

Harmony West Community Development District

ANNUAL FINANCIAL REPORT

September 30, 2025

Harmony West Community Development District

ANNUAL FINANCIAL REPORT

September 30, 2025

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REPORT OF INDEPENDENT AUDITORS

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

Report on Audit of the Financial Statements

Opinion

We have audited the financial statements of the governmental activities and each major fund of Harmony West Community Development District (the "District"), as of and for the year ended September 30, 2025, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2025, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.



To the Board of Supervisors
Harmony West Community Development District

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts, and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements.



To the Board of Supervisors
Harmony West Community Development District

Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board* who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the financial report. The other information comprises the information for compliance with Florida Statutes 218.39(3)(c) but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 25, 2026 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 grant agreements and other matters.

The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

June 25, 2026

Harmony West Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2025

Management's discussion and analysis of Harmony West Community Development District's (the "District") financial performance provides an objective and easily readable analysis of the District's financial activities. The analysis provides summary financial information for the District and should be read in conjunction with the District's financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

The District's basic financial statements comprise three components; 1) *Government-wide financial statements*, 2) *Fund financial statements*, and 3) *Notes to financial statements*. The *Government-wide financial statements* present an overall picture of the District's financial position and results of operations. The *Fund financial statements* present financial information for the District's major funds. The *Notes to financial statements* provide additional information concerning the District's finances.

The *Government-wide financial statements* are the **statement of net position** and the **statement of activities**. These statements use accounting methods similar to those used by private-sector companies. Emphasis is placed on the net position of governmental activities and the change in net position. Governmental activities are primarily supported by special assessments.

The **statement of net position** presents information on all assets and liabilities of the District, with the difference between assets and liabilities reported as net position. Net position is reported in three categories; 1) net investment in capital assets, 2) restricted, and 3) unrestricted. Assets, liabilities, and net position are reported for all Governmental activities.

The **statement of activities** presents information on all revenues and expenses of the District and the change in net position. Expenses are reported by major function and program revenues relating to those functions are reported, providing the net cost of all functions provided by the District. To assist in understanding the District's operations, expenses have been reported as governmental activities. Governmental activities financed by the District include general government, physical environment, and debt service.

Fund financial statements present financial information for governmental funds. These statements provide financial information for the major funds of the District. Governmental fund financial statements provide information on the current assets and liabilities of the funds, changes in current financial resources (revenues and expenditures), and current available resources.

Harmony West Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2025

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Fund financial statements include a **balance sheet** and a **statement of revenues, expenditures and changes in fund balances** for all governmental funds. A **statement of revenues, expenditures, and changes in fund balances – budget and actual** is provided for the District's General Fund. *Fund financial statements* provide more detailed information about the District's activities. Individual funds are established by the District to track revenues that are restricted to certain uses or to comply with legal requirements.

The *government-wide financial statements* and the *fund financial statements* provide different pictures of the District. The *government-wide financial statements* provide an overall picture of the District's financial standing. These statements are comparable to private-sector companies and give a good understanding of the District's overall financial health and how the District paid for the various activities, or functions, provided by the District. All assets of the District, including capital assets, are reported in the **statement of net position**. All liabilities, including principal outstanding on bonds are included. The **statement of activities** includes depreciation on all long-lived assets of the District, but transactions between the different functions of the District have been eliminated in order to avoid "doubling up" the revenues and expenses. The *fund financial statements* provide a picture of the major funds of the District. In the case of governmental activities, outlays for long lived assets are reported as expenditures and long-term liabilities, such as special assessment bonds, are not included in the fund financial statements. To provide a link from the *fund financial statements* to the *government-wide financial statements*, reconciliations are provided from the *fund financial statements* to the *government-wide financial statements*.

Notes to financial statements provide additional detail concerning the financial activities and financial balances of the District. Additional information about the accounting practices of the District, investments of the District, capital assets and long-term debt are some of the items included in the *notes to financial statements*.

Financial Highlights

The following are the highlights of financial activity for the year ended September 30, 2025.

- ◆ The District's assets exceeded liabilities by \$2,494,266. Net investment in capital assets was \$1,754,310, restricted net position was \$339,321 and unrestricted net position was \$400,635.
- ◆ Governmental activities revenues totaled \$25,734,863 while governmental activities expenses and conveyance of capital assets totaled \$28,102,025.

**Harmony West Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2025**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District

The following schedule provides a summary of the assets, liabilities and net position of the District and is presented by category for comparison purposes.

Net Position

	Governmental Activities	
	<u>2025</u>	<u>2024</u>
Current assets	\$ 595,861	\$ 483,984
Restricted assets	1,391,620	1,013,120
Capital assets, net	<u>18,625,925</u>	<u>14,567,829</u>
Total Assets	<u>20,613,406</u>	<u>16,064,933</u>
Current liabilities	924,146	599,904
Non-current liabilities	<u>17,194,994</u>	<u>10,603,601</u>
Total Liabilities	<u>18,119,140</u>	<u>11,203,505</u>
Net Position		
Net investment in capital assets	1,754,310	4,241,195
Restricted net position	339,321	279,605
Unrestricted	<u>400,635</u>	<u>340,628</u>
Total Net Position	<u>\$ 2,494,266</u>	<u>\$ 4,861,428</u>

The increase in current assets is primarily related to revenues in excess of expenditures in the General Fund in the current year.

