b>17,536</b>	<b>101,866</b>	<b>211,335</b>
<b>Reserves</b>						
Reserve - Self Insurance	-	40,779	-	-	-	-
<b>Total Reserves</b>	<b>-</b>	<b>40,779</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL EXPENDITURES &amp; RESERVES</b>	<b>1,486,300</b>	<b>1,512,703</b>	<b>1,104,365</b>	<b>229,225</b>	<b>1,333,590</b>	<b>1,513,703</b>
Excess (deficiency) of revenues						
Over (under) expenditures	30,899	-	277,215	(74,672)	202,543	(0)
Net change in fund balance	30,899	-	277,215	(74,672)	202,543	(0)
<b>FUND BALANCE, BEGINNING</b>	<b>354,305</b>	<b>385,204</b>	<b>385,204</b>	<b>-</b>	<b>385,204</b>	<b>587,747</b>
<b>FUND BALANCE, ENDING</b>	<b>\$ 385,204</b>	<b>\$ 385,204</b>	<b>\$ 662,419</b>	<b>\$ (74,672)</b>	<b>\$ 587,747</b>	<b>\$ 587,747</b>

Allocation of Fund Balance (see note 2)

Operating Reserve - First Quarter Operating Capital Reserve	\$ (200,000)
Reserve - Renewal and Replacement	(50,000)
	(135,000)
<b>Total Undesignated Cash</b>	<b>\$ 202,747</b>

Notes:

1.) The District's current insurance policy includes the following types of coverage:

<u>Type of Coverage</u>	<u>Deductible</u>
General & Professional Liability Coverage	\$0
Public Official Liability Coverage	\$2,500 per occurrence
Property & Inland Marine Coverage (a)	\$5,000 per occurrence

(a) This deductible would not cover damage occurring as a result of a "Named Storm" or "Wind Event".

2.) If the FY2011 assessments are kept the same as FY2010, the District will have \$202,747 in undesignated cash.

**Community Development District****Exhibit "A"****Allocation of Fund Balance****Available Funds**

Beginning Fund Balance - Fiscal Year 2011	\$	587,747
Net Change in Fund Balance - Fiscal Year 2011		\$0
<b>Total Available Funds (Estimated) - 9/30/2011</b>	<b>\$</b>	<b>587,747</b>

**Allocation of Available Funds**

(1) Operating Reserve - First Quarter Operating Capital	\$	200,000
(2) Reserve		50,000
(3) Reserve - Renewal and Replacement		135,000
<b>Total Allocation of Available Funds</b>	<b>\$</b>	<b>385,000</b>

<b>Total Undesignated Cash</b>	<b>\$</b>	<b>202,747</b>
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**Notes**

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

**Harmony**  
**Community Development District**

GENERAL FUND BUDGET NARRATIVE  
Fiscal Year 2011

**REVENUES**

**Interest Income (Investments)**

The District earns interest income on funds in the checking account and other investments.

**Special Assessment – Tax Collector**

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

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

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

**Special Assessment – Discounts**

Per Section 197.3632 and Section 197.162 of the Florida Statutes, discounts are allowed for early payment of assessments collected by the Tax Collector and only when the Tax Collector is using the uniform methodology. The budgeted amount for the fiscal year is calculated at 4% of the anticipated Non-Ad Valorem assessments.

**EXPENDITURES**

***Administrative:***

**P/R-Board of Supervisors**

Chapter 190, Florida Statutes, allows each member of the Board of Supervisors to be compensated for meeting attendance in the amount of \$200 per meeting not to exceed \$4,800 per year. The amount for the Fiscal Year is based upon four supervisors being compensated for 12 meetings.

**FICA Taxes**

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

**Harmony**  
**Community Development District**

GENERAL FUND BUDGET NARRATIVE  
Fiscal Year 2011

**EXPENDITURES - *Administrative* (continued)**

**Professional Services – Arbitrage Rebate**

The District will contract with an independent certified public accountant to annually calculate the District's Arbitrage Rebate Liability on the Series of Benefit Special Assessment Bonds. The budgeted amount for the fiscal year is based on historical and industry standard fees charged for this service.

**Professional Services – Dissemination Agent**

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

**Professional Services - Engineering**

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

**Professional Services - Legal Services**

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

**Professional Services- Management Consulting Services**

The District receives Management, Accounting and Administrative services as part of a Management Agreement with Severn Trent Environmental Services, Inc. The budgeted amount for the fiscal year is based on the contracted fees of the Management Agreement plus 3% increases.

<i>Services Provided</i>	<i>Fee</i>
Management Services	\$50,248.00
Information Technology Services	\$1,103.00
Rentals & Leases	\$2,741.00
Special Assessments - Advisor (see page 7 for details)	\$11,422.00
Payroll - Field Management (see page 9 for details)	\$51,453.00
<b>Total</b>	<b>\$116,976.00</b>

**Harmony**  
**Community Development District**

GENERAL FUND BUDGET NARRATIVE  
Fiscal Year 2011

<b>EXPENDITURES - <i>Administrative</i> (continued)</b>
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**Professional Services - Special Assessment (Advisor)**

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

**Professional Services- Trustee**

The District pays US Bank an annual fee for trustee services on the Series 2001 and the Series 2004 Special Assessment Bonds. The budgeted amount for the fiscal year is \$4,900 and \$4,350 for each series plus any out-of-pocket expenses.

**Auditing Services**

The District is required annually to conduct an audit of its financial records by an Independent Certified Public Accounting Firm. The fee is based on the existing engagement letter with Grau & Associates.

**Communication-Telephone**

Telephone and fax machine expenses. The amount for fiscal year 2011 is based on prior year expenses.

**Postage & Freight**

Cost of mailing agenda packages, overnight deliveries, correspondence, and payments to vendors, etc. The amount for fiscal year 2011 is based on prior year expenses.

**Insurance-General Liability**

The District's General Liability & Public Officials Liability Insurance policy is with Preferred Governmental Insurance Trust (PGIT), providing insurance coverage to governmental agencies. The budgeted amount is based upon prior year expense and an anticipated increase in property liability.

**Printing & Binding**

The District incurs charges for printing and binding agenda packages. Amount for fiscal year 2011 is based on prior year expenses.

**Harmony**  
**Community Development District**

GENERAL FUND BUDGET NARRATIVE  
Fiscal Year 2011

<b>EXPENDITURES - <i>Administrative</i> (continued)</b>
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**Legal Advertising**

The District is required to advertise the annual meeting schedule as well as, public hearings, workshops, and RFP's. in a newspaper of general circulation within Osceola County. The amount for fiscal year 2011 is based on the anticipated advertising needs for the year.

**Misc-Assessment Collection Cost**

The District reimburses the Osceola Board of Commissioners for her or his necessary administrative costs. Per the Florida Statutes, administrative costs shall include, but not be limited to, those costs associated with personnel, forms, supplies, data processing, computer equipment, postage, and programming. The FY2011 budget for collection costs is based on a unit price per parcel. The District also compensates the Tax Collector for the actual cost of collection or 2% on the amount of special assessments collected and remitted, whichever is greater.

**Misc-Contingency**

Bank charges and any other miscellaneous expenditures incurred during the year.

**Office Supplies**

Supplies used in the preparation and binding of agenda packages, required mailings, and other special projects, as well as the purchase of binders, file folders and other supplies used for the District. The amount for fiscal year 2011 is based on prior year expenditures adjusted for anticipated activity.

**Annual District Filing Fee**

The District is required to pay an annual fee of \$175 to the Department of Community Affairs. This is the only expenditure in this category.

**Capital Outlay**

Represents any minor capital expenditures the District may need to make during the Fiscal Year.

**Harmony**  
**Community Development District**

GENERAL FUND BUDGET NARRATIVE  
Fiscal Year 2011

**Field Management**

**Payroll- Part-time Dockmaster** **\$6,240**

Salary for the part-time assistant dockmaster. The Assistant Dockmaster provides supplemental support to boating activities, anticipated at \$52/day, 10 days a month.

**Payroll - Field Manager** **\$45,213**

Annual salary and benefits for full-time field manager/dockmaster as provided through Severn Trent Management Services. Primary responsibilities are related to docks and boats, with supplemental activities providing on-site field management and maintenance services.

**Landscape**

**Utility Refuse Removal** **\$38,000**

Scheduled maintenance consists of trash disposal, litter control and replacement of trash liners. Unscheduled maintenance consists of replacement of damaged trash cans.

<i>Existing Contract (Luke Brothers)</i>	<i>\$31,493</i>
<i>Unscheduled maintenance</i>	<i>\$6,507</i>

**R&M-Ground** **\$33,894**

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

<i>Existing Contract (Luke Brothers)</i>	<i>\$21,006</i>
<i>Existing Contract (Luke Brothers- Flowers)</i>	<i>\$9,888</i>
<i>Unscheduled maintenance</i>	<i>\$3,000</i>



**Harmony**  
**Community Development District**

GENERAL FUND BUDGET NARRATIVE  
Fiscal Year 2011

**EXPENDITURES – Landscape (continued)**

**R&M-Irrigation** **\$38,355**

Scheduled maintenance consists of regular inspections, adjustments to controller and irrigation heads, minor system repairs, and purchase of irrigation supplies. Unscheduled maintenance consists of major repairs and replacement of system components.

<i>Existing Contract (Luke Brothers)</i>	\$29,355
<i>System Management (monitoring of the system)</i>	\$3,000
<i>Proposed System Upgrade</i>	\$3,000
<i>Unscheduled maintenance</i>	\$3,000

**R&M-Tree Services** **\$15,000**

Scheduled maintenance consists of canopy trimming for trees over 10 feet, and consulting with a certified arborist.

**R&M-Tree Trimming** **\$21,689**

Scheduled maintenance consists of pruning, maintaining tree basins and fertilizing trees less than 10 feet in height.

<i>Existing Contract (Luke Brothers)</i>	\$19,689
<i>Unscheduled maintenance</i>	\$2,000

**R&M-Turf Care** **\$291,341**

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

<i>Existing Contract (Luke Brothers)</i>	\$286,341
<i>Unscheduled maintenance</i>	\$5,000

**R&M-Shrub Care** **\$113,765**

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

<i>Existing Contract (Luke Brothers)</i>	\$110,765
<i>Unscheduled maintenance</i>	\$3,000

**Miscellaneous Services** **\$10,000**

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

**Harmony**  
**Community Development District**

GENERAL FUND BUDGET NARRATIVE  
Fiscal Year 2011

**Utility**

**Electricity - General** **\$40,000**

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

**Electricity - Streetlighting** **\$385,220**

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

**Utility - Water & Sewer** **\$83,000**

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

**Operation & Maintenance**

**Contracts-Lake and Wetland** **\$21,360**

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

<i>Existing Contract (Bio-Tech Consulting)</i>	<i>\$18,360</i>
<i>Unscheduled maintenance</i>	<i>\$3,000</i>

**Communication – Telephone** **\$3,950**

Telephone expenses for the dockmaster's phones and the irrigation line for the computerized Maxicom irrigation system. The budgeted amount for the fiscal year is based on prior year expenses.

**R&M-Common Area** **\$7,000**

- Benches: Unscheduled maintenance consists of replacing damaged benches and purchasing benches for added areas. (\$3,500)
- Miscellaneous cleaning supplies, light bulbs, and other supplies used throughout the District. (\$500)
- Security camera: unscheduled maintenance includes repair or replacement of damaged cameras and any required upgrades. (\$1,500)
- Other miscellaneous common area expense not provided in other line items. It is anticipated some items originally installed in 2003 will need to be replaced in FY 2011, including trash cans, doggie pots and fountain. (\$1,500)

**Harmony**  
**Community Development District**

GENERAL FUND BUDGET NARRATIVE  
Fiscal Year 2011

<b>EXPENDITURES – Operation &amp; Maintenance (continued)</b>
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**R&M-Equipment** **\$21,000**

Supplies, maintenance and equipment needed for the boats.

<i>Boat Operation, supplies and maintenance</i>	<i>\$8,000</i>
<i>Repairs and system upgrade</i>	<i>\$8,000</i>
<i>Miscellaneous</i>	<i>\$5,000</i>

**R&M-Pools** **\$65,000**

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

<i>Contract (Jan Pro and Robert's Pool Service)</i>	<i>\$22,560</i>
<i>Repairs for Shade</i>	<i>\$3,000</i>
<i>Repairs for Furniture</i>	<i>\$3,000</i>
<i>Supplies</i>	<i>\$12,540</i>
<i>Licenses</i>	<i>\$900</i>
<i>Unscheduled Maintenance</i>	<i>\$3,000</i>
<i>Pool Re-Tile</i>	<i>\$20,000</i>

**R&M Roads and Alleyways** **\$3,000**

Unscheduled maintenance of alleyways. *\$3,000*

**R&M Sidewalks** **\$10,000**

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

**R&M Parks and Amenities** **\$6,000**

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

<i>Lakeshore Park</i>	<i>\$3,000</i>
<i>Dog Parks</i>	<i>\$2,000</i>
<i>Miscellaneous Park Areas</i>	<i>\$1,000</i>

**Harmony**  
**Community Development District**

GENERAL FUND BUDGET NARRATIVE  
Fiscal Year 2011

<b>EXPENDITURES – <i>Operation &amp; Maintenance</i> (continued)</b>
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<b><u>R&amp;M-Hardscape Maintenance</u></b>	<b>\$10,000</b>
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Scheduled maintenance consists of pressure washing PVC fencing, bridges, and pavilions, restrooms and other Hardscape. Unscheduled maintenance consists of repairs and replacement of damaged areas, including columns.

<i>Existing Contract (Luke Brothers)</i>	\$5,270
<i>Unscheduled maintenance</i>	\$4,730

<b><u>Misc-Contingency</u></b>	<b>\$34,025</b>
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The current year contingency represents the potential excess of unscheduled maintenance expenses not included in budget categories or not anticipated in specific line items.

<b><u>Misc-Irrigation Project</u></b>	<b>\$30,000</b>
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Represents costs to update and improve irrigation lines.

<b>RESERVES</b>
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**Reserve**

The District will set aside funds for deductibles for Liability and Property insurance.

