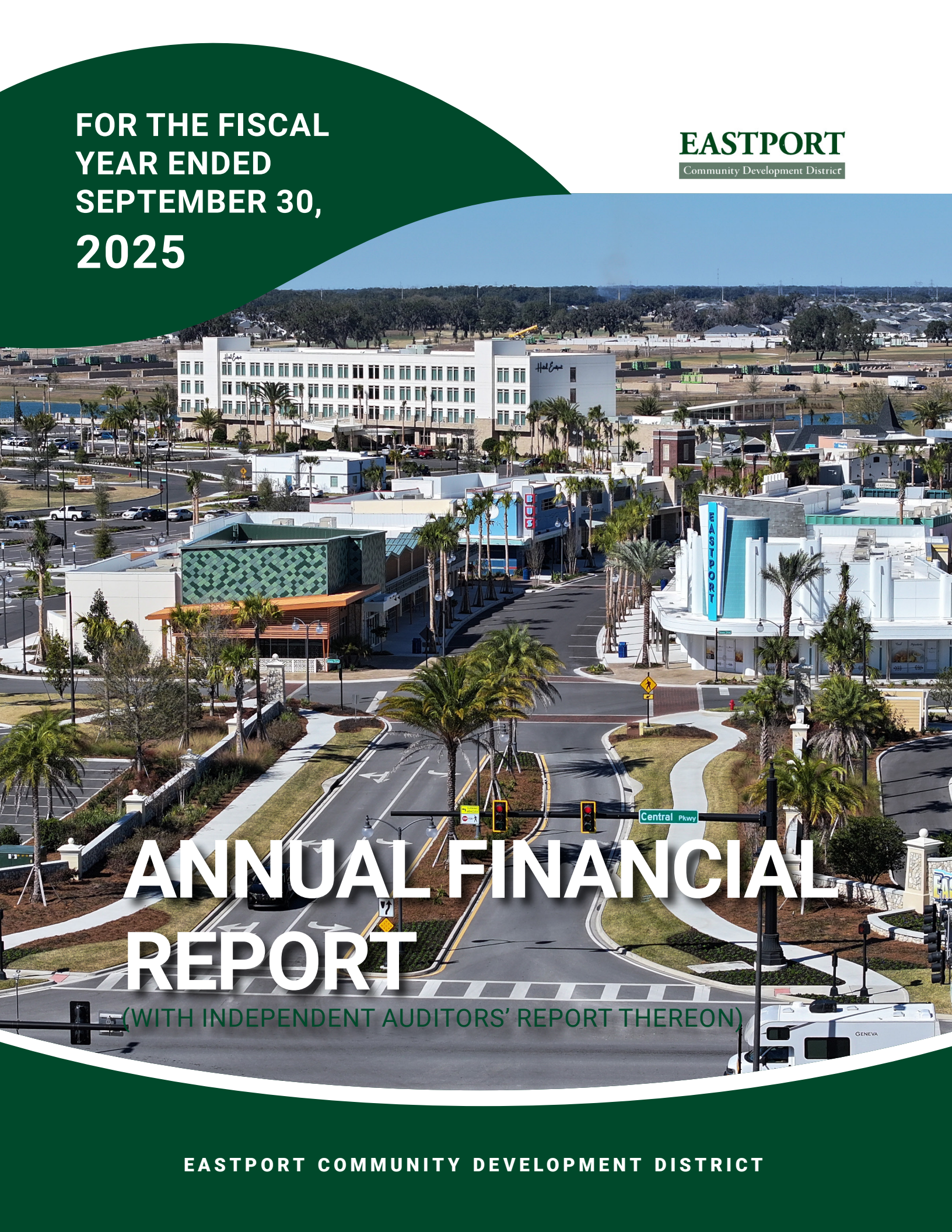


FOR THE FISCAL
YEAR ENDED
SEPTEMBER 30,
2025

EASTPORT
Community Development District

An aerial photograph of a modern urban development. In the foreground, a wide road with a median and palm trees leads towards a large, multi-story white building with many windows. To the right, there's a building with a prominent blue and white 'EASTPORT' sign. The area is landscaped with palm trees and greenery. In the background, more buildings and a clear blue sky are visible.