The increase in restricted assets and total liabilities is mainly related to the Series 2025 Bond issuance in the current year.

The increase in capital assets is related to current year construction activity.

**Harmony West Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2025**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District (Continued)

The following schedule provides a summary of the changes in net position of the District and is presented by category for comparison purposes.

Change In Net Position

	Governmental Activities	
	2025	2024
Program Revenues		
Charges for services	\$ 2,070,040	\$ 1,669,923
Capital grants and contributions	23,609,452	-
General Revenues		
Miscellaneous revenues	88	4,375
Investment income	55,283	55,019
Total Revenues	<u>25,734,863</u>	<u>1,729,317</u>
Expenses		
General government	109,488	114,659
Physical environment	1,722,655	1,323,018
Interest and other charges	954,822	561,242
Total Expenses	<u>2,786,965</u>	<u>1,998,919</u>
Conveyance of capital assets	<u>(25,315,060)</u>	<u>-</u>
Change in Net Position	(2,367,162)	(269,602)
Net Position - Beginning of Year	<u>4,861,428</u>	<u>5,131,030</u>
Net Position - End of Year	<u><u>\$ 2,494,266</u></u>	<u><u>\$ 4,861,428</u></u>

The increase in charges for services is related to the increase in special assessments levied in the current year.

The increase in physical environment is mainly related to the increase in landscape maintenance, irrigation utility, and streetlight electricity expenditures in the current year.

The increase in capital grants and contributions and conveyance of capital assets is related to the completion of the 2023 and 2025 Projects in the current year.

The increase in interest and other charges is primarily related to the Series 2025 Bond issuance in the current year.

**Harmony West Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2025**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Capital Assets Activity

The following schedule provides a summary of the District's capital assets as of September 30, 2025 and 2024.

Description	Governmental Activities	
	2025	2024
Construction in progress	\$ -	\$ 3,089,759
Infrastructure	21,194,555	13,592,452
Accumulated depreciation	(2,568,630)	(2,114,382)
Total	<u>\$ 18,625,925</u>	<u>\$ 14,567,829</u>

Current year activity consisted of additions to infrastructure, \$14,000, additions to construction in progress, \$29,813,404, transfers of construction in progress to infrastructure, \$7,588,103, conveyances of capital assets, \$25,315,060, and depreciation of \$454,248.

General Fund Budgetary Highlights

Actual expenditures were less than budgeted expenditures because plant, shrub and mulch maintenance, legal fees, and water irrigation expenditures were less than anticipated.

The September 30, 2025 budget was not amended.

Debt Management

Governmental Activities debt includes the following:

- ◆ In July 2018, the District issued \$8,710,000 Series 2018 Special Assessment Revenue Bonds. These bonds were issued to finance the cost of acquisition, construction, and equipping of the 2018 project. The balance outstanding at September 30, 2025 was \$7,310,000.
- ◆ In February 2023, the District issued \$3,435,000 Series 2023 Special Assessment Revenue Bonds. These bonds were issued to finance the cost of acquisition, construction, and equipping of the Assessment Area Two Project. The balance outstanding at September 30, 2025 was \$3,325,000.
- ◆ In January 2025, the District issued \$6,930,000 Series 2025 Special Assessment Revenue Bonds. These bonds were issued to finance the cost of acquisition, construction, and equipping of the Assessment Area Three Project. The balance outstanding at September 30, 2025 was \$6,930,000.

**Harmony West Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2025**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Economic Factors and Next Year's Budget

Harmony West Community Development District issued new long-term debt during the current year and the 2023 and 2025 Projects were completed. The District anticipates increasing expenditures to maintain the new assets. The District does not expect any other economic factors to have any significant effect on the financial position or results of operations of the District in fiscal year 2026.

Request for Information

The financial report is designed to provide a general overview of Harmony West Community Development District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Harmony West Community Development District's Finance Department at 2300 Glades Road, Suite 410W, Boca Raton, Florida 33431.