**Community Development District**

**Proposed Budget - Fiscal Year 2011**

ACCOUNT DESCRIPTION	ACTUAL FY 2009	ADOPTED BUDGET FY 2010	ACTUAL THRU JULY-2010	PROJECTED JUNE- SEP-2010	TOTAL PROJECTED FY 2010	PROPOSED BUDGET FY 2011
<b>REVENUES</b>						
Interest - Investments	\$ 6,129	\$ 25,000	\$ 538	\$ 346	\$ 884	\$ 800
Special Assmnts- Tax Collector	1,040,645	1,071,740	1,040,281	31,459	1,071,740	1,038,106
Special Assmnts- Prepayment	31,009	-	7,974	-	7,974	-
Special Assmnts- CDD Collected	397,904	433,379	433,309	70	433,379	432,426
Special Assmnts- Delinquent	1,718	-	8,058	-	8,058	-
Special Assmnts- Discounts	(15,242)	(42,869)	(15,807)	-	(15,807)	(41,524)
<b>TOTAL REVENUES</b>	<b>1,462,163</b>	<b>1,487,250</b>	<b>1,474,353</b>	<b>31,875</b>	<b>1,506,228</b>	<b>1,429,807</b>
<b>EXPENDITURES</b>						
<i>Administrative</i>						
Misc-Assessmnt Collection Cost	9,629	21,435	20,678	386	21,064	20,762
<b>Total Administrative</b>	<b>9,629</b>	<b>21,435</b>	<b>20,678</b>	<b>386</b>	<b>21,064</b>	<b>20,762</b>
<i>Debt Service</i>						
Principal Debt Retirement	270,000	290,000	285,000	-	285,000	305,000
Principal Prepayments	30,000	-	20,000	-	20,000	-
Interest Expense	1,166,525	1,144,775	1,144,413	-	1,144,413	1,123,388
<b>Total Debt Service</b>	<b>1,466,525</b>	<b>1,434,775</b>	<b>1,449,413</b>	<b>-</b>	<b>1,449,413</b>	<b>1,428,388</b>
<b>TOTAL EXPENDITURES</b>	<b>1,476,154</b>	<b>1,456,210</b>	<b>1,470,091</b>	<b>386</b>	<b>1,470,477</b>	<b>1,449,150</b>
Excess (deficiency) of revenues Over (under) expenditures	(13,991)	31,040	4,262	31,489	35,751	(19,342)
Net change in fund balance	(13,991)	31,040	4,262	31,489	35,751	(19,342)
<b>FUND BALANCE, BEGINNING</b>	<b>1,735,114</b>	<b>1,721,124</b>	<b>1,721,124</b>	<b>-</b>	<b>1,721,124</b>	<b>1,756,875</b>
<b>FUND BALANCE, ENDING</b>	<b>\$ 1,721,123</b>	<b>\$ 1,752,164</b>	<b>\$ 1,725,386</b>	<b>\$ 31,489</b>	<b>\$ 1,756,875</b>	<b>\$ 1,737,533</b>

**Harmony**  
**Community Development District**  
**Series 2001 Special Assessment Bonds**

**AMORTIZATION SCHEDULE**

DATE	BALANCE	RATE	PRINCIPAL	PREPAYMENT	INTEREST	TOTAL
11/01/04	\$ 17,280,000.00	7.25%	\$ 105,000.00		\$ 626,400.00	\$ 1,573,993.75
05/01/05	\$ 17,175,000.00	7.25%	\$ 205,000.00	\$ 15,000.00	\$ 622,593.75	
11/01/05	\$ 16,955,000.00	7.25%	\$ -	\$ 50,000.00	\$ 614,618.75	\$ 1,497,425.00
05/01/06	\$ 16,905,000.00	7.25%	\$ 220,000.00		\$ 612,806.25	
11/01/06	\$ 16,685,000.00	7.25%	\$ -	\$ 20,000.00	\$ 604,831.25	\$ 1,513,937.50
05/01/07	\$ 16,665,000.00	7.25%	\$ 235,000.00	\$ 50,000.00	\$ 604,106.25	
11/01/07	\$ 16,380,000.00	7.25%	\$ -	\$ 35,000.00	\$ 593,775.00	\$ 1,476,281.25
05/01/08	\$ 16,345,000.00	7.25%	\$ 255,000.00		\$ 592,506.25	
11/01/08	\$ 16,090,000.00	7.25%	\$ -	\$ -	\$ 583,262.50	\$ 1,466,525.00
05/01/09	\$ 16,090,000.00	7.25%	\$ 270,000.00	\$ 30,000.00	\$ 583,262.50	
11/01/09	\$ 15,790,000.00	7.25%	\$ -	\$ 10,000.00	\$ 572,387.50	\$ 1,439,412.50
05/01/10	\$ 15,780,000.00	7.25%	\$ 285,000.00		\$ 572,025.00	
11/01/10	\$ 15,495,000.00	7.25%	\$ -		\$ 561,693.75	\$ 1,428,387.50
05/01/11	\$ 15,495,000.00	7.25%	\$ 305,000.00		\$ 561,693.75	
11/01/11	\$ 15,190,000.00	7.25%	\$ -		\$ 550,637.50	\$ 1,426,275.00
05/01/12	\$ 15,190,000.00	7.25%	\$ 325,000.00		\$ 550,637.50	
11/01/12	\$ 14,865,000.00	7.25%	\$ -		\$ 538,856.25	\$ 1,427,712.50
05/01/13	\$ 14,865,000.00	7.25%	\$ 350,000.00		\$ 538,856.25	
11/01/13	\$ 14,515,000.00	7.25%	\$ -		\$ 526,168.75	\$ 1,427,337.50
05/01/14	\$ 14,515,000.00	7.25%	\$ 375,000.00		\$ 526,168.75	
11/01/14	\$ 14,140,000.00	7.25%	\$ -		\$ 512,575.00	\$ 1,425,150.00
05/01/15	\$ 14,140,000.00	7.25%	\$ 400,000.00		\$ 512,575.00	
11/01/15	\$ 13,740,000.00	7.25%	\$ -		\$ 498,075.00	\$ 1,426,150.00
05/01/16	\$ 13,740,000.00	7.25%	\$ 430,000.00		\$ 498,075.00	
11/01/16	\$ 13,310,000.00	7.25%	\$ -		\$ 482,487.50	\$ 1,429,975.00
05/01/17	\$ 13,310,000.00	7.25%	\$ 465,000.00		\$ 482,487.50	
11/01/17	\$ 12,845,000.00	7.25%	\$ -		\$ 465,631.25	\$ 1,426,262.50
05/01/18	\$ 12,845,000.00	7.25%	\$ 495,000.00		\$ 465,631.25	
11/01/18	\$ 12,350,000.00	7.25%	\$ -		\$ 447,687.50	\$ 1,430,375.00
05/01/19	\$ 12,350,000.00	7.25%	\$ 535,000.00		\$ 447,687.50	
11/01/19	\$ 11,815,000.00	7.25%	\$ -		\$ 428,293.75	\$ 1,431,587.50
05/01/20	\$ 11,815,000.00	7.25%	\$ 575,000.00		\$ 428,293.75	
11/01/20	\$ 11,240,000.00	7.25%	\$ -		\$ 407,450.00	\$ 1,429,900.00
05/01/21	\$ 11,240,000.00	7.25%	\$ 615,000.00		\$ 407,450.00	
11/01/21	\$ 10,625,000.00	7.25%	\$ -		\$ 385,156.25	\$ 1,430,312.50
05/01/22	\$ 10,625,000.00	7.25%	\$ 660,000.00		\$ 385,156.25	
11/01/22	\$ 9,965,000.00	7.25%	\$ -		\$ 361,231.25	\$ 1,432,462.50
05/01/23	\$ 9,965,000.00	7.25%	\$ 710,000.00		\$ 361,231.25	
11/01/23	\$ 9,255,000.00	7.25%	\$ -		\$ 335,493.75	\$ 1,435,987.50
05/01/24	\$ 9,255,000.00	7.25%	\$ 765,000.00		\$ 335,493.75	
11/01/24	\$ 8,490,000.00	7.25%	\$ -		\$ 307,762.50	\$ 1,435,525.00
05/01/25	\$ 8,490,000.00	7.25%	\$ 820,000.00		\$ 307,762.50	
11/01/25	\$ 7,670,000.00	7.25%	\$ -		\$ 278,037.50	\$ 1,436,075.00
05/01/26	\$ 7,670,000.00	7.25%	\$ 880,000.00		\$ 278,037.50	
11/01/26	\$ 6,790,000.00	7.25%	\$ -		\$ 246,137.50	\$ 1,437,275.00
05/01/27	\$ 6,790,000.00	7.25%	\$ 945,000.00		\$ 246,137.50	
11/01/27	\$ 5,845,000.00	7.25%	\$ -		\$ 211,881.25	\$ 1,433,762.50
05/01/28	\$ 5,845,000.00	7.25%	\$ 1,010,000.00		\$ 211,881.25	
11/01/28	\$ 4,835,000.00	7.25%	\$ -		\$ 175,268.75	\$ 1,435,537.50
05/01/29	\$ 4,835,000.00	7.25%	\$ 1,085,000.00		\$ 175,268.75	
11/01/29	\$ 3,750,000.00	7.25%	\$ -		\$ 135,937.50	\$ 1,436,875.00
05/01/30	\$ 3,750,000.00	7.25%	\$ 1,165,000.00		\$ 135,937.50	
11/01/30	\$ 2,585,000.00	7.25%	\$ -		\$ 93,706.25	\$ 1,432,412.50
05/01/31	\$ 2,585,000.00	7.25%	\$ 1,245,000.00		\$ 93,706.25	
11/01/31	\$ 1,340,000.00	7.25%	\$ -		\$ 48,575.00	\$ 1,437,150.00
05/01/32	\$ 1,340,000.00	7.25%	\$ 1,340,000.00		\$ 48,575.00	
			\$ 17,070,000.00		\$ 23,180,062.50	\$ 40,460,062.50

**Community Development District**

**Proposed Budget - Fiscal Year 2011**

ACCOUNT DESCRIPTION	ACTUAL FY 2009	ADOPTED BUDGET FY 2010	ACTUAL THRU JULY-2010	PROJECTED JUNE- SEP-2010	TOTAL PROJECTED FY 2010	PROPOSED BUDGET FY 2011
<b>REVENUES</b>						
Interest - Investments	\$ 3,934	\$ 20,000	\$ 361	\$ 243	\$ 604	\$ 800
Special Assmnts- CDD Collected	1,205,689	1,201,223	846,366	354,857	1,201,223	1,198,145
<b>TOTAL REVENUES</b>	<b>1,209,623</b>	<b>1,221,223</b>	<b>846,727</b>	<b>355,100</b>	<b>1,201,827</b>	<b>1,198,945</b>
<b>EXPENDITURES</b>						
<i>Debt Service</i>						
Principal Debt Retirement	195,000	210,000	210,000	-	210,000	225,000
Interest Expense	1,028,025	1,014,863	1,014,863	-	1,014,863	1,000,688
<i>Total Debt Service</i>	<b>1,223,025</b>	<b>1,224,863</b>	<b>1,224,863</b>	<b>-</b>	<b>1,224,863</b>	<b>1,225,688</b>
<b>TOTAL EXPENDITURES</b>	<b>1,223,025</b>	<b>1,224,863</b>	<b>1,224,863</b>	<b>-</b>	<b>1,224,863</b>	<b>1,225,688</b>
Excess (deficiency) of revenues Over (under) expenditures	(13,402)	(3,640)	(378,136)	355,100	(23,036)	(26,743)
Net change in fund balance	(13,402)	(3,640)	(378,136)	355,100	(23,036)	(26,743)
<b>FUND BALANCE, BEGINNING</b>	<b>1,463,770</b>	<b>1,450,369</b>	<b>1,450,369</b>	<b>-</b>	<b>1,450,369</b>	<b>1,427,333</b>
<b>FUND BALANCE, ENDING</b>	<b>\$ 1,450,368</b>	<b>\$ 1,446,729</b>	<b>\$ 1,072,233</b>	<b>\$ 355,100</b>	<b>\$ 1,427,333</b>	<b>\$ 1,400,590</b>

**Harmony**  
**Community Development District**  
Series 2004 Capital Improvement Revenue Bonds

**AMORTIZATION SCHEDULE**

DATE	BALANCE	RATE	PRINCIPAL	INTEREST	TOTAL
5/1/2005	\$ 15,590,000.00	6.75%	\$ -	\$ 137,442.19	\$ 137,442.19
11/1/2005	\$ 15,590,000.00	6.75%	\$ -	\$ 376,799.06	\$ 902,961.56
5/1/2006	\$ 15,590,000.00	6.75%	\$ -	\$ 526,162.50	
11/1/2006	\$ 15,590,000.00	6.75%	\$ -	\$ 526,162.50	\$ 1,227,325.00
5/1/2007	\$ 15,590,000.00	6.75%	\$ 175,000.00	\$ 526,162.50	
11/1/2007	\$ 15,415,000.00	6.75%	\$ -	\$ 520,256.25	\$ 1,225,512.50
5/1/2008	\$ 15,415,000.00	6.75%	\$ 185,000.00	\$ 520,256.25	
11/1/2008	\$ 15,230,000.00	6.75%	\$ -	\$ 514,012.50	\$ 1,223,025.00
5/1/2009	\$ 15,230,000.00	6.75%	\$ 195,000.00	\$ 514,012.50	
11/1/2009	\$ 15,035,000.00	6.75%	\$ -	\$ 507,431.25	\$ 1,224,862.50
5/1/2010	\$ 15,035,000.00	6.75%	\$ 210,000.00	\$ 507,431.25	
11/1/2010	\$ 14,825,000.00	6.75%	\$ -	\$ 500,343.75	\$ 1,225,687.50
5/1/2011	\$ 14,825,000.00	6.75%	\$ 225,000.00	\$ 500,343.75	
11/1/2011	\$ 14,600,000.00	6.75%	\$ -	\$ 492,750.00	\$ 1,230,500.00
5/1/2012	\$ 14,600,000.00	6.75%	\$ 245,000.00	\$ 492,750.00	
11/1/2012	\$ 14,355,000.00	6.75%	\$ -	\$ 484,481.25	\$ 1,223,962.50
5/1/2013	\$ 14,355,000.00	6.75%	\$ 255,000.00	\$ 484,481.25	
11/1/2013	\$ 14,100,000.00	6.75%	\$ -	\$ 475,875.00	\$ 1,226,750.00
5/1/2014	\$ 14,100,000.00	6.75%	\$ 275,000.00	\$ 475,875.00	
11/1/2014	\$ 13,825,000.00	6.75%	\$ -	\$ 466,593.75	\$ 1,223,187.50
5/1/2015	\$ 13,825,000.00	6.75%	\$ 290,000.00	\$ 466,593.75	
11/1/2015	\$ 13,535,000.00	6.75%	\$ -	\$ 456,806.25	\$ 1,223,612.50
5/1/2016	\$ 13,535,000.00	6.75%	\$ 310,000.00	\$ 456,806.25	
11/1/2016	\$ 13,225,000.00	6.75%	\$ -	\$ 446,343.75	\$ 1,222,687.50
5/1/2017	\$ 13,225,000.00	6.75%	\$ 330,000.00	\$ 446,343.75	
11/1/2017	\$ 12,895,000.00	6.75%	\$ -	\$ 435,206.25	\$ 1,225,412.50
5/1/2018	\$ 12,895,000.00	6.75%	\$ 355,000.00	\$ 435,206.25	
11/1/2018	\$ 12,540,000.00	6.75%	\$ -	\$ 423,225.00	\$ 1,226,450.00
5/1/2019	\$ 12,540,000.00	6.75%	\$ 380,000.00	\$ 423,225.00	
11/1/2019	\$ 12,160,000.00	6.75%	\$ -	\$ 410,400.00	\$ 1,225,800.00
5/1/2020	\$ 12,160,000.00	6.75%	\$ 405,000.00	\$ 410,400.00	
11/1/2020	\$ 11,755,000.00	6.75%	\$ -	\$ 396,731.25	\$ 1,228,462.50
5/1/2021	\$ 11,755,000.00	6.75%	\$ 435,000.00	\$ 396,731.25	
11/1/2021	\$ 11,320,000.00	6.75%	\$ -	\$ 382,050.00	\$ 1,224,100.00
5/1/2022	\$ 11,320,000.00	6.75%	\$ 460,000.00	\$ 382,050.00	
11/1/2022	\$ 10,860,000.00	6.75%	\$ -	\$ 366,525.00	\$ 1,228,050.00
5/1/2023	\$ 10,860,000.00	6.75%	\$ 495,000.00	\$ 366,525.00	
11/1/2023	\$ 10,365,000.00	6.75%	\$ -	\$ 349,818.75	\$ 1,224,637.50
5/1/2024	\$ 10,365,000.00	6.75%	\$ 525,000.00	\$ 349,818.75	
11/1/2024	\$ 9,840,000.00	6.75%	\$ -	\$ 332,100.00	\$ 1,224,200.00
5/1/2025	\$ 9,840,000.00	6.75%	\$ 560,000.00	\$ 332,100.00	
11/1/2025	\$ 9,280,000.00	6.75%	\$ -	\$ 313,200.00	\$ 1,221,400.00
5/1/2026	\$ 9,280,000.00	6.75%	\$ 595,000.00	\$ 313,200.00	
11/1/2026	\$ 8,685,000.00	6.75%	\$ -	\$ 293,118.75	\$ 1,221,237.50
5/1/2027	\$ 8,685,000.00	6.75%	\$ 635,000.00	\$ 293,118.75	
11/1/2027	\$ 8,050,000.00	6.75%	\$ -	\$ 271,687.50	\$ 1,223,375.00
5/1/2028	\$ 8,050,000.00	6.75%	\$ 680,000.00	\$ 271,687.50	
11/1/2028	\$ 7,370,000.00	6.75%	\$ -	\$ 248,737.50	\$ 1,227,475.00
5/1/2029	\$ 7,370,000.00	6.75%	\$ 730,000.00	\$ 248,737.50	
11/1/2029	\$ 6,640,000.00	6.75%	\$ -	\$ 224,100.00	\$ 1,223,200.00
5/1/2030	\$ 6,640,000.00	6.75%	\$ 775,000.00	\$ 224,100.00	
11/1/2030	\$ 5,865,000.00	6.75%	\$ -	\$ 197,943.75	\$ 1,220,887.50
5/1/2031	\$ 5,865,000.00	6.75%	\$ 825,000.00	\$ 197,943.75	
11/1/2031	\$ 5,040,000.00	6.75%	\$ -	\$ 170,100.00	\$ 1,220,200.00
5/1/2032	\$ 5,040,000.00	6.75%	\$ 880,000.00	\$ 170,100.00	
11/1/2032	\$ 4,160,000.00	6.75%	\$ -	\$ 140,400.00	\$ 1,220,800.00
5/1/2033	\$ 4,160,000.00	6.75%	\$ 940,000.00	\$ 140,400.00	
11/1/2033	\$ 3,220,000.00	6.75%	\$ -	\$ 108,675.00	\$ 1,217,350.00
5/1/2034	\$ 3,220,000.00	6.75%	\$ 1,000,000.00	\$ 108,675.00	
11/1/2034	\$ 2,220,000.00	6.75%	\$ -	\$ 74,925.00	\$ 1,219,850.00
5/1/2035	\$ 2,220,000.00	6.75%	\$ 1,070,000.00	\$ 74,925.00	
11/1/2035	\$ 1,150,000.00	6.75%	\$ -	\$ 38,812.50	\$ 1,227,625.00
5/1/2036	\$ 1,150,000.00	6.75%	\$ 1,150,000.00	\$ 38,812.50	
			\$ 15,590,000.00	\$ 22,178,028.75	\$ 37,768,028.75