ANNUAL FINANCIAL REPORT

(WITH INDEPENDENT AUDITORS' REPORT THEREON)

EASTPORT COMMUNITY DEVELOPMENT DISTRICT

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Financial Section

Annual Financial Report

PURVIS GRAY

INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
Eastport Community Development District
The Villages, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Eastport Community Development District (the District) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and Major Special Revenue Fund – Eastport ProjectWide for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. 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 opinions.

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.

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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

Board of Supervisors
 Eastport Community Development District
 The Villages, Florida

INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities 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 generally accepted auditing standards 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 generally accepted auditing standards 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, as listed in the table of contents, be presented to supplement the basic financial statements. 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

Board of Supervisors
Eastport Community Development District
The Villages, Florida

INDEPENDENT AUDITOR'S REPORT

an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 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, contracts, and grant agreements and other matters. The purpose of that report is solely 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.

Purvis Gray

March 2, 2026
Ocala, Florida

Management's Discussion and Analysis September 30, 2025

This Management Discussion and Analysis report provides the reader with a narrative overview and analysis of the financial activities of the Eastport Community Development District for the fiscal year ending September 30, 2025. This report is designed to (a) assist the reader in focusing on significant financial issues; (b) provide an overview of the District's financial activities; (c) identify changes in the District's financial position and its ability to address the next and subsequent year challenges (d) identify any material deviations from the financial plan (the approved budget), and (e) identify any individual fund issues and concerns. The information contained within this section should be considered in conjunction with the District's Financial Statements.

Financial Highlights

- Total assets of the District are \$2,810,577; the deferred outflows of the resources of the District are \$0; total assets and deferred outflows have increased \$836,076 over prior year, an increase of 42.3%.
- Total liabilities of the District are \$1,589,551; the deferred inflows of the resources of the District are \$0; total liabilities and deferred inflows have increased \$206,935 over prior year, an increase of 15.0%.
- The assets and deferred outflows of the District exceeded its liabilities and deferred inflows by \$1,221,026 (net position) as of September 30, 2025. Of this amount, \$1,221,026 is unrestricted and can be used at the discretion of the Board of Supervisors.
- As of September 30, 2025, net position for governmental activities was \$1,215,259, or 24.2% of total governmental revenues.
- The current year's unassigned fund balance for the Eastport General Fund is \$610, or 0.6% of total general fund operating revenues.
- The District's total revenues of \$5,009,065 exceeded the expenses of \$4,379,924, resulting in a \$629,141 increase in total net position; the increase in net position for the governmental activities and business-type activities was \$623,519 and \$562, respectively.
- The total net position has increased from a fiscal year 2024 balance of \$591,885 to a fiscal year 2025 balance of \$1,221,026 as it is the second year of operation.
- Depreciation expenses for the current fiscal year amounted to \$0 as the District currently has no capital assets.
- The District has no long term debt at September 30, 2025.

Overview of the Financial Statements

The discussion and analysis are intended to serve as an introduction to the District's basic financial statements.

The District's basic financial statements consist of three sections:

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

This report also contains other supplemental information in addition to the basic financial statements themselves.

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 Position* presents information on all of the District's assets (and deferred outflows) and liabilities (and deferred inflows), with the difference reported as *net position*. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Changes in Net Position*, also referred to as the *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of 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 (e.g., uncollected assessments).

The government-wide financial statements are provided on pages 14 - 15 of this report.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's major funds individually. 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 maintains three governmental funds and one proprietary fund. There are no fiduciary funds maintained by the District. The fund financial statements present information in more detail than the government-wide financial statements.

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 government'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 government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. For the year ending September 30, 2025 there were no reconciling items between the governmental funds and governmental activities.