Harmony West Community Development District
STATEMENT OF NET POSITION
September 30, 2025

	Governmental Activities
ASSETS	
Current Assets	
Cash	\$ 571,433
Due from other governments	11,520
Due from others	2,408
Deposits	10,500
Total Current Assets	<u>595,861</u>
Non-current Assets	
Restricted Assets	
Investments	1,391,620
Capital assets, being depreciated	
Infrastructure	21,194,555
Accumulated depreciation	<u>(2,568,630)</u>
Total Non-current Assets	<u>20,017,545</u>
Total Assets	<u>20,613,406</u>
LIABILITIES	
Current Liabilities	
Accounts payable and accrued expenses	31,039
Contracts payable	8,965
Due to developer	179,190
Accrued interest	384,952
Bonds payable	320,000
Total Current Liabilities	<u>924,146</u>
Non-current Liabilities	
Bonds payable, net	<u>17,194,994</u>
Total Liabilities	<u>18,119,140</u>
NET POSITION	
Net investment in capital assets	1,754,310
Restricted for debt service	339,187
Restricted for capital projects	134
Unrestricted	400,635
Total Net Position	<u>\$ 2,494,266</u>

See accompanying notes to financial statements.

Harmony West Community Development District
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2025

Functions/Programs	Expenses	Program Services		Net (Expenses)
		Charges for	Capital Grants	Revenues and
		Services	and	Changes in
			Contributions	Net Position
				Governmental
				Activities
Governmental Activities				
General government	\$ (109,488)	\$ 104,923	\$ -	\$ (4,565)
Physical environment	(1,722,655)	1,182,786	23,609,452	23,069,583
Interest and other charges	(954,822)	782,331	-	(172,491)
Total Governmental Activities	<u>\$ (2,786,965)</u>	<u>\$ 2,070,040</u>	<u>\$ 23,609,452</u>	<u>22,892,527</u>
General Revenues				
Investment income				55,283
Miscellaneous revenues				88
Total General Revenues				<u>55,371</u>
Conveyance of capital assets				<u>(25,315,060)</u>
Change in Net Position				(2,367,162)
Net Position - October 1, 2024				<u>4,861,428</u>
Net Position - September 30, 2025				<u>\$ 2,494,266</u>

See accompanying notes to financial statements.

Harmony West Community Development District
BALANCE SHEET –
GOVERNMENTAL FUNDS
September 30, 2025

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash	\$ 571,433	\$ -	\$ -	\$ 571,433
Due from other governments	6,474	5,046	-	11,520
Due from others	2,408	-	-	2,408
Deposits	10,500	-	-	10,500
Restricted Assets				
Investments	-	1,382,521	9,099	1,391,620
Total Assets	<u>\$ 590,815</u>	<u>\$ 1,387,567</u>	<u>\$ 9,099</u>	<u>\$ 1,987,481</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued expenses	\$ 31,039	\$ -	\$ -	\$ 31,039
Contracts payable	-	-	8,965	8,965
Due to developer	159,141	20,049	-	179,190
Total Liabilities	<u>190,180</u>	<u>20,049</u>	<u>8,965</u>	<u>219,194</u>
FUND BALANCES				
Nonspendable				
Deposits	10,500	-	-	10,500
Restricted				
Debt service	-	1,367,518	-	1,367,518
Capital projects	-	-	134	134
Assigned				
Playground/sign and wall	19,000	-	-	19,000
Operating reserve	324,539	-	-	324,539
Unassigned	46,596	-	-	46,596
Total Fund Balances	<u>400,635</u>	<u>1,367,518</u>	<u>134</u>	<u>1,768,287</u>
Total Liabilities and Fund Balances	<u>\$ 590,815</u>	<u>\$ 1,387,567</u>	<u>\$ 9,099</u>	<u>\$ 1,987,481</u>

See accompanying notes to financial statements.

Harmony West Community Development District
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2025

Total Governmental Fund Balances	\$ 1,768,287
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets, infrastructure, \$21,194,555, net of accumulated depreciation, \$(2,568,630), used in governmental activities are not current financial resources and therefore, are not reported at the fund level.	18,625,925
Long-term liabilities, including bonds payable, \$(17,565,000), net of bond discount, net, \$50,006, are not due and payable from current financial resources and therefore, are not reported at the fund level.	(17,514,994)
Accrued interest is not payable from current financial resources and therefore, is not reported at the fund level.	<u>(384,952)</u>
Net Position of Governmental Activities	<u><u>\$ 2,494,266</u></u>

See accompanying notes to financial statements.

Harmony West Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
For the Year Ended September 30, 2025