**Harmony  
Community Development District  
2010 - 2011 Proposed Assessments**

<b>Platted</b>												
<b>Neighborhood</b>	<b>Lot Type</b>	<b>Lot Width</b>	<b>2011 O &amp; M Assessment</b>	<b>2010 O &amp; M Assessment</b>	<b>2011 Debt Service Assessment</b>	<b>2010 Debt Service Assessment</b>	<b>2011 Total Assessment</b>	<b>2010 Total Assessment</b>	<b>% Change (Decrease) Increase</b>	<b>Units</b>		
A-1	MF	n/a	\$ 394.14	\$ 394.14	\$ 676.57	\$ 678.31	\$ 1,070.72	\$ 1,072.45	-0.16%	186		
B	B	80	\$ 1,246.01	\$ 1,246.01	\$ 2,138.86	\$ 2,144.36	\$ 3,384.87	\$ 3,390.36	-0.16%	9		
	C	65	\$ 1,012.38	\$ 1,012.38	\$ 1,737.83	\$ 1,742.29	\$ 2,750.21	\$ 2,754.67	-0.16%	25		
	E	52	\$ 809.90	\$ 809.90	\$ 1,390.26	\$ 1,393.83	\$ 2,200.17	\$ 2,203.74	-0.16%	35		
	G	42	\$ 654.15	\$ 654.15	\$ 1,122.90	\$ 1,125.79	\$ 1,777.06	\$ 1,779.94	-0.16%	22		
	H	35	\$ 545.13	\$ 545.13	\$ 935.75	\$ 938.16	\$ 1,480.88	\$ 1,483.28	-0.16%	15		
C-1	B	80	\$ 1,225.53	\$ 1,225.53	\$ 2,103.72	\$ 2,109.12	\$ 3,329.25	\$ 3,334.66	-0.16%	10		
	C	65	\$ 995.75	\$ 995.75	\$ 1,709.27	\$ 1,713.66	\$ 2,705.02	\$ 2,709.41	-0.16%	30		
	E	52	\$ 796.60	\$ 796.60	\$ 1,367.42	\$ 1,370.93	\$ 2,164.02	\$ 2,167.53	-0.16%	35		
	G	42	\$ 643.41	\$ 643.41	\$ 1,104.45	\$ 1,107.29	\$ 1,747.86	\$ 1,750.69	-0.16%	30		
	H	35	\$ 536.17	\$ 536.17	\$ 920.38	\$ 922.74	\$ 1,456.55	\$ 1,458.91	-0.16%	12		
C-2	B	80	\$ 1,274.38	\$ 1,274.38	\$ 2,187.57	\$ 2,193.19	\$ 3,461.95	\$ 3,467.57	-0.16%	4		
	C	65	\$ 1,035.44	\$ 1,035.44	\$ 1,777.40	\$ 1,781.96	\$ 2,812.84	\$ 2,817.40	-0.16%	14		
	E	52	\$ 828.35	\$ 828.35	\$ 1,421.92	\$ 1,425.57	\$ 2,250.27	\$ 2,253.92	-0.16%	13		
	G	42	\$ 669.05	\$ 669.05	\$ 1,148.47	\$ 1,151.42	\$ 1,817.52	\$ 1,820.47	-0.16%	31		
	H	35	\$ 557.54	\$ 557.54	\$ 957.06	\$ 959.52	\$ 1,514.60	\$ 1,517.06	-0.16%	25		
D-1	B	80	\$ 1,316.62	\$ 1,316.62	\$ 2,260.08	\$ 2,265.88	\$ 3,576.70	\$ 3,582.50	-0.16%	9		
	C	65	\$ 1,069.76	\$ 1,069.76	\$ 1,836.31	\$ 1,841.03	\$ 2,906.07	\$ 2,910.78	-0.16%	20		
	E	52	\$ 855.80	\$ 855.80	\$ 1,469.05	\$ 1,472.82	\$ 2,324.85	\$ 2,328.63	-0.16%	6		
D-2	E	n/a	\$ 782.09	\$ 782.09	\$ 1,342.51	\$ 1,345.96	\$ 2,124.59	\$ 2,128.04	-0.16%	11		
E	Custom	n/a	\$ 2,086.75	\$ 2,086.75	\$ 3,582.06	\$ 3,591.26	\$ 5,668.82	\$ 5,678.02	-0.16%	51		
G	E	52	\$ 942.03	\$ 942.03	\$ 1,617.06	\$ 1,621.21	\$ 2,559.08	\$ 2,563.24	-0.16%	62		
	G	42	\$ 760.87	\$ 760.87	\$ 1,306.08	\$ 1,309.44	\$ 2,066.95	\$ 2,070.31	-0.16%	85		
	H	35	\$ 634.06	\$ 634.06	\$ 1,088.40	\$ 1,091.20	\$ 1,722.46	\$ 1,725.26	-0.16%	39		
<b>Unplatted</b>												
A-2	MF		\$ 348.57	\$ 348.57	\$ 598.34	\$ 599.88	\$ 946.91	\$ 948.45	-0.16%	44		
H-1/H-2	MF		\$ 599.16	\$ 599.16	\$ 1,028.50	\$ 1,031.14	\$ 1,627.66	\$ 1,630.30	-0.16%	222		
F	MF		\$ 463.30	\$ 463.30	\$ 795.30	\$ 797.34	\$ 1,258.60	\$ 1,260.64	-0.16%	120		
M	MF		\$ 225.99	\$ 225.99	\$ 387.93	\$ 388.92	\$ 613.91	\$ 614.91	-0.16%	120		
I/J	TBD		\$ 468.94	\$ 468.94	\$ 804.97	\$ 807.04	\$ 1,273.91	\$ 1,275.98	-0.16%	600		
K	TBD		\$ 431.75	\$ 431.75	\$ 741.13	\$ 743.03	\$ 1,172.88	\$ 1,174.78	-0.16%	220		
L	TBD		\$ 462.63	\$ 462.63	\$ 794.13	\$ 796.17	\$ 1,256.76	\$ 1,258.80	-0.16%	180		
Comm	Comm		\$ 26,421.43	\$ 26,421.43	\$ 45,354.32	\$ 45,470.79	\$ 71,775.76	\$ 71,892.23	-0.16%	7.58		
Office	Office		\$ 91,812.74	\$ 91,812.74	\$ 157,603.27	\$ 158,008.01	\$ 249,416.02	\$ 249,820.76	-0.16%	26.34		
TC	Town Center		\$ 105,441.74	\$ 105,441.74	\$ 180,998.44	\$ 181,463.26	\$ 286,440.19	\$ 286,905.01	-0.16%	30.25		
GC	Golf Course											

2,349.17

**4B**

## RESOLUTION 2010-03

### **A RESOLUTION OF THE HARMONY COMMUNITY DEVELOPMENT DISTRICT RELATING TO THE ANNUAL APPROPRIATIONS OF THE DISTRICT AND ADOPTING THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2010 AND ENDING SEPTEMBER 30, 2011, AND REFERENCING THE MAINTENANCE AND BENEFIT SPECIAL ASSESSMENTS TO BE IMPOSED AND LEVIED BY THE DISTRICT FOR SAID FISCAL YEAR**

WHEREAS, the District Manager has, prior to the fifteenth (15th) day in June, 2010, submitted to the Board of Supervisors (the "Board") a proposed budget for the next ensuing budget year along with an explanatory and complete financial plan for each fund of the District, pursuant to the provisions of Section 190.008(2)(a), Florida Statutes; and

WHEREAS, at least sixty (60) days prior to the adoption of the proposed annual budget and any proposed long-term financial plan or program of the District for future operations (the "Proposed Budget") the District did file a copy of the Proposed Budget with the general purpose local governing authorities having jurisdiction over the area included in the District pursuant to the provisions of Section 190.008(2)(b), Florida Statutes; and

WHEREAS, on May 27, 2010, the Board set August 26, 2010, as the date for a public hearing thereon and caused notice of such public hearing to be given by publication pursuant to Section 190.008(2)(a) Florida Statutes; and

WHEREAS, Section 190.008(2)(a), Florida Statutes requires that, prior to October 1 of each year, the District Board by passage of the Annual Appropriation Resolution shall adopt a budget for the ensuing fiscal year and appropriate such sums of money as the Board deems necessary to defray all expenditures of the District during the ensuing fiscal year; and

WHEREAS, the District Manager has prepared a Proposed Budget on a Cash Flow Budget basis, whereby the budget shall project the cash receipts and disbursements anticipated during a given time period, including reserves for contingencies for emergency or other unanticipated expenditures during the fiscal year; and

WHEREAS, Section 190.021, Florida Statutes provides that the Annual Appropriation Resolution shall also fix the Maintenance Special Assessments and Benefit Special Assessments upon each piece of property within the boundaries of the District benefited, specifically and peculiarly, by the maintenance and/or capital improvement programs of the District, such imposition and levy representing the amount of assessments to reimburse the District for the special and peculiar benefits received and necessary to provide for payment during the ensuing budget year of all properly authorized expenditures to be incurred by the District, including principal and interest of special revenue, capital improvement and/or benefit assessment bonds, in order for the District to exercise its various general and special powers to implement its single and specialized infrastructure provision purpose; and

WHEREAS, the Assessment Methodology, the Engineer's Cost Report and the non-ad valorem Assessment Roll used with the original District resolutions are incorporated herein and made a part hereof by reference unchanged except as to the amount of the assessments.

WHEREAS, the Board of Supervisors of the Harmony Community Development District finds and determines that the non-ad valorem special assessments it imposes and levies by this Resolution for maintenance on the parcels of property involved will constitute a mechanism by which the property owners lawfully and validly will reimburse the District for those certain special and peculiar benefits the District has determined are received by, and flow to, the parcels of property from the systems, facilities and services being provided, and that the special and peculiar benefits are apportioned in a manner that is fair and reasonable in accordance with applicable assessment methodology and related case law; and

WHEREAS, the Chair of the Board of Supervisors may designate the District Manager or other person to certify the non-ad valorem assessment roll to the State Constitution's Tax Collector in and for Osceola County political subdivision on compatible electronic medium tied to the property identification number no later than 31 August 2010 so that the Tax Collector may merge that roll with others into the collection roll from which the November tax notice is to be printed and mailed; and

WHEREAS, non-ad valorem assessments imposed and levied on the unplatted parcels owned by the landowner/developer are collected by the District through the Manager, not using the uniform collection methodology.

WHEREAS, no authorized budget revisions or transfers shall result in any non-ad valorem assessment per parcel in excess of the amount on the rolls certified hereunder.

WHEREAS, the proceeds from the collections of these imposed and levied non-ad valorem assessments shall be distributed to the Harmony Community Development District by the Tax Collector and the District Manager; and

WHEREAS, the Tax Collector performs the state work in preparing, mailing out, collecting and enforcing against delinquency the non-ad valorem assessments of the District using the Uniform Collection Methodology for non-ad valorem assessments under the direct supervision of the Florida Department of Revenue and the District Manager does not use the uniform methodology; and

WHEREAS, if the Property Appraiser and the Tax Collector have adopted a different technological procedure for certifying and merging the rolls, then that procedure must be worked out and negotiated with Board approval through the auspices of the District Manager before there are any deviations from the provisions of Section 197.3632, Fla. Stat., and Rule 12D-18, Florida Administrative Code.

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

**Section 1.** The provisions of the whereas clauses are true and correct and are incorporated herein as dispositive.

**Section 2. Budget**

a. That the Board of Supervisors has reviewed the District Manager's Proposed Budget, a copy of which is on file with the office of the District Treasurer and the office of the Recording

Secretary, and is hereby attached to this resolution, and hereby approves certain amendments thereto, as shown in Section 2 below.

- b. That the District Manager's Proposed Budget, as amended by the Board, is adopted hereby in accordance with the provisions of Section 190.008(2)(a), Florida Statutes and incorporated herein by reference; provided, however, that the comparative figures contained in the adopted budget may be revised subsequently as deemed necessary by the District Manager to reflect actual revenues and expenditures for the Fiscal Year 2010 and/or revised projections for Fiscal Year 2011.
- c. That the adopted budget, as amended, shall be maintained in the office of the District Treasurer and the District Recording Secretary and identified as "The Budget for the Harmony Community Development District for the Fiscal Year Ending September 30, 2011, as Adopted by the Board of Supervisors on August 26, 2010.

**Section 3. Appropriations**

That there be, and hereby is appropriated out of the revenues of the Harmony Community Development District, for the Fiscal Year beginning October 1, 2010, and ending September 30, 2011 the sum of \_\_\_\_\_ \$ \_\_\_\_\_ to be raised by the applicable imposition and levy by the Board of applicable non-ad valorem special assessments and otherwise, which sum is deemed by the Board of Supervisors to be necessary to defray all expenditures of the District during said budget year, to be divided and appropriated in the following fashion:

TOTAL GENERAL FUND	\$
DEBT SERVICE FUND	\$
Total All Funds	\$

**Section 4. Supplemental Appropriations**

The Board may authorize by resolution supplemental appropriations or revenue changes for any lawful purpose from funds on hand or estimated to be received within the fiscal year as follows:

- a. Board may authorize a transfer of the unexpended balance or portion thereof of any appropriation item.
- b. Board may authorize an appropriation from the unappropriated balance of any fund.
- c. Board may increase any revenue or income budget account to reflect receipt of any additional unbudgeted monies and make the corresponding change to appropriations or the unappropriated balance.