The District maintains three governmental funds, the General Fund, the Eastport Projectwide Fund, and the Eastport Storm Water Management Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the fund which is considered to be a major fund. Non-major funds are aggregated and reported in a separate column.

A budgetary comparison statement is provided for the General Fund and the Eastport Project Wide Fund to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 16 - 20 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are presented beginning on page 25.

Government-Wide Financial Statements and Analysis

Statement of Net Position

A comparison of the Statement of Net Position for the current year and prior year is presented below.

	Governmental Activities		Business-type Activities		Total	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Assets:						
Current and other assets	\$ 2,551,543	1,856,947	\$ 259,034	117,554	\$ 2,810,577	1,974,501
Total assets	<u>2,551,543</u>	<u>1,856,947</u>	<u>259,034</u>	<u>117,554</u>	<u>2,810,577</u>	<u>1,974,501</u>
Liabilities:						
Current and other liabilities	1,336,284	1,265,207	253,267	117,409	1,589,551	1,382,616
Total liabilities	<u>1,336,284</u>	<u>1,265,207</u>	<u>253,267</u>	<u>117,409</u>	<u>1,589,551</u>	<u>1,382,616</u>
Net position:						
Unrestricted	1,215,259	591,740	5,767	145	1,221,026	591,885
Total net position	<u>\$ 1,215,259</u>	<u>591,740</u>	<u>\$ 5,767</u>	<u>145</u>	<u>\$ 1,221,026</u>	<u>591,885</u>

As noted earlier, net position may serve as a useful indicator of a government's financial position over time. The District's total assets (and deferred outflows) exceeded total liabilities (and deferred inflows) by \$1,221,026. The net position increased \$629,141 from a balance of \$591,885 as of September 30, 2024.

The District's net position is broken down into one category. 100.0% reflects unrestricted and available to meet the future needs of the district.

Statement of Changes in Net Position

A comparison of the Statement of Changes in Net Position for the current year and prior year is presented below.

	Governmental Activities		Business-type Activities		Total	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Program revenues:						
Charges for services	\$ 2,337,059	2,900,490	\$ 281,927	144,422	\$ 2,618,986	3,044,912
Operating grants and contributions	1,904,887	56,514	225,615	117,409	2,130,502	173,923
General revenues:						
Investment earnings or (losses)	64,436	19,884	1,445	-	65,881	19,884
Other revenues	193,696	40	-	-	193,696	40
Total revenues	<u>4,500,078</u>	<u>2,976,928</u>	<u>508,987</u>	<u>261,831</u>	<u>5,009,065</u>	<u>3,238,759</u>
Expenses:						
General government services	5,265	9,005	-	-	5,265	9,005
Physical environment	3,871,294	2,376,183	-	-	3,871,294	2,376,183
Recreation	-	-	503,365	261,686	503,365	261,686
Total expenses	<u>3,876,559</u>	<u>2,385,188</u>	<u>503,365</u>	<u>261,686</u>	<u>4,379,924</u>	<u>2,646,874</u>
Changes in net position	623,519	591,740	5,622	145	629,141	591,885
Net position, beginning	591,740	-	145	-	591,885	-
Net position, ending	<u>\$ 1,215,259</u>	<u>591,740</u>	<u>\$ 5,767</u>	<u>145</u>	<u>\$ 1,221,026</u>	<u>591,885</u>

As noted earlier, the Statement of Changes in Net Position presents information showing how the District's net position changed during the most recent fiscal year.

The District's revenues for the years ended September 30, 2025, and September 30, 2024 were \$5,009,065 and \$3,238,759 respectively. The increase in revenue is primarily due to a significantly higher amount of operating grants and contributions for fiscal year 2025. The District's expenses for the years ended September 30, 2025, and September 30, 2024, were \$4,379,924 and \$2,646,874 respectively. The increase in expense was related primarily to an increase in physical environment and recreation during the year..