	General	Debt Service	Capital Projects	Total Governmental Funds
Revenues				
Special assessments	\$ 1,319,549	\$ 782,331	\$ -	\$ 2,101,880
Developer contribution	-	-	8,965	8,965
Investment income	-	55,205	78	55,283
Miscellaneous revenues	88	-	-	88
Total Revenues	<u>1,319,637</u>	<u>837,536</u>	<u>9,043</u>	<u>2,166,216</u>
Expenditures				
Current				
General government	98,900	10,588	-	109,488
Physical environment	1,114,890	-	-	1,114,890
Capital outlay	14,000	-	6,212,917	6,226,917
Debt Service				
Principal	-	210,000	-	210,000
Interest	-	653,115	-	653,115
Other	-	300,154	-	300,154
Total Expenditures	<u>1,227,790</u>	<u>1,173,857</u>	<u>6,212,917</u>	<u>8,614,564</u>
Excess of revenues over/(under) expenditures	<u>91,847</u>	<u>(336,321)</u>	<u>(6,203,874)</u>	<u>(6,448,348)</u>
Other Financing Sources/(Uses)				
Issuance of long-term debt	-	726,048	6,203,952	6,930,000
Bond discount	-	(20,160)	-	(20,160)
Total Other Financing Sources/(Uses)	<u>-</u>	<u>705,888</u>	<u>6,203,952</u>	<u>6,909,840</u>
Net change in fund balances	91,847	369,567	78	461,492
Fund Balances - October 1, 2024	<u>308,788</u>	<u>997,951</u>	<u>56</u>	<u>1,306,795</u>
Fund Balances - September 30, 2025	<u>\$ 400,635</u>	<u>\$1,367,518</u>	<u>\$ 134</u>	<u>\$ 1,768,287</u>

See accompanying notes to financial statements.

Harmony West Community Development District
RECONCILIATION OF THE STATEMENT
OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2025

Net Change in Fund Balances - Total Governmental Funds	\$ 461,492
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Amounts reported for governmental activities in the Statement of Activities are different because:

Capital asset additions are reported as an expenditure at the fund level. However, at the government-wide level, these assets are capitalized and depreciated over their estimated useful life. This is the amount that capital contributions, \$23,600,487, and capital outlay, \$6,226,917, exceeded conveyances, \$(25,315,060), and depreciation, \$(454,248) in the current year.	4,058,096
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Unavailable revenues are recognized as deferred inflows of resources at the fund level; however, revenue is recognized when earned at the government-wide level. This is the current year change.	(31,840)
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The issuance of long-term debt, \$(6,930,000), net of bond discount, \$20,160, is recognized as an other financing source at the fund level, however, this increases liabilities at the government-wide level.	(6,909,840)
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Payment of long-term liabilities are reported as expenditures in the governmental fund level statements but such repayments reduce liabilities in the Statement of Net Position.	210,000
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Bond discount is amortized over the life of the bonds as interest. This is the current year amortization.	(1,553)
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At the government-wide level interest is accrued on outstanding bonds; whereas at the fund level, interest expenditures are reported when due. This is the net change in accrued interest in the current year.	(153,517)
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Change in Net Position of Governmental Activities	<u><u>\$ (2,367,162)</u></u>
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See accompanying notes to financial statements.

Harmony West Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND
For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Special assessments	\$ 1,293,107	\$ 1,293,107	\$ 1,319,549	\$ 26,442
Miscellaneous revenues	8,625	8,625	88	(8,537)
Total Revenues	<u>1,301,732</u>	<u>\$ 1,301,732</u>	<u>1,319,637</u>	<u>17,905</u>
Expenditures				
Current				
General government	145,283	145,283	98,900	46,383
Physical environment	1,129,431	1,129,431	1,114,890	14,541
Capital outlay	-	-	14,000	(14,000)
Total Expenditures	<u>1,274,714</u>	<u>1,274,714</u>	<u>1,227,790</u>	<u>46,924</u>
Net Change in Fund Balances	27,018	27,018	91,847	64,829
Fund Balances - October 1, 2024	<u>589,151</u>	<u>589,151</u>	<u>308,788</u>	<u>(280,363)</u>
Fund Balances - September 30, 2025	<u>\$ 616,169</u>	<u>\$ 616,169</u>	<u>\$ 400,635</u>	<u>\$ (215,534)</u>

See accompanying notes to financial statements.

Harmony West Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District's more significant accounting policies are described below.

1. Reporting Entity

The District was established on April 18, 2017, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), and by Ordinance 2017-02 of Osceola County, Florida, as a Community Development District. The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of the infrastructure necessary for community development within its jurisdiction. The District is authorized to issue bonds for the purpose, among others, of financing, funding, planning, establishing, acquiring, constructing district roads, landscaping, and other basic infrastructure projects within or outside the boundaries of the Harmony West Community Development District. The District is governed by a five-member Board of Supervisors. The District operates within the criteria established by Chapter 190, Florida Statutes.

As required by GAAP, these financial statements present the Harmony West Community Development District (the primary government) as a stand-alone government. The reporting entity for the District includes all functions of government in which the District's Board exercises oversight responsibility including, but not limited to, financial interdependency, selection of governing authority, designation of management, significant ability to influence operations and accountability for fiscal matters.

Based upon the application of the above-mentioned criteria as set forth in Governmental Accounting Standards Board, The Financial Reporting Entity, the District has identified no component units.

2. Measurement Focus and Basis of Accounting

The basic financial statements of the District are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to financial statements

Harmony West Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

a. Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

Government-wide financial statements report all non-fiduciary information about the reporting government as a whole. These statements include all the governmental activities of the primary government. The effect of interfund activity has been removed from these statements.

Governmental activities are supported by special assessments and interest. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets, rather than reported as an expenditure. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as an other financing source.

Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

b. Fund Financial Statements

The underlying accounting system of the District is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental funds are presented after the government-wide financial statements. These statements display information about major funds individually.

Harmony West Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds

The District classifies fund balance in accordance with Governmental Accounting Standards Board Statement 54 – Fund Balance Reporting and Governmental Fund Type Definitions. The Statement requires the fund balance for governmental funds to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The District has various policies governing the fund balance classifications.

Nonspendable Fund Balance – This classification consists of amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

Restricted Fund Balance – This classification includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Assigned Fund Balance – This classification consists of the Board of Supervisors' intent to be used for specific purposes, but are neither restricted nor committed. The assigned fund balances can also be assigned by the District's management company.

Unassigned Fund Balance – This classification is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. Unassigned fund balance is considered to be utilized first when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Fund Balance Spending Hierarchy – For all governmental funds except special revenue funds, when restricted, committed, assigned, and unassigned fund balances are combined in a fund, qualified expenditures are paid first from restricted or committed fund balance, as appropriate, then assigned and finally unassigned fund balances.

Harmony West Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collected within the current period or soon thereafter, to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 90 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Interest associated with the current fiscal period is considered to be an accrual item and so has been recognized as revenue of the current fiscal period.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of “available spendable resources”.

Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources are expended, rather than as fund assets. The proceeds of long-term debt are recorded as an other financing source rather than as a fund liability.

Debt service expenditures are recorded only when payment is due.

3. Basis of Presentation

a. Governmental Major Funds

General Fund – The General Fund is the District’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Harmony West Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Basis of Presentation (Continued)

a. Governmental Major Funds (Continued)

Debt Service Fund – The Debt Service Fund accounts for debt service requirements to retire the outstanding debt of the District.

Capital Projects Fund – The Capital Projects Fund accounts for the construction of infrastructure improvements within the District.

b. Non-current Governmental Assets/Liabilities

GASB Statement 34 requires that non-current governmental assets, such as capital assets, and non-current governmental liabilities, such as special assessment bonds be reported in the governmental activities column in the government-wide Statement of Net Position.

4. Assets, Liabilities, and Net Position or Equity

a. Cash and Investments

Florida Statutes require state and local governmental units to deposit monies with financial institutions classified as "Qualified Public Depositories," a multiple financial institution pool whereby groups of securities pledged by the various financial institutions provide common collateral from their deposits of public funds. This pool is provided as additional insurance to the federal depository insurance and allows for additional assessments against the member institutions, providing full insurance for public deposits.

The District is authorized to invest in those financial instruments as established by Section 218.415, Florida Statutes. The authorized investments consist of:

1. Direct obligations of the United States Treasury;
2. The Local Government Surplus Funds Trust or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperative Act of 1969;
3. Interest-bearing time deposits or savings accounts in authorized qualified public depositories;
4. Securities and Exchange Commission, registered money market funds with the highest credit quality rating from a nationally recognized rating agency.

Cash equivalents include time deposits and all highly liquid debt instruments with original maturities of three months or less and held in a qualified public depository as defined by Section 280.02, Florida Statutes.

Harmony West Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Assets, Liabilities, and Net Position or Equity (Continued)

b. Restricted Net Position

Certain net position of the District are classified as restricted on the Statement of Net Position because their use is limited either by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors. In a fund with both restricted and unrestricted net position, qualified expenses are considered to be paid first from restricted net position and then from unrestricted net position.

c. Capital Assets

Capital assets, which include construction in progress and infrastructure, are reported in the governmental activities column.

The District defines capital assets as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. The valuation basis for all assets is historical cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation is computed utilizing the straight-line method over the estimated useful lives of the assets. The estimated useful life for infrastructure is between 10 and 30 years.

d. Budgets

Budgets are prepared and adopted after a public hearing for the governmental funds, pursuant to Chapter 190, Florida Statutes. The District utilizes the same basis of accounting for budgets as it does for revenues and expenditures in its various funds. The legal level of budgetary control is at the fund level. All budgeted appropriations lapse at year end. A formal budget is adopted for the general fund and debt service funds. As a result, deficits in the budget columns of the accompanying financial statements may occur.

e. Unamortized Bond Discount

Bond discounts are presented on the government-wide financial statements. The costs are amortized over the life of the bonds using the straight-line method. For financial reporting, the unamortized bond discount is netted against the applicable long-term debt.

Harmony West Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Assets, Liabilities, and Net Position or Equity (Continued)

f. Use of Estimates

The preparation of the 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 financial statement date and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

“Total fund balances” of the District’s governmental funds, \$1,768,287, differs from “net position” of governmental activities, \$2,494,266, reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the current financial resources focus of the governmental fund balance sheet. The effect of the differences is illustrated below:

Capital related items

When capital assets (that are to be used in governmental activities) are purchased or constructed, the cost of those assets is reported as expenditures at the governmental fund level. However, the Statement of Net Position included those capital assets among the assets of the District as a whole.