The District Manager and Treasurer shall have the power within a given fund to authorize the transfer of any unexpended balance of any appropriation item or any portion thereof, provided such transfers do not exceed Ten Thousand (\$10,000) Dollars or have the effect of causing more than 10% of the total appropriation of a given program or project to be transferred previously approved transfers included. Such transfer shall not have the effect of causing a more than \$10,000 or 10% increase, previously approved transfers included, to the original budget appropriation for the receiving program. Transfers within a program or project may be approved by the applicable department director and the

District Manager or Treasurer. The District Manager or Treasurer must establish administrative procedures, which require information on the request forms proving that such transfer requests comply with this section.

**Section 5. Maintenance Special Assessment Levy: Fixed and Referenced and to be Levied by the Board**

- a. That the Fiscal Year 2011 Maintenance Special Assessment (the "assessment") upon all the property within the boundaries of the District based upon the special and peculiar benefit received and further based upon reasonable and fair apportionment of the special benefit, shall be in accordance with the attached Exhibit A, representing the amount of District assessments necessary to provide for payment during the aforementioned budget year of all properly authorized expenditures to be incurred by the District, including principal and interest of special revenue, capital improvement and/or benefit assessment bonds. Said assessment shall be distributed by the Tax Collector or the District Manager for the assessments imposed and levied as follows:

General Fund O & M	§ [See Assessment Levy Resolution 2010-04]
Debt Service Fund	§ [See Assessment Levy Resolution 2010-04]

- b. The designee of the Chair of the Board of Supervisors of the Harmony Community Development District shall be either the Manager or the Treasurer of the District designated to certify the non-ad valorem assessment roll to the Tax Collector in and for the Osceola County political subdivision, in accordance with applicable provisions of State law (Chapters 190 and 197, Fla. Stat.) and applicable rules (Rule 12D-18, Florida Administrative Code) which shall include not only the maintenance special assessment but also the total assessment for the debt service, as required by and pursuant to law.

Introduced, considered favorably, and adopted this 26<sup>th</sup> day of August, 2010.

Harmony Community Development District

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Robert D. Evans  
Chairman

Attest:

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Gary L. Moyer  
Secretary

**4C**

**RESOLUTION 2010-04**

**A RESOLUTION IMPOSING AND LEVYING A NON AD VALOREM MAINTENANCE SPECIAL ASSESSMENT FOR THE HARMONY COMMUNITY DEVELOPMENT DISTRICT FOR FISCAL YEAR 2011**

Preamble

WHEREAS, certain systems, facilities, services and improvements within the Harmony Community Development District and certain related costs of managing the operation, repairs and maintenance are being incurred; and

WHEREAS, the Board of Supervisors of the Harmony Community Development District finds that the District's total General Fund operation assessments, taking into consideration the other revenue sources during Fiscal Year 2011 will amount to \$ \_\_\_\_\_; and

WHEREAS, the other revenue sources are \$ \_\_\_\_\_; and

WHEREAS, the Board of Supervisors of the Harmony Community Development District finds the District's Debt Service Fund Assessment during Fiscal Year 2011 will amount to \$ \_\_\_\_\_; and

WHEREAS, the Board of Supervisors of the Harmony Community Development District finds that the Debt Service Fund relates to systems and facilities which provide special benefits peculiar to certain property within the District based on the applicable assessment methodology; and

WHEREAS, the Board of Supervisors of the Harmony Community Development District finds that the non-ad valorem special assessments it imposes and levies by this resolution for maintenance on the parcels of property involved will reimburse the District for certain special and peculiar benefits received by the property flowing from the maintenance of the systems, facilities and services apportioned in a manner that is fair and reasonable, in accordance with the applicable assessment methodology; and

WHEREAS, the District Board understands that while this resolution imposes and levies only the maintenance assessments for 2010, the Chair of the District or the designee of the Chair, shall certify a total non-ad valorem assessment roll in a timely manner to the State Constitution's



Tax Collector in and for the Osceola County political subdivision for collection to include all assessments imposed, levied and approved by the District on the property including those for debt service as well as for special maintenance assessments using the uniform methodology.

WHEREAS, the District Board understands further that all assessments collected by the District Manager shall not be pursuant to the uniform methodology.

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

Section 1. All the whereas clauses are incorporated herein and are dispositive.

Section 2. A special assessment for maintenance as provided for in Section 190.021(3), Florida Statutes, (hereinafter referred to as assessment) is hereby imposed and levied on the platted lots within the District and on un-platted land within the District if applicable.

Section 3. That the collection and enforcement of the aforesaid assessments under the supervision of the Florida Department of Revenue on platted lots shall be by the Tax Collector and shall be at the same time and in like manner as ad valorem taxes and subject to all ad valorem tax collection and enforcement procedures which attend the use of the official annual tax notice using the uniform method.

Section 4. The maintenance special assessments on platted lots in the District will be combined with the debt service non-ad valorem assessments which were imposed, levied and certified as a total amount on the non-ad valorem assessment roll to the Osceola County Tax Collector by the designee of the Chair of the Board on compatible medium no later than 31 August 2010, which shall then be collected by the Tax Collector on the tax notice along with other non-ad valorem assessments from other local governments and with all applicable property taxes to each platted parcel of property. Any maintenance assessment imposed and levied on un-platted lands will be collected by the District Manager.

Section 5. The proceeds therefrom shall be distributed to the Harmony Community Development District.

Section 6. The Chair of the Board of the Harmony Community Development District designates the District Manager to perform the certification duties.

Section 7. Be it further resolved, that a copy of this Resolution be transmitted to the proper public officials so that its purpose and effect may be carried out in accordance with law.

PASSED AND ADOPTED this 26<sup>th</sup> day of August, 2010, by the Board of Supervisors of the Harmony Community Development District, Osceola County, Florida.

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Gary L. Moyer  
Secretary

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Robert D. Evans  
Chairman

## **Fifth Order of Business**

**HARMONY  
COMMUNITY DEVELOPMENT DISTRICT  
OSCEOLA COUNTY, FLORIDA  
FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2009**

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

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## INDEPENDENT AUDITOR'S REPORT

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

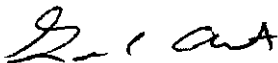
We have audited the accompanying financial statements of the governmental activities and each major fund of Harmony Community Development District, Osceola County, Florida (the "District") as of and for the fiscal year ended September 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2009, and the respective changes in financial position thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 26, 2010, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, and contracts, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



July 26, 2010

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Harmony Community Development District, Osceola County, Florida's ("District") financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2009. Please read it in conjunction with the District's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

### FINANCIAL HIGHLIGHTS

- The liabilities of the District exceeded its assets at the close of the most recent fiscal year resulting in a net asset balance of \$(11,039,046).
- The change in the District's total net assets in comparison with the prior fiscal year was \$97,382, an increase. The key components of the District's net assets and change in net assets are reflected in the table in the government-wide financial statements analysis section.
- At September 30, 2009, the District's governmental funds reported combined ending fund balances of \$3,766,330, a decrease of (\$40,987) in comparison with the prior year. Of the total fund balance, a portion is reserved for debt service and other items and the remainder is unreserved which is available for spending at the District's discretion.

### OVERVIEW OF FINANCIAL STATEMENTS

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

#### 1) Government-Wide Financial Statements

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

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

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

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

#### 2) Fund Financial Statements

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

## OVERVIEW OF FINANCIAL STATEMENTS (Continued)

### 2) Fund Financial Statements (Continued)

#### Governmental Funds

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

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

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

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

### 3) Notes to the Financial Statements

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

#### FINANCIAL ANALYSIS OF GOVERNMENT-WIDE INFORMATION

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

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

The restricted portion of the District's net assets represents resources that are subject to external restrictions on how they may be used. They are funds set aside for debt service under the District's Bond Indentures. The remaining balance of unrestricted net assets may be used to meet the District's other obligations.



FINANCIAL ANALYSIS OF GOVERNMENT-WIDE INFORMATION (Continued)

Key components of the District's net assets were as follows:

NET ASSETS SEPTEMBER 30,		
	2009	2008
Assets, excluding capital assets	\$ 4,443,647	\$ 4,471,578
Capital assets, net of depreciation	16,330,591	16,741,337
Total assets	20,774,238	21,212,915
Liabilities, excluding long-term liabilities	988,284	1,029,343
Long-term liabilities	30,825,000	31,320,000
Total liabilities	31,813,284	32,349,343
Net Assets		
Invested in capital assets, net of related debt	(13,756,250)	(13,775,219)
Restricted for debt service and other items	2,315,780	2,284,488
Unrestricted	401,424	354,303
Total net assets (deficit)	\$ (11,039,046)	\$ (11,136,428)

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

The key elements of the District's change in net assets are reflected in the following table:

CHANGES IN NET ASSETS FOR THE FISCAL YEAR ENDED SEPTEMBER 30,		
	2009	2008
Revenues:		
Program revenues	\$ 4,247,565	\$ 4,240,511
General revenues	2,832	13,771
Total revenues	4,250,397	4,254,282
Expenses:		
General government	234,428	199,109
Maintenance and operations	1,553,708	11,627,550
Parks and recreation	163,750	123,276
Interest	2,201,129	2,233,958
Total expenses	4,153,015	14,183,893
Change in net assets	97,382	(9,929,611)
Net assets (deficit), beginning	(11,136,428)	(1,206,817)
Net assets (deficit), ending	\$ (11,039,046)	\$ (11,136,428)

Program revenues were comprised primarily of assessments for both the most recent and preceding fiscal years.

## FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

The District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The general fund includes all activities related to providing management and operating services.

In the table below we have presented the cost of the largest functions/programs as a percentage of total governmental funds.

FOR THE FISCAL YEAR ENDED SEPTEMBER 30,

	2009		2008	
General government	\$ 234,428	6%	\$ 199,109	4%
Maintenance and operations	1,221,020	28%	1,192,205	23%
Parks and recreation	40,474	1%	-	0%
Interest and principal on long-term debt	2,689,550	64%	2,701,794	58%
Capital outlay	45,218	1%	113,427	15%
Total	<u>\$ 4,230,690</u>	<u>100%</u>	<u>\$ 4,206,535</u>	<u>100%</u>

Debt service comprised the majority of expenditures for total governmental activities for both the current and prior fiscal years.

## GENERAL BUDGETING HIGHLIGHTS

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. The general fund budget for the fiscal year ended September 30, 2009 was amended to increase revenues by \$15,874, increase appropriations by \$21,602. Actual general fund expenditures did not exceed final budgeted appropriations for the fiscal year ended September 30, 2009.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At September 30, 2009, the District had \$17,257,517 invested in land, land improvements, infrastructure, recreation areas and facilities, and equipment. In the government-wide financial statements depreciation of \$926,926 has been taken, which resulted in a net book value of \$16,330,591. More detailed information about the District's capital assets is presented in the notes of the financial statements.

### Capital Debt

At September 30, 2009, the District had \$30,825,000 in Bonds outstanding for its governmental activities, a decrease of approximately 2% from the prior year. More detailed information about the District's capital debt is presented in the notes of the financial statements.

### Contacting the District's Financial Management

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

**HARMONY COMMUNITY DEVELOPMENT DISTRICT  
OSCEOLA COUNTY, FLORIDA  
STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2009**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash	\$ 360,840
Assessments receivable	496,815
Due from other governments (unused distributed funds)	16,165
Restricted assets:	
Investments	3,041,639
Deferred charges	528,188
Capital assets:	
Nondepreciable	8,588,818
Depreciable, net	<u>7,741,773</u>
Total assets	<u>20,774,238</u>
 <b>LIABILITIES</b>	
Accounts payable	88,435
Accrued interest payable	899,849
Non-current liabilities:	
Due within one year	500,000
Due in more than one year	<u>30,325,000</u>
Total liabilities	<u>31,813,284</u>
 <b>NET ASSETS</b>	
Invested in capital assets, net of related debt	(13,756,250)
Restricted for debt service and other items	2,315,780
Unrestricted	401,424
Total net assets (deficit)	<u>\$ (11,039,046)</u>

See notes to the financial statements

**HARMONY COMMUNITY DEVELOPMENT DISTRICT  
OSCEOLA COUNTY, FLORIDA  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

<u>Functions/Programs</u>	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary government:					
Governmental activities:					
General government	\$ 234,428	\$ 234,428	\$ -	\$ -	\$ -
Maintenance and operations	1,553,708	1,296,157		1,060	(256,491)
Parks and recreation	163,750				(163,750)
Interest on long-term debt	2,201,129	2,705,858	10,062		514,791
Total governmental activities	<u>4,153,015</u>	<u>4,236,443</u>	<u>10,062</u>	<u>1,060</u>	<u>94,550</u>
General revenues:					
Unrestricted investment earnings					996
Miscellaneous					1,836
Total general revenues					<u>2,832</u>
Change in net assets					97,382
Net assets (deficit) - beginning					(11,136,428)
Net assets (deficit) - ending					<u>\$ (11,039,046)</u>

See notes to the financial statements

**HARMONY COMMUNITY DEVELOPMENT DISTRICT  
OSCEOLA COUNTY, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2009**

	Major Funds				Total Governmental Funds
	General	Debt Service 2001	Debt Service 2004	Capital Projects 2004	
<b>ASSETS</b>					
Cash	\$ 360,840	\$ -	\$ -	\$ -	\$ 360,840
Investments		1,706,600	1,094,614	240,425	3,041,639
Assessments receivable	92,415	49,009	355,391		496,815
Due from other governments (unused distributed funds)	6,118	10,047			16,165
Due from other funds	18,142				18,142
Total assets	<u>\$ 477,515</u>	<u>\$ 1,765,656</u>	<u>\$ 1,450,005</u>	<u>\$ 240,425</u>	<u>\$ 3,933,601</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 76,091	\$ -	\$ -	\$ 12,344	\$ 88,435
Due to other funds		32		18,110	18,142
Deferred revenue	16,218	44,476			60,694
Total liabilities	<u>92,309</u>	<u>44,508</u>	<u>-</u>	<u>30,454</u>	<u>167,271</u>
Fund balances:					
Reserved for:					
Debt service		1,721,148	1,450,005		3,171,153
Capital projects				209,971	209,971
Unreserved, reported in:					
General fund	385,206				385,206
Total fund balances	<u>385,206</u>	<u>1,721,148</u>	<u>1,450,005</u>	<u>209,971</u>	<u>3,766,330</u>
Total liabilities and fund balances	<u>\$ 477,515</u>	<u>\$ 1,765,656</u>	<u>\$ 1,450,005</u>	<u>\$ 240,425</u>	<u>\$ 3,933,601</u>

See notes to the financial statements

**HARMONY COMMUNITY DEVELOPMENT DISTRICT  
OSCEOLA COUNTY, FLORIDA  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2009**

Fund balance - governmental funds		\$ 3,766,330
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. The statement of net assets includes those capital assets, net of any accumulated depreciation, in the net assets for the government as a whole.		
Cost of capital assets	17,257,517	
Accumulated depreciation	<u>(926,926)</u>	16,330,591
Assets that are not available to pay for current-period expenditures are deferred in the fund financial statements		
		60,694
Bond issue costs are not financial resources and, therefore are not reported as assets in the governmental funds. The statements of net assets includes these costs, net of amortization.		
Bond issue costs	633,823	
Accumulated amortization	<u>(105,635)</u>	528,188
Liabilities not due and payable from current available resources are not reported as liabilities in the governmental fund statements. All liabilities, both current and long-term, are reported in the government-wide financial statements.		
Accrued interest payable	(899,849)	
Bonds payable	<u>(30,825,000)</u>	(31,724,849)
Net assets of governmental activities		<u>\$ (11,039,046)</u>