Revenues Revenues include charges for services, operating grants and contributions and investment earnings (losses). Charges for services totaled \$2,618,986 in Fiscal Year 2025, a decrease of \$425,926 over prior year. The majority of charges for services are received in the Eastport projectwide fund of the District, a governmental fund. Operating grants and contributions increased by \$1,956,579 from prior year. Operating grants and contributions mainly consist of Developer contributions in the amount of \$2,130,502 and are received in all three funds. Investment income increased by \$45,997. Additional information regarding cash and cash equivalents are located on page 31 of the report.

Expenses Expenses include general government services, physical environment and recreation expenses. General government expenses decreased by \$3,740 in fiscal year 2025 compared to fiscal year 2024 and mainly include legal services. Physical environment expenses, including landscaping, irrigation, utilities and maintenance costs, increased \$1,495,111, as compared to the prior fiscal year. Recreation expenses, a business type activity, increased \$241,679, as compared to the prior fiscal year. There were no depreciation expenses during the year as the District has no Capital Assets.

Financial Analysis Of The Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Following is a discussion of the financial statements on a fund accounting level.

Governmental Fund

As of September 30, 2025, the District's governmental funds reported a fund balance of \$1,215,259, an increase of \$623,519 or 105.4% over prior year. Of the total fund balance, the unassigned fund balance of \$1,215,259 is available for spending at the government's discretion.

Eastport General Fund is the operating fund of the District and accounts for administrative functions of the District such as legal, auditing and management fees. Eastport Projectwide Fund provides oversight of common infrastructure within District 14, 15 and the Eastport commercial areas. Eastport Stormwater management fund accounts for stormwater management costs within District.

Eastport Fund Budgetary Highlights

The Budget to actual comparison statement outlines the original budget, amended budget, actual amounts and any variance between the final budget and actual amounts. Budget amendments are approved throughout the year.

Budgets are revised for a variety of reasons, such as an unforeseen expenditure. Below are notable variances between the original to final budget and final budget to actual.

Eastport General Fund

- During fiscal year 2025, the final Eastport General Fund revenue budget was unchanged compared to the original budgeted revenues.
- The final expenditure budget was changed compared to the original budgeted expenditures primarily due to \$1,700 decrease in utility services, \$109 increase in other expenditures, \$291 increase in management and other professional services, and \$1,300 increase in building, landscape and other maintenance.
- Total revenues were \$34,893, or 25.9% under budget for the year primarily due to decrease in revenues: by \$34,893. Revenues are on a cost reimbursement basis from the Developer and run closely with expenses.
- Total expenses were \$29,056 or 22.5% below budget for the fiscal year ending September 30, 2025.

Eastport Projectwide Fund

- During fiscal year 2024, the final Eastport Projectwide revenue budget had no change compared to the original budgeted revenues of \$3,939,771 and came in over the original budget due to additional reimbursement of maintenance costs from the Developer. Furthermore the fund earned investment income of \$58,885.
- The final expenditure budget increased by \$39,575 from the original budget. The increase was in utility services.
- Total actual expenses were \$274,589 under budget. Building landscape and other maintenance was under budget by \$215,412. Overall the fund stayed within planned expenses for the year.

Eastport Storm Water Management Fund

- During fiscal year 2025, the final Eastport Storm Water Management Fund revenue budget was unchanged compared to the original budgeted revenues.
- The final expenditures budget remained unchanged.
- Total revenues were \$5,403, or 2.7% over budget for the year primarily due to increase in revenues by \$5,403.
- Total expenses were \$130,373 or 64.4% below budget for the fiscal year ending September 30, 2025.

Proprietary Fund

Eastport Amenity Division

The Eastport amenity division maintains recreational facilities within District 14 and 15. The recreational facilities are owned by the Developer. An interlocal agreement between the Developer and Eastport Community Development District has been established to provide operational services for the facilities providing amenities to the residents of the Villages. Overall the fund received total operating revenues of \$507,542 and expended \$503,365, providing for operating income of \$4,177.

Capital Assets And Debt Administration

Capital Assets

As of September 30, 2025, the District has no investment in capital assets.