Infrastructure	\$ 21,194,555
Accumulated depreciation	<u>(2,568,630)</u>
Total	<u>\$ 18,625,925</u>

Long-term debt transactions

Long-term liabilities applicable to the District’s governmental activities are not due and payable in the current period and accordingly are not reported as fund level liabilities. Bonds payable are reported in the Statement of Net Position. Balances at September 30, 2025 were:

Bonds payable	\$ (17,565,000)
Bond discount	<u>50,006</u>
Total	<u>\$ (17,514,994)</u>

Harmony West Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

1. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position (Continued)

Accrued interest

Accrued liabilities in the Statement of Net Position differ from the amount reported at the governmental fund level due to the accrued interest on bonds.

Accrued interest	\$ <u>(384,952)</u>
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2. Explanation of Differences Between the Governmental Fund Operating Statements and the Statement of Activities

The “net change in fund balances” for government funds, \$461,492, differs from the “change in net position” for governmental activities, \$(2,367,162), reported in the Statement of Activities. The differences arise primarily from the long-term economic focus of the Statement of Activities versus the current financial resources focus of the governmental fund level. The effect of the differences is illustrated below:

Capital related items

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures at the governmental fund level. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation. As a result, fund balances decrease by the financial resources expended, whereas net position decreases by the amount of depreciation charged for the year.

Depreciation	\$ (454,248)
Capital contributions	23,600,487
Capital outlay	6,226,917
Conveyances of capital assets	<u>(25,315,060)</u>
Total	<u>\$ 4,058,096</u>

Long-term debt transactions

Repayments of bond principal are reported as expenditures at the governmental fund level and, thus, have the effect of reducing fund balance because current financial resources have been used.

Bond principal payments	\$ 210,000
Issuance of long-term debt	(6,930,000)
Bond discount	<u>20,160</u>
Total	<u>\$ (6,699,840)</u>

Harmony West Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

2. Explanation of Differences Between the Governmental Fund Operating Statements and the Statement of Activities (continued)

Long-term debt transactions (continued)

Some expenses reported in the Statement of Activities do not require the use of current financial resources, therefore, are not reported as expenditures at the governmental fund level.

Change in accrued interest payable	<u>\$ (153,517)</u>
Bond discount amortization	<u>\$ (1,553)</u>

Deferred inflows of resources

Deferred inflows of resources reported at the fund level are recognized as revenues in the Statement of Activities.

Net change in unavailable revenues	<u>\$ (31,840)</u>
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NOTE C – CASH AND INVESTMENTS

All deposits are held in qualified public depositories and are included on the accompanying balance sheet as cash and investments.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk, however, they follow the provisions of Chapter 280, Florida Statutes regarding deposits and investments. As of September 30, 2025, the District's bank balance was \$575,090 and the carrying value was \$571,433. Exposure to custodial credit risk was as follows. The District maintains all deposits in a qualified public depository in accordance with the provisions of Chapter 280, Florida Statutes, which means that all deposits are fully insured by the Federal Deposit Insurance Corporation or collateralized under Chapter 280, Florida Statutes.

Investments

As of September 30, 2025, the District has the following investment and maturity:

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>
First American Government Obligations Fund	45 days*	<u>\$ 1,391,620</u>

* Maturity is a weighted average maturity.

Harmony West Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE C – CASH AND INVESTMENTS (CONTINUED)

Investments (continued)

The District categorizes its fair value measurements within the fair value hierarchy recently established by generally accepted accounting principles. The fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The District uses a market approach in measuring fair value that uses prices and other relevant information generated by market transactions involving identical or similar assets, liabilities, or groups of assets and liabilities.

Assets or liabilities are classified into one of three levels. Level 1 is the most reliable and is based on quoted price for identical assets, or liabilities, in an active market. Level 2 uses significant other observable inputs when obtaining quoted prices for identical or similar assets, or liabilities, in markets that are not active. Level 3 is the least reliable and uses significant unobservable inputs that use the best information available under the circumstances, which includes the District's own data in measuring unobservable inputs.

Based on the criteria in the preceding paragraph, the investment listed above is a Level 1 asset.

Interest Rate Risk

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

Credit Risk

The District's investments are limited by state statutory requirements and bond compliance. The District has no investment policy that would further limit its investment choices. As of September 30, 2025, the District's investments in First American Government Obligations Fund were rated AAAM by Standard & Poor's.

Concentration of Credit Risk

The District places no limit on the amount it may invest in any one fund. The investments in First American Government Obligations Fund represent 100% of the District's total investments.

The types of deposits and investments and their level of risk exposure as of September 30, 2025 were typical of these items during the period then ended. The District considers any decline in fair value for certain investments to be temporary.