See notes to the financial statements

**HARMONY COMMUNITY DEVELOPMENT DISTRICT  
OSCEOLA COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

	Major Funds				Total Governmental Funds
	General	Debt Service 2001	Debt Service 2004	Capital Projects 2004	
<b>REVENUES</b>					
Assessments - Tax collector	\$ 611,396	\$ 1,058,130	\$ -	\$ -	\$ 1,669,526
Assessments - District collected	902,971	397,926	1,205,326		2,506,223
Interest	996	6,129	3,933	1,060	12,118
Other revenues	1,836				1,836
Total revenues	<u>1,517,199</u>	<u>1,462,185</u>	<u>1,209,259</u>	<u>1,060</u>	<u>4,189,703</u>
<b>EXPENDITURES</b>					
Current:					
General government	224,802	9,626			234,428
Maintenance and operations	1,221,020				1,221,020
Parks and recreation	40,474				40,474
Debt Service:					
Principal		300,000	195,000		495,000
Interest		1,166,525	1,028,025		2,194,550
Capital outlay				45,218	45,218
Total expenditures	<u>1,486,296</u>	<u>1,476,151</u>	<u>1,223,025</u>	<u>45,218</u>	<u>4,230,690</u>
Excess (deficiency) of revenues over (under) expenditures	30,903	(13,966)	(13,766)	(44,158)	(40,987)
Fund balances - beginning	<u>354,303</u>	<u>1,735,114</u>	<u>1,463,771</u>	<u>254,129</u>	<u>3,807,317</u>
Fund balances - ending	<u>\$ 385,206</u>	<u>\$ 1,721,148</u>	<u>\$ 1,450,005</u>	<u>\$ 209,971</u>	<u>\$ 3,766,330</u>

See notes to the financial statements

**HARMONY COMMUNITY DEVELOPMENT DISTRICT  
OSCEOLA COUNTY, FLORIDA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

Net change in fund balances - total governmental funds	\$ (40,987)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, the costs of capital assets is eliminated in the statement of activities and capitalized in the statement of net assets.	45,218
Depreciation of capital assets is not recognized in the governmental fund statements but is reported as an expense in the statement of activities.	(455,964)
Revenues in the statement of activities that do not provide current financial resources are deferred and are not reported as revenues in the fund financial statements.	60,694
Repayment of long-term liabilities are reported as expenditures in the governmental fund statement but such repayments reduce liabilities in the statement of net assets and are eliminated in the statement of activities.	495,000
Governmental funds report the effect of issuance of costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Amortization of issuance costs	(21,127)
The change in accrued interest on long-term liabilities between the current and prior fiscal year is recorded in the statement of activities but not in the fund financial statements.	<u>14,548</u>
Change in net assets of governmental activities	<u><u>\$ 97,382</u></u>

See notes to the financial statements



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

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

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

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

The District is governed by the Board of Supervisors ("Board") which is composed of five members. The Supervisors are elected by qualified electors within the District. To carry out the purpose of the District, the Board of Supervisors of the District exercises all powers granted to the District pursuant to Chapter 190, Florida Statutes. Certain Board members are affiliated with Birchwood Acres Limited Partnership ("Developer") at September 30, 2009. The Developer owns the majority of land within the District; as a result, any non-payment or significant delay in the payment of annual assessments by the Developer or a successor owner would have an adverse effect on the operations of the District.

The Board has the responsibility for:

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

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

**Government-Wide and Fund Financial Statements**

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

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

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

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

### **Assessments**

Assessments are non-ad valorem assessments on benefited lands within the District. Assessments are imposed and levied to pay for the operations and maintenance by the District of its systems and facilities provided to the property. For debt service, certain amounts are collected at lot closings as advance payments and are used to prepay a portion of the Bonds outstanding. Otherwise, assessments are collected annually to provide funds for the debt service on the portion of the Bonds which are not paid with prepaid assessments. The fiscal year for which annual assessments are levied begins on October 1 with discounts available for payments through February 28 and become delinquent on April 1. The District's annual assessments for operations and debt service are billed and collected by the County Tax Collector for non-Developer owned parcels or lots. For certain Developer owned acres, parcels or lots the District bills and collects the annual assessments. The amounts remitted to the District are net of applicable discounts or necessary administrative costs reimbursements and collection costs compensation. In addition, amounts remitted by the County Tax Collector include interest on monies held from the day of collection to the day of distribution.

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

The District reports the following major governmental funds:

### **General Fund**

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

### **Debt Service Fund 2001**

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

### **Debt Service Fund 2004**

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

### **Capital Projects Fund 2004**

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

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

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

Restricted Assets

These assets represent cash and investments set aside pursuant to Bond covenants.

Deposits and Investments

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

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

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

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

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

Inventories and Prepaid Items

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

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

Capital Assets

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

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

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

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

## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

#### Capital Assets (Continued)

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

#### Deferred Charges

In a prior year, in connection with the issuance of certain debt, the District incurred costs totaling \$633,823. In the government-wide financial statements, that amount has been capitalized and amortized ratably over the estimated life of the Bonds. At September 30, 2009, the District reported accumulated amortization of \$105,635.

#### Deferred Revenue

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

#### Long-Term Obligations

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

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

#### Fund Equity/Net Assets

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

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

### **Other Disclosures**

#### Use of Estimates

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

## NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

### Budgetary Information

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

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

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

## NOTE 3 – CASH AND INVESTMENTS

### Cash

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

### Investments

The District's investments were held as follows at September 30, 2009:

	Fair Value	Credit Risk	Maturities
US Treasury Bill	\$ 2,777,943	Not Applicable	10/29/2009
Money Market Mutual Funds - First American			Weighted average of the fund portfolio: 45days
Government Obligation Funds CL Y	263,696	S&P AAAM	
	<u>\$ 3,041,639</u>		

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

The money market mutual funds are not evidenced by securities that exist in physical or book entry form. The US Treasury investment is held by the trustee or agent but not in the District's name.

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

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

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

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

**NOTE 4 – INTERUND TRANSACTIONS**

Interfund balances at September 30, 2009 were as follows:

Fund	Receivable	Payable
General	\$ 18,142	\$ -
Debt service 2001		32
Capital projects 2004		18,110
Total	<u>\$ 18,142</u>	<u>\$ 18,142</u>

The outstanding balances between funds result primarily from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made.

**NOTE 5 – CAPITAL ASSETS**

Capital asset activity for the fiscal year ended September 30, 2009 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Governmental activities</u>				
Capital assets, not being depreciated				
Land and land improvements	\$ 8,543,600	\$ -	\$ -	\$ 8,543,600
Constuction in progress	-	45,218		45,218
Total capital assets, not being depreciated	<u>8,543,600</u>	<u>45,218</u>	<u>-</u>	<u>8,588,818</u>
Capital assets, being depreciated				
Infrastructure	4,930,607			4,930,607
Recreational	3,698,287			3,698,287
Equipment	39,805			39,805
Total capital assets, being depreciated	<u>8,668,699</u>	<u>-</u>	<u>-</u>	<u>8,668,699</u>
Less accumulated depreciation for:				
Infrastructure	328,707	328,707		657,414
Recreational	130,498	123,276		253,774
Equipment	11,757	3,981		15,738
Total accumulated depreciation	<u>470,962</u>	<u>455,964</u>	<u>-</u>	<u>926,926</u>
Total capital assets, being depreciated, net	<u>8,197,737</u>	<u>(455,964)</u>	<u>-</u>	<u>7,741,773</u>
Governmental activities capital assets, net	<u>\$ 16,741,337</u>	<u>\$ (410,746)</u>	<u>\$ -</u>	<u>\$ 16,330,591</u>

District infrastructure was developed in three phases and was expected to cost approximately \$26,193,000. In the prior year, the project was completed and certain assets were conveyed to other entities for ownership and maintenance. Current year additions are for the water main extension project.

Depreciation expense was charged to function/program as follows:

Maintenance and operations	\$ 332,688
Parks and recreation	123,276
Total depreciation expense	<u>\$ 455,964</u>

**NOTE 6 – LONG TERM LIABILITIES**

**Capital Improvement Revenue Bonds Series 2001**

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

The Series 2001 Bonds are subject to redemption at the option of the District prior to their maturity. The Bonds are subject to extraordinary mandatory redemption prior to their selected maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Bond Indenture. This occurred during the fiscal year ended September 30, 2009 as the District collected prepaid assessments from lot owners and prepaid \$30,000 of the Bonds. See Note 11 for additional prepayments subsequent to year end.

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

**Capital Improvement Revenue Bonds Series 2001 (Continued)**

The Bond Indenture established a debt service reserve requirement as well as other restrictions and requirements relating principally to the use of proceeds and the procedures to be followed by the District on assessments to property owners. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements. The District is in compliance with the requirements of the Bond Indenture at September 30, 2009.

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

**Capital Improvement Revenue Bonds Series 2004**

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

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

The Bond Indenture established a debt service reserve requirement as well as certain other restrictions and requirements relating principally to the use of proceeds and the procedures to be followed by the District on assessments to property owners. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements. The District is in compliance with the requirements of the Bond Indenture at September 30, 2009.

**Long-term debt activity**

Changes in long-term liability activity for the fiscal year ended September 30, 2009 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b><u>Governmental activities</u></b>					
Bonds payable:					
Series 2001	\$ 16,090,000	\$ -	\$ 300,000	\$ 15,790,000	\$ 290,000
Series 2004	15,230,000		195,000	15,035,000	210,000
Total	<u>\$ 31,320,000</u>	<u>\$ -</u>	<u>\$ 495,000</u>	<u>\$ 30,825,000</u>	<u>\$ 500,000</u>

At September 30, 2009, the scheduled debt service requirements on the long - term debt were as follows:

Year ending September 30:	Governmental Activities		
	Principal	Interest	Total
2010	\$ 500,000	\$ 2,159,639	\$ 2,659,639
2011	540,000	2,124,438	2,664,438
2012	580,000	2,086,413	2,666,413
2013	610,000	2,045,588	2,655,588
2014	655,000	2,002,638	2,657,638
2015-2019	4,030,000	9,253,675	13,283,675
2020-2024	5,655,000	6,974,475	12,629,475
2025-2029	7,905,000	5,332,300	13,237,300
2030-2035	8,130,000	2,232,713	10,362,713
2036	2,220,000	227,475	2,447,475
Total	<u>\$ 30,825,000</u>	<u>\$ 34,439,352</u>	<u>\$ 65,264,352</u>

## **NOTE 7 – DEVELOPER TRANSACTIONS**

The Developer owns a portion of land within the District; therefore, revenues in the general and debt service funds include non ad-valorem assessments billed by the District. Developer assessment revenue for the fiscal year ended September 30, 2009 for the general fund totaled \$902,971 and included a receivable of \$76,197. For debt service, Developer revenue for the fiscal year ended September 30, 2009 was \$397,926 for the Series 2001 Bonds and \$1,205,326 for debt service on the Series 2004 Bonds, which include receivables of \$49,009 and \$355,391, respectively. Subsequent to year end the Developer contributed \$672,373 towards the debt service on the Series 2001 Bonds.

## **NOTE 8 – DEFICIT FUND EQUITY**

The District has a government-wide net asset deficit balance of (\$11,039,046) as of September 30, 2009. There is no such deficit reflected in the governmental fund statements. The deficit primarily relates to capital outlay which has been financed through the issuance of long term debt but is not owned or maintained by the District as discussed in Note 5 – Capital Assets.

## **NOTE 9 - MANAGEMENT COMPANY**

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

## **NOTE 10 – RISK MANAGEMENT**

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

## **NOTE 11 – SUBSEQUENT EVENT**

### **Bond Payment**

Subsequent to year end, the District prepaid \$20,000 of the Series 2001 Bonds. The prepayments were extraordinary mandatory redemptions as outlined in the Bond Indenture.



**HARMONY COMMUNITY DEVELOPMENT DISTRICT  
OSCEOLA COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Assessments - Tax collector	\$ 597,839	\$ 616,182	\$ 611,396	\$ (4,786)
Assessments - District collected	914,363	914,363	902,971	(11,392)
Interest and miscellaneous revenue	5,728	3,259	2,832	(427)
Total revenues	<u>1,517,930</u>	<u>1,533,804</u>	<u>1,517,199</u>	<u>(16,605)</u>
<b>EXPENDITURES</b>				
Current:				
General government	203,402	204,769	224,802	(20,033)
Maintenance and operations	1,238,800	1,191,388	1,221,020	(29,632)
Parks and recreation	70,000	137,647	40,474	97,173
Total expenditures	<u>1,512,202</u>	<u>1,533,804</u>	<u>1,486,296</u>	<u>47,508</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 5,728</u>	<u>\$ -</u>	30,903	<u>\$ 30,903</u>
Fund balance - beginning			<u>354,303</u>	
Fund balance - ending			<u>\$ 385,206</u>	

See notes to required supplementary information

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

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

The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. The general fund budget for the fiscal year ended September 30, 2009 was amended to increase revenues by \$15,874, increase appropriations by \$21,602. Actual general fund expenditures did not exceed final budgeted appropriations for the fiscal year ended September 30, 2009.

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

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

We have audited the financial statements of the governmental activities and each major fund of Harmony Community Development District, Osceola County, Florida ("District") as of and for the fiscal year ended September 30, 2009, which collectively comprise the District's basic financial statements and have issued our report thereon dated July 26, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.


A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

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

Compliance and Other Matters

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

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

  
July 26, 2010

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

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

We have audited the accompanying basic financial statements of Harmony Community Development District, Osceola County, Florida ("District") as of and for the fiscal year ended September 30, 2009, and have issued our report thereon dated July 26, 2010.

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

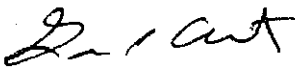
In addition, we have issued our Report on Internal Control over Financial Reporting and Compliance and Other Matters dated July 26, 2010. Disclosures in that report should be considered in conjunction with this management letter.

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

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

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

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



July 26, 2010

## REPORT TO MANAGEMENT

### I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

### II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

None

### III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Unless otherwise required to be reported in the auditor's report on compliance and internal controls, the management letter shall include, but not be limited to the following:

1. A statement as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2008.

2. A statement as to whether or not the local governmental entity complied with Section 218.415, Florida Statutes, regarding the investment of public funds.

The District complied with Section 218.415, Florida Statutes, regarding the investment of public funds.

3. Any recommendations to improve the local governmental entity's financial management.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2009.

4. Violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, that have an effect on the determination of financial statement amounts that is less than material but more than inconsequential.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2009.

5. For matters that are inconsequential to the determination of financial statement amounts, considering both quantitative and qualitative factors, the following may be reported based on professional judgment:

- a. Violations of laws, regulations, and contracts or grant agreements, or abuse that have occurred, or are likely to have occurred.

- b. Control deficiencies that are not significant deficiencies, including, but not limited to:

There were no such matters discovered by, or that came to the attention of, the auditor, that, in our judgment, are required to be reported, for the fiscal year ended September 30, 2009.

6. The name or official title and legal authority of the District are disclosed in the notes to the financial statements.
7. The financial report filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes agrees with the September 30, 2009 financial audit report.