Long-Term Debt

As of September 30, 2025, the District has no outstanding debt.

Economic Factors and Next Year's Budget and Rates

Local, state and national economic factors influence the District's budget in a variety of ways. These factors were considered in preparing the District's budget for the 2025 Fiscal Year.

- The unemployment rate in Sumter County where the District is located was 7.8% in September 2025, an increase from 5.4% a year ago. The County's average unemployment rate was above the State's average unemployment rate of 4.2% which was below the national average rate of 4.3%.
- Inflationary trends in the area are comparable to national indices. The national Consumer Price Index (CPI) annual change for all consumers increased from 2.4% in September 2024 to 3.0% in September 2025.

Eastport General Fund: In Fiscal Year 2026, the total revenues are projected to increase by \$95,000, compared to the Fiscal Year 2025 actuals. The increase is due primarily to an increase in contributions from the developer, as the District is being built out. The Fiscal Year 2026 expenditure budget projects an increase of \$95,000, when compared to the Fiscal Year 2025 actual. The increase in expenditures results primarily from an increase in management and other professional services and project wide fees.

Eastport Project Wide Special Revenue Fund: In Fiscal Year 2026, the total revenues are projected to increase by \$1,586,000 compared to the Fiscal Year 2025 actuals. The increase is due primarily to the addition of District 15 phase II and the development of District 16 therefore an increase in intergovernmental revenue and contributions from the developer. The Fiscal Year 2026 expenditure budget projects an increase of \$2,475,000 when compared to the Fiscal Year 2025 actual cost. The overall increase in expenditures consists of increases in landscape maintenance and irrigation, and other maintenance.

Eastport Storm Water Management Fund: In Fiscal Year 2026, the total revenues are projected to increase by \$81,000, compared to the Fiscal Year 2025 actual. The increase is due to an increase in intergovernmental revenues. The Fiscal Year 2026 expenditure budget projects an increase of \$78,000 when compared to the Fiscal Year 2025 actual. The increase in expenditures results from increases in management and other professional services and building structure maintenance.

Eastport Amenity Division Fund: In Fiscal Year 2026, the total revenues are projected to increase by \$533,000, compared to the Fiscal Year 2025 final actual. An increase in fire safety futures fees and contributions from the developer is projected in the amount of \$397,000 and \$141,000, respectively. The Fiscal Year 2026 expenditure budget projects an increase of \$538,000, when compared to the Fiscal Year 2025 actual expenditures. The increase in expenditures results primarily from an increase in management and other professional services and supplies.

To Obtain Further Information

The District's financial statements are designed to provide a general overview of the District's finances and to demonstrate the District's accountability. If you have any questions about the report or would like additional financial information, contact the Village Community Development Districts, Finance Office at:

3571 Kiessel Road

The Villages, FL 32163

Telephone (352) 753-0421

It is also suggested you visit our website at www.districtgov.org for general information and additional financial information about the District.

Statement of Net Position September 30, 2025

	Governmental activities	Business-type activities	Total
Assets			
Cash and cash equivalents	\$ 1,673,550	\$ 113,982	\$ 1,787,532
Receivables	877,993	136,442	1,014,435
Due from other governments	-	8,610	8,610
Total assets	<u>2,551,543</u>	<u>259,034</u>	<u>2,810,577</u>
Liabilities			
Accounts payable	699,704	34,808	734,512
Due to other governments	636,580	218,138	854,718
Due to developer	-	321	321
Total liabilities	<u>1,336,284</u>	<u>253,267</u>	<u>1,589,551</u>
Net position			
Unrestricted	1,215,259	5,767	1,221,026
Total net position	<u>\$ 1,215,259</u>	<u>\$ 5,767</u>	<u>\$ 1,221,026</u>

See accompanying notes to basic financial statements.