Harmony West Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE D – CAPITAL ASSETS

Capital Asset activity for the year ended September 30, 2025 was as follows:

	Balance October 1, 2024	Additions	Deletions	Balance September 30, 2025
<u>Governmental Activities:</u>				
Capital assets, not depreciated				
Construction in progress	\$ 3,089,759	\$ 29,813,404	\$ (32,903,163)	\$ -
Capital assets, being depreciated				
Infrastructure	13,592,452	7,602,103	-	21,194,555
Less: accumulated depreciation	(2,114,382)	(454,248)	-	(2,568,630)
Capital Assets, Being Depreciated, Net	11,478,070	7,147,855	-	18,625,925
Total Governmental Capital Assets	<u>\$ 14,567,829</u>	<u>\$ 36,961,259</u>	<u>\$ (32,903,163)</u>	<u>\$ 18,625,925</u>

Depreciation of \$454,248 was charged to physical environment.

NOTE E – LONG-TERM DEBT

The following is a summary of activity for long-term debt of the District for the year ended September 30, 2025:

Long-term debt at October 1, 2024	\$ 10,845,000
Issuance of long-term debt	6,930,000
Principal payments	(210,000)
Long-term Debt at September 30, 2025	17,565,000
Bond discount, net	(50,006)
Long-term Debt, Net at September 30, 2025	<u>\$ 17,514,994</u>

Long-term debt is comprised of the following:

Special Assessment Revenue Bonds

\$8,710,000 Series 2018 Special Assessment Revenue Bonds due in annual installments beginning May 2020 and maturing May 2049. Interest from 4.125% to 5.25% is due in May and November starting November 2018. Current portion is \$160,000.

\$ 7,310,000

\$3,435,000 Series 2023 Special Assessment Revenue Bonds due in annual installments beginning May 2024 and maturing May 2053. Interest from 4.125% to 5.300% is due in May and November starting May 2023. Current portion is \$60,000.

3,325,000

Harmony West Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE E – LONG-TERM DEBT (CONTINUED)

Special Assessment Revenue Bonds (continued)

\$6,930,000 Series 2025 Special Assessment Revenue Bonds due in annual installments beginning May 2026 and maturing May 2055. Interest from 4.60% to 5.65% is due in May and November starting May 2025. Current portion is \$100,000.

6,930,000

Bonds Payable at September 30, 2025

\$ 17,565,000

The annual requirements to amortize the principal and interest of the bonds outstanding as of September 30, 2025 are as follows:

Year Ending September 30,	Principal	Interest	Total
2026	\$ 320,000	\$ 923,887	\$ 1,243,887
2027	335,000	909,212	1,244,212
2028	345,000	893,832	1,238,832
2029	365,000	877,985	1,242,985
2030	385,000	861,226	1,246,226
2031-2035	2,215,000	4,003,402	6,218,402
2036-2040	2,860,000	3,368,488	6,228,488
2041-2045	3,730,000	2,530,377	6,260,377
2046-2050	4,325,000	1,418,978	5,743,978
2051-2055	2,685,000	430,024	3,115,024
Totals	<u>\$ 17,565,000</u>	<u>\$ 16,217,411</u>	<u>\$ 33,782,411</u>

Significant Bond Provisions

The Series 2018 Bonds are subject to redemption at the option of the District prior to their maturity, in whole or in part, at any time after May 1, 2032 at a redemption price equal to the principal amount of the Series 2018 Bonds to be redeemed, together with accrued interest to the date of redemption. The Series 2018 Bonds are subject to extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Trust Indenture.

The Series 2023 Bonds are subject to redemption at the option of the District prior to their maturity, in whole or in part, at any time after May 1, 2033 at a redemption price equal to the principal amount of the Series 2023 Bonds to be redeemed, together with accrued interest to the date of redemption. The Series 2023 Bonds are subject to extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Trust Indenture.

Harmony West Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE E – LONG-TERM DEBT (CONTINUED)

Significant Bond Provisions (continued)

The Series 2025 Bonds are subject to redemption at the option of the District prior to their maturity, in whole or in part, at any time after May 1, 2035 at a redemption price equal to the principal amount of the Series 2025 Bonds to be redeemed, together with accrued interest to the date of redemption. The Series 2025 Bonds are subject to extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Trust Indenture.

The Trust Indenture requires certain amounts be maintained in a reserve account. In addition, the Trust Indenture has certain restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements 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 reserve requirements.

Depository Funds

The bond resolution established certain funds and determines the order in which revenues are to be deposited into these funds. A description of the significant funds, including their purposes, is as follows:

1. Reserve Fund – The 2018 Reserve Account is funded from the proceeds of the Series 2018 Bonds in an amount equal to 75% of the maximum annual debt service requirement for the Series 2018 Bonds as of the dated date of the Series 2018 Bonds. The 2023 Reserve Account is funded from the proceeds of the Series 2023 Bonds in an amount equal to 50% of the maximum annual debt service on the outstanding Series 2023 Bonds. The 2025 Reserve Account is funded from the proceeds of the Series 2025 Bonds in an amount equal to 25% of the maximum annual debt service on the outstanding Series 2025 Bonds. The 2023 and 2025 Reserve Requirements can be reduced if certain conditions are met as outlined in the Trust Indenture. Monies held in the reserve account will be used only for the purpose established in the Trust Indenture.