## **REPORT TO MANAGEMENT (Continued)**

8. The District has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes.
9. We applied financial condition assessment procedures pursuant to Rule 10.556(7) and no deteriorating financial conditions were noted. It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

## **Sixth Order of Business**



**6A**

**Harmony  
Community Development District**

Financial Statements

July 31, 2010

**HARMONY CDD  
BALANCE SHEET  
JULY 31, 2010**

	GENERAL	2001 DEBT SERVICE	2004 DEBT SERVICE	2004 CAPITAL PROJECTS	TOTALS
<b>ASSETS</b>	\$	\$	\$	\$	\$
CASH	232,080	-	-	-	232,080
CASH ON HAND	500	-	-	-	500
ASSESSMENTS RECEIVABLE, NET	87,630	36,418	-	-	124,048
DUE FROM OTHER FUNDS	8,299	9,811	-	-	18,110
INTEREST/DIVIDENDS RECEIVABLE	658	-	-	-	658
INVESTMENTS:					
CERTIFICATE OF DEPOSIT - 450 DAYS	125,000	-	-	-	125,000
MONEY MARKET ACCOUNT	376,120	-	-	-	376,120
CONSTRUCTION FUND	-	-	-	86,212	86,212
PREPAYMENT ACCOUNT	-	2,329	3,229	-	5,558
RESERVE FUND	-	1,430,739	861,350	-	2,292,089
REVENUE FUND	-	282,506	207,653	-	490,159
PREPAID ITEMS	781	-	-	-	781
<b>TOTAL ASSETS</b>	<u>\$ 831,068</u>	<u>\$ 1,761,803</u>	<u>\$ 1,072,232</u>	<u>\$ 86,212</u>	<u>\$ 3,751,315</u>
<b>LIABILITIES &amp; FUND BALANCES</b>					
<b>LIABILITIES</b>	\$	\$	\$	\$	\$
ACCOUNTS PAYABLE	32,993	-	-	-	32,993
ACCRUED EXPENSES	123,447	-	-	-	123,447
DUE TO OTHER FUNDS	-	-	-	18,110	18,110
ACCRUED TAXES PAYABLE	122	-	-	-	122
DEPOSITS	650	-	-	-	650
DEFERRED REVENUE	11,433	36,418	-	-	47,851
<b>TOTAL LIABILITIES</b>	<u>168,645</u>	<u>36,418</u>	<u>-</u>	<u>18,110</u>	<u>223,173</u>
<b>FUND BALANCES</b>					
RESERVED FOR DEBT SERVICE	-	1,725,386	1,072,232	-	2,797,618
RESERVED FOR CAPITAL PROJECTS	-	-	-	68,101	68,101
UNRESERVED/UNDESIGNATED	662,421	-	-	-	662,421
<b>TOTAL FUND BALANCES</b>	<u>662,421</u>	<u>1,725,386</u>	<u>1,072,232</u>	<u>68,101</u>	<u>3,528,140</u>
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<u>\$ 831,066</u>	<u>\$ 1,761,804</u>	<u>\$ 1,072,232</u>	<u>\$ 86,211</u>	<u>\$ 3,751,313</u>

NOTE: MINOR DIFFERENCES IN STATEMENT TOTALS  
ARE A DIRECT RESULT OF ROUNDING TO WHOLE DOLLARS.

**HARMONY CDD**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE PERIOD ENDING JULY 31, 2010**

	ANNUAL ADOPTED BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	YTD BUDGET VS. ACTUAL VARIANCE FAVORABLE (UNFAVORABLE)
	\$	\$	\$	\$
<b>REVENUE</b>				
INTEREST - INVESTMENTS	500	415	2,572	2,157
INTEREST - TAX COLLECTOR	-	-	200	200
SPECIAL ASSMNTS- TAX COLLECTOR	622,750	622,750	621,490	(1,260)
SPECIAL ASSMNTS- CDD COLLECTED	914,364	761,970	761,970	0
SPECIAL ASSMNTS- DELINQUENT	-	-	4,785	4,785
SPECIAL ASSMNTS- DISCOUNTS	(24,911)	(24,911)	(9,437)	15,474
<b>TOTAL REVENUE</b>	<b>1,512,703</b>	<b>1,360,224</b>	<b>1,381,580</b>	<b>21,356</b>
<b>EXPENDITURES</b>				
<b>ADMINISTRATIVE</b>				
P/R-BOARD OF SUPERVISORS	9,600	8,000	7,200	800
FICA TAXES	734	612	551	61
WORKERS' COMPENSATION	2,000	1,667	-	1,667
PROFSERV-ARBITRAGE REBATE	3,000	3,000	-	3,000
PROFSERV-DISSEMINATION AGENT	500	500	500	-
PROFSERV-ENGINEERING	18,000	15,000	15,007	(7)
PROFSERV-LEGAL SERVICES	24,000	20,000	17,323	2,677
PROFSERV-MGMT CONSULTING SERV	52,516	43,763	43,763	0
PROFSERV-SPECIAL ASSESSMENT	11,089	11,089	11,089	-
PROFSERV-TRUSTEE	11,000	11,000	9,186	1,814
AUDITING SERVICES	15,500	15,500	8,000	7,500
COMMUNICATION - TELEPHONE	175	146	55	91
POSTAGE AND FREIGHT	2,000	1,667	663	1,004
INSURANCE - GENERAL LIABILITY	19,500	19,500	18,274	1,226
PRINTING AND BINDING	7,000	5,833	3,077	2,756
LEGAL ADVERTISING	2,500	2,083	382	1,701
MISC-ASSESSMNT COLLECTION COST	12,456	12,456	13,116	(660)
MISC-CONTINGENCY	1,000	833	233	600
OFFICE SUPPLIES	1,000	833	598	235
ANNUAL DISTRICT FILING FEE	175	175	175	-
CAPITAL OUTLAY	750	625	-	625
<b>TOTAL ADMINISTRATIVE</b>	<b>194,495</b>	<b>174,282</b>	<b>149,192</b>	<b>25,090</b>
<b>OPERATIONS AND MAINTENANCE</b>				
<b>FIELD</b>				
PAYROLL-SALARIED	4,800	4,000	3,761	239
FICA TAXES	3,725	3,104	-	3,104
PROFSERV-FIELD MANAGEMENT	43,896	36,580	36,580	-
<b>TOTAL FIELD</b>	<b>52,421</b>	<b>43,684</b>	<b>40,341</b>	<b>3,343</b>
<b>LANDSCAPE</b>				
UTILITY - REFUSE REMOVAL	32,576	27,146	29,425	(2,279)
R&M-GROUNDS	32,994	27,495	24,485	3,010
R&M-IRRIGATION	37,500	31,250	28,098	3,152
R&M-TREE TRIMMING SERVICES	15,000	12,500	6,000	6,500
R&M-TREES AND TRIMMING	21,115	17,596	17,066	530
R&M-TURF CARE	283,001	235,834	223,512	12,322
R&M-SHRUB CARE	110,539	92,116	83,791	8,325
MISCELLANEOUS SERVICES	10,000	8,330	600	7,730

NOTE: MINOR DIFFERENCES IN STATEMENT TOTALS ARE  
A DIRECT RESULT OF ROUNDING TO WHOLE DOLLARS.

**HARMONY CDD**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE PERIOD ENDING JULY 31, 2010**

	ANNUAL ADOPTED BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	YTD BUDGET VS. ACTUAL VARIANCE FAVORABLE (UNFAVORABLE)
	\$	\$	\$	\$
<b>TOTAL LANDSCAPE</b>	542,725	452,267	412,977	39,290
<b>UTILITY</b>				
ELECTRICITY - GENERAL	40,000	33,330	28,363	4,967
ELECTRICITY - STREETLIGHTING	385,220	321,016	313,299	7,717
UTILITY - WATER & SEWER	90,000	75,000	75,863	(863)
<b>TOTAL UTILITY</b>	515,220	429,346	417,525	11,821
<b>OPERATION &amp; MAINTENANCE</b>				
CONTRACTS-LAKE AND WETLAND	33,250	27,708	18,575	9,133
COMMUNICATION - TELEPHONE	2,500	2,083	2,686	(603)
R&M-COMMON AREA	10,500	8,750	2,390	6,360
R&M-EQUIPMENT	21,000	17,500	5,388	12,112
R&M-POOLS	45,213	37,678	47,467	(9,790)
R&M-ROADS & ALLEYWAYS	5,000	4,166	-	4,166
R&M-SIDEWALKS	9,000	7,500	25	7,475
R&M-PARKS & AMENITIES	10,600	8,833	1,619	7,214
R&M-HARDSCAPE CLEANING	10,000	8,333	6,180	2,153
MISC-CONTINGENCY	20,000	16,670	-	16,670
<b>TOTAL OPERATION &amp; MAINTENANCE</b>	167,063	139,221	84,330	54,891
<b>TOTAL EXPENDITURES AND RESERVES</b>	1,471,924	1,238,800	1,104,365	134,435
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND RESERVES	40,779	121,423	277,215	155,792
<b>OTHER FINANCING SOURCES</b>				
RESERVE - SELF INSURANCE	(40,779)	(40,779)	-	40,779
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	(40,779)	(40,779)	-	40,779
<b>NET CHANGE IN FUND BALANCES</b>	(0)	80,644	277,215	196,571
FUND BALANCE, BEGINNING (OCT 1, 2009)	385,207	-	385,207	385,207
<b>FUND BALANCE, ENDING</b>	\$ 385,207	\$ 80,644	\$ 662,422	\$ 581,778

NOTE: MINOR DIFFERENCES IN STATEMENT TOTALS ARE  
A DIRECT RESULT OF ROUNDING TO WHOLE DOLLARS.

**HARMONY CDD**  
**2001 DEBT SERVICE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE PERIOD ENDING JULY 31, 2010**

	ANNUAL ADOPTED BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	YTD BUDGET VS. ACTUAL VARIANCE FAVORABLE (UNFAVORABLE)
	\$	\$	\$	\$
<b>REVENUE</b>				
INTEREST - INVESTMENTS	25,000	20,833	538	(20,295)
SPECIAL ASSMNTS- TAX COLLECTOR	1,071,740	1,071,740	1,040,281	(31,459)
SPECIAL ASSMNTS- PREPAYMENT	-	-	7,974	7,974
SPECIAL ASSMNTS- CDD COLLECTED	433,379	255,694	433,309	177,615
SPECIAL ASSMNTS- DELINQUENT	-	-	8,058	8,058
SPECIAL ASSMNTS- DISCOUNTS	(42,869)	(42,869)	(15,807)	27,062
<b>TOTAL REVENUE</b>	<b>1,487,250</b>	<b>1,305,398</b>	<b>1,474,353</b>	<b>168,955</b>
<b>EXPENDITURES</b>				
<b>ADMINISTRATIVE</b>				
MISC-ASSESSMNT COLLECTION COST	21,435	21,435	20,678	757
<b>TOTAL ADMINISTRATIVE</b>	<b>21,435</b>	<b>21,435</b>	<b>20,678</b>	<b>757</b>
<b>DEBT SERVICE</b>				
PRINCIPAL DEBT RETIREMENT	290,000	290,000	285,000	5,000
PRINCIPAL PREPAYMENTS	-	-	20,000	(20,000)
INTEREST EXPENSE	1,144,775	1,144,775	1,144,413	362
<b>TOTAL DEBT SERVICE</b>	<b>1,434,775</b>	<b>1,434,775</b>	<b>1,449,413</b>	<b>(14,638)</b>
<b>TOTAL EXPENDITURES AND RESERVES</b>	<b>1,456,210</b>	<b>1,456,210</b>	<b>1,470,091</b>	<b>(13,881)</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND RESERVES	31,040	(150,812)	4,262	155,074
<b>NET CHANGE IN FUND BALANCES</b>	<b>31,040</b>	<b>(150,812)</b>	<b>4,262</b>	<b>155,074</b>
FUND BALANCE, BEGINNING (OCT 1, 2009)	1,721,124	-	1,721,124	1,721,124
<b>FUND BALANCE, ENDING</b>	<b>\$ 1,752,164</b>	<b>\$ (150,812)</b>	<b>\$ 1,725,386</b>	<b>\$ 1,876,198</b>

NOTE: MINOR DIFFERENCES IN STATEMENT TOTALS ARE  
A DIRECT RESULT OF ROUNDING TO WHOLE DOLLARS.

**HARMONY CDD**  
**2004 CAPITAL PROJECTS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE PERIOD ENDING JULY 31, 2010**

	ANNUAL ADOPTED BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	YTD BUDGET VS. ACTUAL VARIANCE FAVORABLE (UNFAVORABLE)
	\$	\$	\$	\$
<b>REVENUE</b>				
INTEREST - INVESTMENTS	-	-	83	83
<b>TOTAL REVENUE</b>	-	-	83	83
<b>CONSTRUCTION IN PROGRESS</b>				
CONSTRUCTION IN PROGRESS A	-	-	141,952	(141,952)
<b>TOTAL CONSTRUCTION IN PROGRESS</b>	-	-	141,952	(141,952)
<b>TOTAL EXPENDITURES AND RESERVES</b>	-	-	141,952	(141,952)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND RESERVES	-	-	(141,869)	(141,869)
<b>NET CHANGE IN FUND BALANCES</b>	-	-	(141,869)	(141,869)
FUND BALANCE, BEGINNING (OCT 1, 2009)	-	-	209,970	209,970
<b>FUND BALANCE, ENDING</b>	\$ -	\$ -	\$ 68,101	\$ 68,101

NOTE: MINOR DIFFERENCES IN STATEMENT TOTALS ARE  
A DIRECT RESULT OF ROUNDING TO WHOLE DOLLARS.

**HARMONY CDD**  
**2004 DEBT SERVICE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE PERIOD ENDING JULY 31, 2010**

	ANNUAL ADOPTED BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	YTD BUDGET VS. ACTUAL VARIANCE FAVORABLE (UNFAVORABLE)
	\$	\$	\$	\$
<b>REVENUE</b>				
INTEREST - INVESTMENTS	20,000	16,670	361	(16,309)
SPECIAL ASSMNTS- CDD COLLECTED	<u>1,201,223</u>	<u>708,722</u>	<u>846,366</u>	<u>137,644</u>
<b>TOTAL REVENUE</b>	<u>1,221,223</u>	<u>725,392</u>	<u>846,727</u>	<u>121,335</u>
<b>DEBT SERVICE</b>				
PRINCIPAL DEBT RETIREMENT	210,000	210,000	210,000	-
INTEREST EXPENSE	<u>1,014,863</u>	<u>1,014,863</u>	<u>1,014,863</u>	<u>(1)</u>
<b>TOTAL DEBT SERVICE</b>	<u>1,224,863</u>	<u>1,224,863</u>	<u>1,224,863</u>	<u>(1)</u>
<b>TOTAL EXPENDITURES AND RESERVES</b>	<u>1,224,863</u>	<u>1,224,863</u>	<u>1,224,863</u>	<u>(1)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND RESERVES	<u>(3,639)</u>	<u>(499,471)</u>	<u>(378,136)</u>	<u>121,335</u>
NET CHANGE IN FUND BALANCES	<u>(3,639)</u>	<u>(499,471)</u>	<u>(378,136)</u>	<u>121,335</u>
FUND BALANCE, BEGINNING (OCT 1, 2009)	<u>1,450,369</u>	<u>-</u>	<u>1,450,369</u>	<u>1,450,369</u>
FUND BALANCE, ENDING	<u>\$ 1,446,730</u>	<u>\$ (499,471)</u>	<u>\$ 1,072,233</u>	<u>\$ 1,571,704</u>

NOTE: MINOR DIFFERENCES IN STATEMENT TOTALS ARE  
A DIRECT RESULT OF ROUNDING TO WHOLE DOLLARS.