Statement of Activities Year Ended September 30, 2025

Functions/Programs	Expenses	Program revenues			Net (expense) revenue and changes in net assets		
		Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities	Business-type activities	Total
Governmental activities							
General government	\$ 5,265	-	1,904,887	-	1,899,622	-	\$ 1,899,622
Physical environment	3,871,294	2,337,059	-	-	(1,534,235)	-	(1,534,235)
Total governmental activities	3,876,559	2,337,059	1,904,887	-	365,387	-	365,387
Business-type activities							
Recreation	503,365	281,927	225,615	-	-	4,177	4,177
Total primary government	\$ 4,379,924	2,618,986	2,130,502	-	365,387	4,177	369,564
General revenues							
Investment earnings (losses)					64,436	1,445	65,881
Other revenues					193,696	-	193,696
Total general revenues					258,132	1,445	259,577
Change in net position					623,519	5,622	629,141
Net position, beginning					591,740	145	591,885
Net position, ending					\$ 1,215,259	\$ 5,767	\$ 1,221,026

See accompanying notes to basic financial statements.

Balance Sheet
Governmental Funds
September 30, 2025

	Major Funds		Non-Major Funds	
	Eastport General Fund	Eastport Projectwide Fund	Eastport Storm Water Management	Total
Assets				
Cash and cash equivalents	\$ 10,739	\$ 1,483,872	\$ 178,939	\$ 1,673,550
Due from other funds	-	8,858	-	8,858
Receivables	3,973	874,020	-	877,993
Total assets	<u>14,712</u>	<u>2,366,750</u>	<u>178,939</u>	<u>2,560,401</u>
Liabilities				
Accounts payable	838	694,600	4,266	699,704
Due to other funds	8,858	-	-	8,858
Due to other governments	4,406	623,853	8,321	636,580
Total liabilities	<u>14,102</u>	<u>1,318,453</u>	<u>12,587</u>	<u>1,345,142</u>
Fund balances				
Unassigned	610	1,048,297	166,352	1,215,259
Total fund balances	<u>610</u>	<u>1,048,297</u>	<u>166,352</u>	<u>1,215,259</u>
Total liabilities and fund balances	<u>\$ 14,712</u>	<u>\$ 2,366,750</u>	<u>\$ 178,939</u>	<u>\$ 2,560,401</u>

See accompanying notes to basic financial statements.

**Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position
Year Ended September 30, 2025**

Total fund balances, governmental funds	\$ 1,215,259
There are no reconciling items	
Net position of governmental activities	<u><u>\$ 1,215,259</u></u>

See accompanying notes to basic financial statements.

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Year Ended September 30, 2025

	Major Funds		Non-Major Funds	
	Eastport General Fund	Eastport Projectwide Fund	Eastport Storm Water Management	Total
Revenues				
Management and other fees collected:				
Intergovernmental revenue	\$ -	\$ 2,134,771	\$ 202,288	\$ 2,337,059
Investment earnings or (losses)	148	58,885	5,403	64,436
Other income:				
Contributions and donations from private sources	99,887	1,805,000	-	1,904,887
Other revenues	15	193,681	-	193,696
Total revenues	<u>100,050</u>	<u>4,192,337</u>	<u>207,691</u>	<u>4,500,078</u>
Expenditures				
Current:				
General government	5,265	-	-	5,265
Physical environment	94,622	3,704,757	71,915	3,871,294
Total expenditures	<u>99,887</u>	<u>3,704,757</u>	<u>71,915</u>	<u>3,876,559</u>
Net change in fund balances	<u>163</u>	<u>487,580</u>	<u>135,776</u>	<u>623,519</u>
Fund balances, beginning	<u>447</u>	<u>560,717</u>	<u>30,576</u>	<u>591,740</u>
Fund balances, ending	<u>\$ 610</u>	<u>\$ 1,048,297</u>	<u>\$ 166,352</u>	<u>\$ 1,215,259</u>

See accompanying notes to basic financial statements.