	Reserve Balance	Reserve Requirement
Series 2018 Special Assessment Bonds	\$ 430,093	\$ 430,093
Series 2023 Special Assessment Bonds	\$ 56,873	\$ 56,873
Series 2025 Special Assessment Bonds	\$ 122,048	\$ 119,028

NOTE F – 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 for which the government carries commercial insurance. The District has not filed any claims under this commercial coverage in the last three years.

Harmony West Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE G – SPECIAL ASSESSMENT REVENUE

Special assessment revenues recognized for the 2024-2025 fiscal year were levied in July 2024. All assessments are due and payable on November 1 or as soon as the assessment roll is certified and delivered to the Tax Collector. Per Section 197.162, Florida Statutes, discounts are allowed for early payment at the rate of 4% in November, 3% in December, 2% in January, and 1% in February. Assessments paid in March are without discount.

All unpaid assessments become delinquent as of April 1. Virtually all unpaid assessments are collected via the sale of tax certificates on or prior to June 1; therefore, there were no material taxes receivable at fiscal year-end.

NOTE H – RELATED PARTY TRANSACTIONS

Four of the five voting members of the Board of Supervisors were employed by the Developer or a related entity during the fiscal year ended September 30, 2025. During the fiscal year ended September 30, 2025, the District recognized \$283,896 in developer assessments and lot closings, and \$23,609,452 in capital contributions related to the completion of the Series 2023 and 2025 Projects. The balance due to developer as of September 30, 2025 was \$179,190.



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INDEPENDENT AUDITORS' 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 West Community Development District
Osceola County, Florida

We have audited, in accordance with the 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 (*Government Auditing Standards*), the financial statements, as listed in the table of contents, of Harmony West Community Development District, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the basic financial statements and have issued our report thereon dated June 25, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit, we considered Harmony West Community Development District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Harmony West Community Development District's internal control. Accordingly, we do not express an opinion on the effectiveness of Harmony West Community Development District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



To the Board of Supervisors
Harmony West Community Development District

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Harmony West Community Development District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

June 25, 2026



Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

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MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of Harmony West Community Development District as of and for the year ended September 30, 2025, and have issued our report thereon dated June 25, 2026.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the Florida Auditor General.

Other Reports and Schedule

We have issued our Independent Auditor's 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* and our Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 25, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been made to address findings and recommendations made in the preceding financial audit report. There were no findings or recommendations in the preceding financial audit report.



To the Board of Supervisors
Harmony West Community Development District

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires us to apply appropriate procedures and communicate the results of our determination as to whether or not Harmony West Community Development District met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that Harmony West Community Development District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for Harmony West Community Development District. It is management's responsibility to monitor Harmony West Community Development District's financial condition; and our financial condition assessment was based in part on the representations made by management and the review of the financial information provided by the same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Specific Information

The information below was provided by management and has not been audited by us; therefore, we do not express an opinion or provide any assurance on the information.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, Harmony West Community Development District reported:

- 1) The total number of District employees compensated in the last pay period of the District's fiscal year as: 0
- 2) The total number of independent contractors, to whom nonemployee compensation was paid in the last month of the District's fiscal year as: 4
- 3) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as: \$0
- 4) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: \$124,534
- 5) Each construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1, 2024, together with the total expenditures for such project as: None
- 6) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes: The budget was not amended, see budget schedule on page 16.



To the Board of Supervisors
Harmony West Community Development District

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)9, Rules of the Auditor General, Harmony West Community Development District reported:

- 1) The rate or rates of non-ad valorem special assessments imposed by the District:
\$80.03 - \$1,004.10 for the General Fund and \$778.64 – \$1,397.80 for the Debt Service Fund.
- 2) The amount of special assessments collected by or on behalf of the District: See page 14 of the report.
- 3) The total amount of outstanding bonds issued by the District and the terms of such bonds: See Note E of the report.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that has occurred or is likely to have occurred, that has an effect on the financial statements that is less than material, but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Supervisors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

June 25, 2026



**Berger, Toombs, Elam,
Gaines & Frank**

Certified Public Accountants PL

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**INDEPENDENT ACCOUNTANTS' REPORT/COMPLIANCE
WITH SECTION 218.415, FLORIDA STATUTES**

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

We have examined Harmony West Community Development District's compliance with Section 218.415, Florida Statutes during the year ended September 30, 2025. Management is responsible for Harmony West Community Development District's compliance with those requirements. Our responsibility is to express an opinion on Harmony West Community Development District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Harmony West Community Development District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Harmony West Community Development District's compliance with the specified requirements.

In our opinion, Harmony West Community Development District complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2025.

*Berger Toombs Elam
Gaines & Frank*

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

June 25, 2026