**Harmony  
Community Development District**

**Notes to the Financial Statements**

**July 31, 2010**

**GENERAL FUND - BALANCE SHEET**

**ASSETS**

<b>CASH AND INVESTMENTS</b>	See Cash and Investment Report for details	
<b>ASSESSMENTS RECEIVABLE, NET</b>	Delinquent assessments from FY2006 will be added to assessment roll Birchwood O&M assessment invoice for July 2010	\$ 11,433 76,197 <u>Total \$ 87,630</u>
<b>DUE TO/FROM OTHER FUNDS</b>	Due from Capital Project Series 2004 Assessments collected in July and transferred to Debt Service in August	\$ 18,110 \$ (9,811) <u>Total \$ 8,299</u>
<b>INTEREST/DIVIDENDS RECEIVABLE</b>	Accrued interest from Certificates of Deposit	\$ 658
<b>PREPAID ITEMS</b>	US Bank Trustee Fee- Series 2004 (10/1 -11/30 2010) -2 months	\$ 781

**LIABILITIES**

<b>ACCOUNTS PAYABLE</b>		
	Severn Trent Management Services	8,473
	Kissimmee Utility Authority	13,173
	Woolpert Inc.	3,620
	Robert's Pool service	1,180
	Young van Assenderp, P.A.	2,544
	Bio-Tech Consulting Inc.	1,530
	Spies Pool LLC	1,492
	Various invoices paid in August	981
		<u>Total \$ 32,993</u>
<b>ACCRUED EXPENSES</b>		
	Luke Brothers - Landscaping Services for June and July	\$ 82,287
	Kissimmee Utility Authority - Water & Sewer from 7/9/07 - 8/8/2010	3,300
	City of St. Cloud - Electricity General from 8/17 - 9/15/2010	31,330
	City of St. Cloud - Electricity Streetlight from 8/17 - 9/15/2010	5,000
	Bio-Tech Consulting - Contracts Lake and Wetland for July	1,530
		<u>Total \$ 123,447</u>
<b>DEPOSITS</b>	Deposits for Pool Keys	\$ 650
<b>DEFERRED REVENUE</b>	Delinquent assessments from FY2006	\$ 11,433

# Harmony Community Development District

## Notes to the Financial Statements

July 31, 2010

### GENERAL FUND - REVENUES AND EXPENDITURES

#### REVENUES

INTEREST- INVESTMENTS	Interest earned on operating and investment accounts	
INTEREST- TAX COLLECTOR	Interest earned on assessments collected by Osceola Tax Collector between the period of collection and distribution to the District. Paid quarterly.	
SPECIAL ASSMNTS - TAX COLLECTOR	Non-Ad Valorem assessment collected by the Tax Collector on all the platted parcels.	
SPECIAL ASSMNTS - CDD COLLECTED	Non-Ad Valorem assessments collected by the District on all the un-platted parcels.	
SPECIAL ASSMNTS - DELINQUENT	Non-Ad Valorem delinquent assessments from FY2009, collected by the Tax Collector.	
SPECIAL ASSMNTS - DISCOUNTS	Discounts on Non-Ad Valorem assessments collected by tax collector.	

#### EXPENDITURES

##### ADMINISTRATIVE

PROFSERV-ENGINEERING	Woolpert Inc. - services as of June 2010	
PROFSERV-LEGAL SERVICES	Young van Assenderp, P.A. services as of July 2010	
PROFSERV-TRUSTEE	US Bank annual fees plus expenses for Series 2001 and Series 2004	
INSURANCE - GENERAL LIABILITY	Public Risk Agency - Paid in Full for FY 2010 - General Insurance Policy	
MISC-ASSESSMNT COLLECTION COST	Invoice from the Osceola Board of County Commissioners for reimbursement of administrative costs	\$ 779
	Administrative and collection costs from Osceola County Tax Collector	<u>12,337</u>
		Total \$ <u>13,116</u>

##### FIELD

PAYROLL-SALARIED	Salary and benefits for full-time field manager/dockmaster
	Extra hours were necessary during the holiday season
FICA TAXES	Expenditures are included in salaried payroll

##### LANDSCAPE

UTILITY - REFUSE REMOVAL	Luke Bros monthly fee for trash removal and litter control within District	\$ 24,525
	Beyer's Welding Inc.- March invoice for repairing 28 trash cans	<u>4,900</u>
		Total \$ <u>29,425</u>
R&M-GROUNDS	Luke Bros monthly fee to maintain ground cover and plant annuals within District	
R&M-IRRIGATION	Monthly services from Walker Tech -Services for Maxi-com, Irrigation by Luke Bros Landscape	
	Received Weather Station reimbursement from Golf Club - \$1,540 in July	
R&M-TREES TRIMMING SERVICE	Luke Bros monthly fee for pruning and maintenance for trees over 10 feet	
R&M-TREES AND TRIMMING	A Cut Above Tree & Landscape - Arborist Tree Service	
R&M-TURF CARE	Luke Bros monthly fee for mowing, edging and maintenance of turf within District	
	Luke Bros monthly fee for weed removal on Schoolhouse Rd. and Park near Primrose Rd.	
R&M-SHRUB CARE	Luke Bros monthly fee for pruning, mulching and maintaining shrubs within District	
MISCELLANEOUS SERVICES	Luke Bros monthly fee for relocating trees from US 192	

**Harmony  
Community Development District**

**Notes to the Financial Statements**

**July 31, 2010**

**UTILITY**

ELECTRICITY - GENERAL	City of St. Cloud - services through July
ELECTRICITY - STREET LIGHTING	City of St. Cloud - services through July
UTILITY - WATER & SEWER	KUA - services through July

**OPERATION & MAINTENANCE**

CONTRACTS-LAKE AND WETLAND	Bio-Tech Consulting monthly fees of \$1,530 and pond plantings \$3,274	
COMMUNICATION - TELEPHONE	AT&T paid through June and Century Link paid through July 2010	
R&M-COMMON AREA (DISTRICT FACILITIES)	District facility's expenditures; services to repair Time Clock, Flag Pole and gate	
R&M-EQUIPMENT	Supplies and parts for boat /dock from NAPA Auto Parts.	\$ 2,583
	Advanced Marine Services	<u>2,805</u>
		Total \$ <u>5,388</u>

**EXPENDITURES- FIELD (Continued)**

R&M-POOLS	Jan Pro \$735.39 and Robert's Pool Service \$1,180 monthly service	\$19,478
	A-1 Home Inspection Service - Pest Control monthly fee - \$75	300
	Roberts Pool Service & Repair -replaced motor/seal at kiddie pool, replace grids	1,758
	Spies Pool LLC - Pool supplies	7,955
	Symbiont Service Corp - Thermal Pool Heat/ Cool Unit Repair	16,287
	Osceola County Health Department	1,050
	Various Invoices through July 2010	<u>639</u>
		Total \$ <u>47,467</u>
R&M-ROADS & ALLEYWAYS	No invoices as of July 2010	
R&M-SIDEWALKS	Supplies for sidewalk repair	
R&M-PARKS & AMENITIES	Grainer - Water cooler and dog park supplies	
R&M-HARDSCAPE CLEANING	Chapco Fence LLC. - fence Installation, Buck Lake Park	
	Ledesma Innovations Inc. - Invoice for pressure-washing and painting Swim Club	
MISC-CONTINGENCY	No invoices as of July 2010	

**Harmony  
Community Development District**

**Notes to the Financial Statements**

**July 31, 2010**

**SERIES 2001 DEBT SERVICE FUND - BALANCE SHEET**

**ASSETS**

<b>CASH AND INVESTMENTS</b>	See Cash and Investment Report for details		
<b>ASSESSMENTS RECEIVABLES, NET</b>	Delinquent assessments from FY2006	\$	36,418
<b>DUE FROM OTHER FUNDS</b>	Assessments collected in July and transferred from General Fund in August	\$	9,811

**LIABILITIES**

<b>DEFERRED REVENUE</b>	Delinquent assessments from FY2009	\$	36,418
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**SERIES 2001 DEBT SERVICE FUND - REVENUES AND EXPENDITURES**

**REVENUES**

<b>INTEREST- INVESTMENTS</b>	Interest earned on investments
<b>SPECIAL ASSMNTS - TAX COLLECTOR</b>	Non-Ad Valorem assessment collected by the Tax Collector on all the platted parcels
<b>SPECIAL ASSMNTS - PREPAYMENT</b>	Received prepayment for Debt Service Prepayments
<b>SPECIAL ASSMNTS - CDD COLLECTED</b>	Non-Ad Valorem assessments collected by the District on all the un-platted parcels.
<b>SPECIAL ASSMNTS - DISCOUNTS</b>	Discounts on Non-Ad Valorem assessments collected by tax collector

**EXPENDITURES**

**ADMINISTRATIVE**

<b>MISC-ASSESSMNT COLLECTION COST</b>	Administrative and collection costs from the Osceola County Tax Collector
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**DEBT SERVICE**

<b>INTEREST EXPENSE</b>	Due to principal prepayment, interest is lowered than budgeted.
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# Harmony

## Community Development District

### Cash and Investment Report July 31, 2010

#### General Fund

<u>Account Name</u>	<u>Maturity</u>	<u>Bank Name</u>	<u>Investment Type</u>	<u>Yield</u>	<u>Balance</u>
Checking Account- Operating	n/a	CenterState	Interest Bearing Account	0.25%	\$232,080
Cash On Hand	n/a		Petty Cash	0.00%	500
Money Market Account	n/a	CenterState	MMA	1.00%	275,943
Money Market Account	n/a	Florida Shores Bank	MMA	1.45%	100,177
Certificate of Deposit	6/15/2011	CenterState	15 month CD	1.75%	125,000
				<b>Subtotal</b>	<b>\$733,700</b>

#### Debt Service and Capital Projects Funds

<u>Account Name</u>	<u>Maturity</u>	<u>Bank Name</u>	<u>Investment Type</u>	<u>Yield</u>	<u>Balance</u>
Series 2001 Revenue Fund	n/a	US Bank	Government Obligation Fund	0.00%	\$73,575
Series 2001 Revenue Fund	10/13/2010	US Bank	US Bank Fixed Commercial Paper	0.43%	\$200,000
Series 2001 Revenue Fund	n/a	US Bank	US Bank Open-Ended Commercial Paper	0.15%	\$8,931
				<b>Subtotal</b>	<b>\$282,506</b>
Series 2001 Prepayment Fund	n/a	US Bank	US Bank Open-Ended Commercial Paper	0.15%	2,329
Series 2001 Reserve Fund	9/23/2010	US Bank	US Treasury Bills	0.16%	\$714,388
Series 2001 Reserve Fund	n/a	US Bank	US Bank Open-Ended Commercial Paper	0.15%	\$716,351
				<b>Subtotal</b>	<b>\$1,430,739</b>
Series 2004 Revenue Fund	10/13/2010	US Bank	US Bank Fixed Commercial Paper	0.32%	\$200,000
Series 2004 Revenue Fund	n/a	US Bank	US Bank Open-Ended Commercial Paper	0.15%	\$7,653
				<b>Subtotal</b>	<b>\$207,653</b>
Series 2004 Prepayment Fund	n/a	US Bank	US Bank Open-Ended Commercial Paper	0.15%	\$3,229
Series 2001 Reserve Fund	9/23/2010	US Bank	US Treasury Bills	0.16%	\$430,631
Series 2001 Reserve Fund	n/a	US Bank	US Bank Open-Ended Commercial Paper	0.15%	\$430,719
				<b>Subtotal</b>	<b>\$861,350</b>
Series 2004 Construction Fund	n/a	US Bank	US Bank Open-Ended Commercial Paper	0.15%	\$86,212
				<b>Total</b>	<b>\$3,607,718</b>

**Harmony**  
COMMUNITY DEVELOPMENT DISTRICT  
ASSESSMENT COLLECTIONS SCHEDULE - OSCEOLA COUNTY TAX COLLECTOR  
FISCAL YEAR ENDING SEPTEMBER 30, 2010

Date Received	Net Amount Received	Discount / (Penalty) Amount	Collection Costs	Gross Amount	General Fund Gross Assessments	Series 2001 Debt Service Gross Assessments
Assessments Levied				\$ 1,666,513	\$ 622,750	\$ 1,043,763
Allocation %				100%	37%	63%
10/9/09 (1)	\$ -	\$ -	\$ 779	\$ -	\$ -	\$ -
11/18/09	3,282	186	67	3,534	1,321	2,214
11/19/09	36,051	1,533	736	38,320	14,319	24,000
12/3/09 (2)	(1,370)	-	-	(1,370)	-	(1,370)
12/07/09	622,334	26,460	12,701	661,495	247,190	414,305
12/21/09	65,462	2,691	1,336	69,489	25,967	43,522
01/11/10	19,104	603	390	20,096	7,510	12,587
02/05/10	21,603	540	441	22,584	8,439	14,145
03/15/10	4,937	51	101	5,088	1,901	3,187
04/12/10	696,844	27	14,221	711,092	265,724	445,368
05/04/10	15,116	(245)	308	15,180	5,672	9,507
06/03/10	9,861	(293)	201	9,769	3,650	6,118
06/17/10	107,495	(3,195)	2,194	106,494	39,795	66,699
<b>TOTAL</b>	<b>\$ 1,600,719</b>	<b>\$ 28,357</b>	<b>\$ 33,475</b>	<b>\$ 1,661,771</b>	<b>\$ 621,490</b>	<b>\$ 1,040,282</b>
<b>% COLLECTED</b>				<b>99.80%</b>	<b>99.80%</b>	<b>99.80%</b>
<b>TOTAL OUTSTANDING</b>				<b>\$ 4,742</b>	<b>\$ 1,260</b>	<b>\$ 3,482</b>

Note (1) Reimbursement of Administrative cost.  
Note (2) Resident - Paid debt service portion twice in error.

# Harmony

COMMUNITY DEVELOPMENT DISTRICT

DELINQUENT ASSESSMENT COLLECTIONS SCHEDULE - OSCEOLA COUNTY TAX COLLECTOR

FISCAL YEAR ENDING SEPTEMBER 30, 2009

Date Received	Net Amount Received	Discount / (Penalty) Amount	Collection Costs	Gross Amount	General Fund Gross Assessments	Series 2001 Debt Service Gross Assessments
<b>Delinquent Assessments FY 2009</b>				\$ 12,844	\$ 4,785	\$ 8,058
Allocation %				100%	37%	63%
07/08/10	\$ 15,638	\$ (3,113)	\$ 319	\$ 12,844	\$ 4,785	8,058
<b>TOTAL</b>	<b>\$ 15,638</b>	<b>\$ (3,113)</b>	<b>\$ 319</b>	<b>\$ 12,844</b>	<b>\$ 4,785</b>	<b>\$ 8,058</b>
% COLLECTED				100.00%	100.00%	100.00%
<b>TOTAL OUTSTANDING</b>				<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>



**6B**

Community Development District

Invoice Approval Report # 124

August 16, 2010

Payee	Invoice Number	A= Approval R= Ratification	Invoice Amount
<u>ADVANCED MARINE SERVICES</u>	48125	A	\$ 232.66
		Vendor Total	\$ 232.66
<u>AT &amp; T</u>	993377858X07262010	R	\$ 144.62
		Vendor Total	\$ 144.62
<u>BIO-TECH CONSULTING INC</u>	10492	A	\$ 1,530.00
		Vendor Total	\$ 1,530.00
<u>CENTURY LINK</u>	070710-83185	R	\$ 49.05
	072510-11308	R	\$ 43.15
	080410-27636	R	\$ 47.27
		Vendor Total	\$ 139.47
<u>CITY OF ST CLOUD</u>	071210	R	\$ 33,419.66
		Vendor Total	\$ 33,419.66
<u>GARYS LOCK &amp; SAFE INC.</u>	50965	A	\$ 252.50
		Vendor Total	\$ 252.50
<u>GRAINGER</u>	9316101311	A	\$ 321.71
		Vendor Total	\$ 321.71
<u>JAN-PRO OF ORLANDO</u>	503	A	\$ 735.39
		Vendor Total	\$ 735.39
<u>KISSIMMEE UTILITY AUTHORITY</u>	072710	R	\$ 13,173.24
		Vendor Total	\$ 13,173.24
<u>LUKE BROTHERS INC</u>	1007-97875	R	\$ 41,143.75
	1008-98054	A	\$ 41,143.75
		Vendor Total	\$ 82,287.50

Community Development District

Invoice Approval Report # 124

August 16, 2010

Payee	Invoice Number	A= Approval R= Ratification	Invoice Amount
<u>NAPA AUTO PARTS</u>	541533	A	\$ 39.10
	543920	A	\$ 24.45
	543919	A	\$ 37.86
Vendor Total			\$ 101.41
<u>ROBERTS POOL SERVICE &amp; REPAIR</u>	071510	A	\$ 1,180.00
	Vendor Total		
<u>SEVERN TRENT ENVIRONMENTAL SER</u>	2048142	A	\$ 8,473.20
	Vendor Total		
<u>SPIES POOL LLC</u>	214277	A	\$ 446.75
	214279	A	\$ 392.50
	214142	A	\$ 270.60
	214144	A	\$ 382.35
Vendor Total			\$ 1,492.20
<u>WALKER TECHNICAL SERVICES</u>	783	A	\$ 250.00
	Vendor Total		
<u>WOOLPERT INC.</u>	2010004540	A	\$ 3,620.00
	Vendor Total		
<u>YOUNG VAN ASSENDERP, P.A.</u>	10244	A	\$ 2,543.50
	Vendor Total		

<b>Total \$</b>	<b>149,897.06</b>
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**Harmony  
Community Development District**

Check Register

July 1 - July 31, 2010

**Harmony  
Community Development District**

**Check Register by Fund  
For the Period from 7/1/2010 to 7/31/2010  
(Sorted by Check No.)**

Fund No.	Check No.	Check Date	Payee	Invoice No.	Invoice Description	G/L Account Name	G/L Account #	Check Amount
<b>GENERAL FUND - 001</b>								
001	51978	07/08/10	AT & T	993377858X06262010	#993377858 5/19-6/18	Communication - Telephone	541003-53910	\$145.51
001	51979	07/13/10	CENTURY LINK	070410-27636	#4078927636 7/4-8/3	Communication - Telephone	541003-53910	\$46.69
001	51980	07/13/10	FEDEX	7-147-75242	#1209-1334-4	Postage and Freight	541006-51301	\$13.20
001	51981	07/21/10	CENTURY LINK	070710-83185	#4074983185 7/7-8/6	Communication - Telephone	541003-53910	\$49.05
001	51982	07/21/10	CITY OF ST CLOUD	071210	BILLING PERIOD 6/8-7/9	Electricity - Streetlighting	543013-53903	\$31,329.93
001	51982	07/21/10	CITY OF ST CLOUD	071210	BILLING PERIOD 6/8-7/9	Electricity - General	543006-53903	\$2,089.73
001	51983	07/29/10	BIO-TECH CONSULTING INC	9944	POND PLANTINGS:3119 PLANTS	Contracts-Lake and Wetland	534021-53910	\$3,274.95
001	51983	07/29/10	BIO-TECH CONSULTING INC	10225	AQUATIC PLANT MAINT-MAY	Contracts-Lake and Wetland	534021-53910	\$1,530.00
001	51984	07/29/10	CELEBRATION CDD	071210	REIMBURSEMENT FOR FEDEX INV#7-147-1887	Postage and Freight	541006-51301	\$9.80
001	51985	07/29/10	JOHN DEERE LANDSCAPES	549410691	REPAIR TO WEATHER STATION	R&M-Irrigation	546041-53902	\$3,120.00
001	51986	07/29/10	ROBERTS POOL SERVICE & REPAIR	061510	POOL MAINTENANCE-JUNE	R&M-Pools	546074-53910	\$1,180.00
001	51987	07/29/10	SEVERN TRENT ENVIRONMENTAL SER	2047675	MGT FEES-JUNE	ProfServ-Mgmt Consulting Serv	531027-51201	\$4,376.33
001	51987	07/29/10	SEVERN TRENT ENVIRONMENTAL SER	2047675	MGT FEES-JUNE	ProfServ-Field Management	531016-53901	\$3,658.00
001	51987	07/29/10	SEVERN TRENT ENVIRONMENTAL SER	2047675	MGT FEES-JUNE	Payroll-Salaried	512001-53901	\$52.50
001	51987	07/29/10	SEVERN TRENT ENVIRONMENTAL SER	2047675	MGT FEES-JUNE	Postage and Freight	541006-51301	\$17.67
001	51987	07/29/10	SEVERN TRENT ENVIRONMENTAL SER	2047675	MGT FEES-JUNE	Printing and Binding	547001-51301	\$298.40
001	51987	07/29/10	SEVERN TRENT ENVIRONMENTAL SER	2047675	MGT FEES-JUNE	Office Supplies	551002-51301	\$55.00
001	51987	07/29/10	SEVERN TRENT ENVIRONMENTAL SER	2047675	MGT FEES-JUNE	Communication - Telephone	541003-51301	\$10.36
001	51987	07/29/10	SEVERN TRENT ENVIRONMENTAL SER	2047675	MGT FEES-JUNE	Communication - Telephone	541003-51301	\$3.20
001	51988	07/29/10	SPIES POOL LLC	212778	POOL SUPPLIES	R&M-Pools	546074-53910	\$251.50
001	51988	07/29/10	SPIES POOL LLC	212775	POOL SUPPLIES	R&M-Pools	546074-53910	\$271.90
001	51988	07/29/10	SPIES POOL LLC	212988	BULK BLEACH	R&M-Pools	546074-53910	\$384.75
001	51988	07/29/10	SPIES POOL LLC	212989	BULK BLEACH	R&M-Pools	546074-53910	\$392.50
001	51988	07/29/10	SPIES POOL LLC	213351	POOL SUPPLIES	R&M-Pools	546074-53910	\$674.90
001	51989	07/29/10	WALKER TECHNICAL SERVICES	774	MONITORING MAXI-COM JULY	R&M-Irrigation	546041-53902	\$250.00
001	51990	07/29/10	WOOLPERT INC.	2010003806	ENG FEES-MAY	ProfServ-Engineering	531013-51501	\$1,742.00
001	51991	07/29/10	YOUNG VAN ASSENDERP, P.A.	10053	LEGAL FEES-MAY	ProfServ-Legal Services	531023-51401	\$1,521.37
001	51991	07/29/10	YOUNG VAN ASSENDERP, P.A.	10101	LEGAL FEES-JUNE	ProfServ-Legal Services	531023-51401	\$4,493.00
001	51992	07/30/10	MARK W. LEMENAGER	PAYROLL	July 30, 2010 Payroll Posting			\$184.70
001	51993	07/30/10	STEVEN P. BERUBE	PAYROLL	July 30, 2010 Payroll Posting			\$184.70
001	51994	07/30/10	ROBERT D. EVANS	PAYROLL	July 30, 2010 Payroll Posting			\$184.70
001	51995	07/30/10	NANCY M. SNYDER	PAYROLL	July 30, 2010 Payroll Posting			\$184.70
<b>Fund Total</b>								<b>\$61,981.04</b>

<b>Total Checks Paid</b>	<b>\$61,981.04</b>
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**6C**

**REVISED NOTICE OF MEETINGS  
HARMONY  
COMMUNITY DEVELOPMENT DISTRICT**

The Board of Supervisors of the Harmony Community Development District will hold their meetings for Fiscal Year 2011 at Harmony/Greensides, 7251 Five Oaks Drive, Harmony, Florida on the last Thursday of each month as follows unless otherwise indicated:

October 28, 2010 – 6:00 P.M.  
November 18, 2010 (Third Thursday) – 9:00 A.M.  
December 16, 2010 (Third Thursday) – 6:00 P.M.  
January 27, 2011 – 9:00 A.M.  
February 24, 2011 – 6:00 P.M.  
March 24, 2011 -9:00 A.M.  
April 28, 2011 – 6:00 P.M.  
May 26, 2011 – 9:00 A.M.  
June 23, 2011 – 6:00 P.M.  
July 28, 2011 -9:00 A.M.  
August 25, 2011 - 6:00 P.M.  
September 29, 2011 – 9:00 A.M.

There may be occasions when one or more Supervisors will participate by telephone. At the above location there will be present a speaker telephone so that any interested person can attend the meeting at the above location and be fully informed of the discussions taking place either in person or by telephone communication.

Any person requiring special accommodations at this meeting because of a disability or physical impairment should contact the District Office at (954) 753-5841 at least two (2) calendar days prior to the meeting.

Each person who decides to appeal any action taken at these meetings is advised that person will need a record of the proceedings and that accordingly, the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.

Gary L. Moyer  
Manager

**6D**



HARMONY COMMUNICATION LOG

Date	Description of complaint	Location	Action taken	Work Status	Completed by:	Date	Resident contacted	Name	Phone Number	Email
2/10/2010	broken glass at first entrance into Harmony		emailed Todd	Complete		2/10/2010				
2/11/2010	unhappy with garbage pickup time		Shad emailed garbage company/Not CDD	N/A				Uma Babash		
2/15/2010	irrigation head gushes	3315 Schoonhouse Rd.	emailed Todd	Complete	Luke Bros.	2/15/2010		Mark Lemmenger	N/A	
2/17/2010	irrigation head gushes	Ashley Park	emailed Todd	Complete	Luke Bros.	2/19/2010		Chad	407-506-6228	
2/18/2010	leaking around shower in home	3583 Clay Brick Rd.	referred to Shad	N/A	builder warranty			Nancy Albert	407-781-5059	
2/18/2010	irrigation head gushes	near 3311 Schoonhouse Rd. in common area	emailed Todd	Complete	Luke Bros.	2/19/2010		Frank Delfino	407-467-2661	
3/11/2010	street parking by high school	Clay Brick Road	County route - not CDD	N/A				Carl Fagdi		chad@cllr.com
3/11/2010	street light out	Dahoon Hwy # 166065	OUC issue - referred home owner to OUC	N/A				Carl Esadri	321-443-9051	jane.christensen@yahoo.com
3/11/2010	fence needs repair/wedges need to be eradicated	Large Dog Park	Fence to Todd, needs to Luke Brothers	In process	Luke Bros			Jane Christensen	407-957-3956	jane.christensen@yahoo.com
3/16/2010	red ants	Large Dog Park	Luke Brothers to address	Complete	Luke Bros			Irene	407-702-5000	
3/22/2010	shower at splash park runs continually		partial repairs?	Complete		3/25/2010		Pam Lemmenger	407-957-2661	pamlemmenger@yahoo.com
3/25/2010	comment about community trash cans		no response from HOA	Complete				Jean Scarpa	407-957-2661	
4/5/2010	who to contact re: installing outdoor water treatment system		emailed Todd	HOA matter		4/8/2010		Amber Sorrells		
4/8/2010	women's toilet running out shutting off	Ashley Park pool	Not CDD or HOA - resident advised to contact Waste Management	Complete		4/19/2010		Jerry Hamilton	407-957-4040	
4/12/2010	cut branches not being picked up	Todd spoke with resident	Todd said he would take care of	N/A		4/17/2010		Michelle Figueroa/CAM	407-946-6334/719	
4/13/2010	broken sidewalk needs repair	7108 Forty Banks Rd.	Todd will replace if deemed necessary	Complete		4/19/2010		Karen Russell	407-957-9679	
4/19/2010	dead tree	3374 Caliber/Buffbush corner across from 3583 Claybrick, across from Ashley Park	Called Jason - 407-557-4083	Complete		4/21/2010		Nancy Albert	406-781-5059	
4/21/2010	699BY pot needs to be emptied and needs bags	Ashley Park pool		Complete	Luke Bros.	4/21/2010		Shad Tome		
4/23/2010	wedges need to be taken care of - grass betw. Street&sidewalk	Ashley Park pool		Complete	Luke Bros.	4/23/2010		Shad Tome		
4/29/2010	kids are getting into side gate at pool without keys	Ashley Park pool		Complete				Shad Tome		
4/29/2010	suggestion for timers for lights at pool	Ashley Park pool		Complete				Shad Tome		
5/17/2010	water leak at lake	Large Dog Park		Complete	Luke Bros	5/18/2010		Jim Warren	863-242-2606	jim@j-telcoms.com
5/18/2010	concern about fishing in ponds			Complete				Rachel Garwood		
5/24/2010	irrigation head gushes	Large Dog Park		Complete	Luke Bros	5/24/2010		Dave Lehman	201-406-0244	
5/24/2010	new hose needed at spigot next to gazebo	Dog park on Cat Brier Trail		Complete				Jim Warren		
5/25/2010	new hose needed at spigot next to gazebo	Dog park on Cat Brier Trail		Complete	Todd	5/25/2010		Kerul Kasel		
5/27/2010	irrigation head gushes	3352-3354 Caliber below. Sidewalk	schedule adjusted	Complete	Luke Bros			Dave Lehman	201-406-0244	
5/28/2010	irrigation schedule forces kids into street	High School	Todd gave resident TOHO's contact info.	Complete	Luke Bros	5/28/2010		Carl Esadri	321-443-9051	
5/1/2010	sewer/drainage problems due to tree roots	3334 Brackenfern		Complete				Tom Stone	407-460-4024	
6/21/2010	irrigation problem	Primrose Willow, Schoolhouse, Beargrass Road alley		Complete				Pamela	407-593-1361	
6/23/2010	pool pump making a loud noise	Ashley Park pool	pump motor is dead, need new one	Complete				Carey	407-709-2251	
6/24/2010	iterative splash pool - not all of them are working	splash pool	Thomas will check them out	Complete						
6/25/2010	complaint about water quality in pool	main pool at Greensides	Pool treatment lady said everything was okay, high chlorine use do to maximum usage	Complete						
6/28/2010	request for maple tree - grass dying	Beargrass Rd.	has to be a CDD board decision	pending				Bob Mohr	561-212-3961	
7/1/2010	complaint against Thomas regarding "altitude"	7108 Indian Grass	resident wanted gate open for golf kids					Kathy Murdoch	407-556-3253	
7/1/2010	request for crane myrtle, not oak tree replacement tree	7106 Indian Grass						Wavie Tolentino	407-376-4531	
7/1/2010	dog gets not secure, dog escapes/craps with another dog	small dog park	Todd will get repaired	Complete				Kathy Murdoch	407-556-3253	
7/20/2010	horns stinging kids	playground at Buck Lake		Complete				Kathy Ball	407-892-3137	
7/20/2010	teenage boys playing "football" in pool, very disruptive	Ashley Park Pool, downtown pool	Thomas will check them out	Complete	7/23/2010			Carla	407-957-0618	
7/26/2010	irrigation head broken along fence	Catharine small dog park		Complete				Patrick	225-907-4403	
7/26/2010	fence top rail broken, gate needs to be adjusted	Catharine small dog park		Complete						
7/26/2010	broken or buried sprinkler heads	behind Schoolhouse & Beargrass		Complete				Pam Lemmenger	407-593-1361	
7/26/2010	hitting a bump head can damage the stand-up mowers	Catharine & Buffbush	Todd will discuss at board meeting in July	pending				Pam Lemmenger	407-593-1361	
7/26/2010	dead tree still not replaced	small dog park		Complete				Karen Russell	407-957-9679	407-287-1271
7/27/2010	small dog park gate does not close properly, not secure	small dog park		Complete				Kathy Ball	407-892-3137	
7/28/2010	irrigation leak - always muddy	small dog park		Complete				Kathy Ball		
7/28/2010	broken sprinkler head in small dog park	small dog park		Complete				Dave Lehman	201-406-0244	
7/30/2010	area of weebies in small dog park - broken pipe??	near fence on north side		Complete				Dave/Kerul Kasel	201-406-0244	