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances – Governmental Funds to the Statement of Activities
Year Ended September 30, 2025**

Net change in fund balances – total governmental funds	\$ 623,519
There are no reconciling items	
Change in net position of governmental activities	<u><u>\$ 623,519</u></u>

See accompanying notes to basic financial statements.

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual
Eastport General Fund
Year ended September 30, 2025**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>YTD Actual</u>	<u>Variance</u>
Revenues				
Investment earnings or (losses)	\$ 6,000	\$ 6,000	\$ 148	\$ (5,852)
Other income	128,943	128,943	99,902	(29,041)
Total revenues	<u>134,943</u>	<u>134,943</u>	<u>100,050</u>	<u>(34,893)</u>
Expenditures				
Management and other professional services	52,937	53,228	34,341	(18,887)
Utility services	5,000	3,300	-	(3,300)
Building, landscape and other maintenance	63,729	65,029	58,729	(6,300)
Other expenditures	<u>7,277</u>	<u>7,386</u>	<u>6,817</u>	<u>(569)</u>
Total expenditures	<u>128,943</u>	<u>128,943</u>	<u>99,887</u>	<u>(29,056)</u>
Net change in fund balances	<u>6,000</u>	<u>6,000</u>	<u>163</u>	<u>(5,837)</u>
Fund balances, beginning	<u>447</u>	<u>447</u>	<u>447</u>	<u>-</u>
Fund balances, ending	<u>\$ 6,447</u>	<u>\$ 6,447</u>	<u>\$ 610</u>	<u>\$ (5,837)</u>

See accompanying notes to basic financial statements.

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual
Eastport Projectwide Fund
Year ended September 30, 2025**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>YTD Actual</u>	<u>Variance</u>
Revenues				
Management and other fees collected	\$ 2,134,771	\$ 2,134,771	\$ 2,134,771	\$ -
Investment earnings or (losses)	-	-	58,885	58,885
Other income	1,805,000	1,805,000	1,998,681	193,681
Total revenues	<u>3,939,771</u>	<u>3,939,771</u>	<u>4,192,337</u>	<u>252,566</u>
Expenditures				
Management and other professional services	95,000	85,000	73,006	(11,994)
Utility services	550,068	625,068	578,169	(46,899)
Building, landscape and other maintenance	3,285,203	3,266,778	3,051,366	(215,412)
Other expenditures	9,500	2,500	2,216	(284)
Total expenditures	<u>3,939,771</u>	<u>3,979,346</u>	<u>3,704,757</u>	<u>(274,589)</u>
Net change in fund balances	-	(39,575)	487,580	527,155
Fund balances, beginning	<u>560,717</u>	<u>560,717</u>	<u>560,717</u>	<u>-</u>
Fund balances, ending	<u>\$ 560,717</u>	<u>\$ 521,142</u>	<u>\$ 1,048,297</u>	<u>\$ 527,155</u>

See accompanying notes to basic financial statements.

**Statement of Net Position
Proprietary Funds
September 30, 2025**

	Eastport Amenity Division
Assets	
Current assets:	
Cash and cash equivalents	\$ 113,982
Receivables, net	136,442
Due from other governments	8,610
Total current assets	<u>259,034</u>
Liabilities	
Current liabilities:	
Accounts payable	34,808
Due to other governments	218,138
Due to developer	321
Total current liabilities	<u>253,267</u>
Net position	
Unrestricted	5,767
Total net position	<u><u>\$ 5,767</u></u>

See accompanying notes to basic financial statements.

Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
Year Ended September 30, 2025

	<u>Eastport Amenity Division</u>
Operating revenues	
Charges for services:	
Safety fees	\$ 277,750
Developer Contributions	225,615
Other Revenues	4,177
Total operating revenues	<u>507,542</u>
Operating expenses	
Administrative services	277,750
Maintenance and Operations	5,873
Recreational Maintenance	219,742
Total operating expenses	<u>503,365</u>
Operating income	<u>4,177</u>
Non-operating revenue (expenses)	
Investment earnings (losses)	1,445
Total non-operating revenue	<u>1,445</u>
Change in net position	5,622
Total net position, beginning	145
Total net position, ending	<u><u>\$ 5,767</u></u>

See accompanying notes to basic financial statements.

Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2025

	Total Enterprise Fund
Cash flows from operating activities:	
Receipts from customers	\$ 480,044
Payments to suppliers and others	(367,507)
Net cash provided by operating activities	<u>112,537</u>
Cash flows from investing activities:	
Interest on investments	1,445
Net cash provided by investing activities	<u>1,445</u>
Net increase in cash and cash equivalents	<u>113,982</u>
Cash and cash equivalents, beginning of year	-
Cash and cash equivalents, end of year	<u>113,982</u>
Reconciliation of cash and cash equivalents per Statement of cash flows to the statement of net assets:	
Cash per statement of net position:	
Unrestricted cash and cash equivalents	<u>113,982</u>
Cash and cash equivalents	<u>113,982</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:	
Operating income (loss)	4,177
Adjustments to reconcile operating income to net cash provided by operating activities:	
Change in assets and liabilities:	
(Increase) Decrease in:	
Receivables, net	(19,033)
Due from other governments	(8,465)
Increase (Decrease) in:	
Accounts payable and accrued liabilities	34,808
Due to developer	321
Due to other governments	100,729
Net cash provided by operating activities	<u>\$ 112,537</u>

See accompanying notes to basic financial statements.

Notes to Financial Statements

Note 1 - Summary Of Significant Accounting Policies

Financial Reporting Entity

Eastport Community Development District (the District) was established on March 27, 2023, for the purpose of acquiring, operating, and maintaining certain community-wide infrastructure for a commercial community development district located entirely within the City of Wildwood and Sumter County, Florida. The District was created by the City of Wildwood Ordinance No. 02023-1, pursuant to the provisions of Chapter 190.005, Florida Statutes, and operates within the criteria established by Chapter 190. The District is governed by a five-member Board of Supervisors who is elected on a rotating basis by the landowners within the District for terms from two to four years. As of September 30, 2025, each member of the Board of Supervisors is an employee of or affiliated with the Developer.

The District boundary consists of approximately 50.35 acres in the City of Wildwood and Sumter County. The Villages of Lake-Sumter, Inc. was the developer and owner of the property within the District. The District's primary purpose is to provide governmental and property maintenance services to this commercial District.

The Villages continues to be developed by the Developer; a family-owned business established for the single purpose of developing The Villages. Today, The Villages spans approximately 90 square miles across the borders of Lake, Sumter and Marion Counties, the City of Wildwood, the City of Fruitland Park, the City of Leesburg and the Town of Lady Lake, Florida, with a population of approximately 162,500. Development is currently underway in the south end of The Villages.

The financial statements of the District have been prepared in conformity with U.S. Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles. As defined by GASB, the financial reporting entity is required to include the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Blended component units, on the other hand, are reported in a separate column in the statement of net position to emphasize they are legally separate from the government.

There are no component units that are legally separate from the District. There are nineteen Community Development Districts in the total structure of The Villages, each being a separate government entity established pursuant to Chapter 190, Florida Statutes.

The following is a listing of these Community Development Districts:

- Village Center Community Development District provides water and sewer utility services, recreation facilities and services, security, fire protection, emergency medical first response (including transport services) and executive golf services to the residents. The cost of operations is funded by amenity and utility fees that residents pay monthly. This District also provides for the maintenance of common areas and roadways for the commercial areas within the District boundaries. The cost of maintenance in the commercial areas is funded through commercial maintenance assessments. Lastly, the District provides administrative services, including human resources, payroll, accounting, property management, recreation, leadership and community standard services to the Community Development Districts
- Sumter Landing Community Development District provides recreation facilities and services, security, fire protection, emergency medical first response (non-transport) and executive golf services to the

residents. The cost of operations is funded by amenity fees that residents pay monthly. This District also provides for the maintenance of common areas and roadways for the commercial areas within the CDD boundaries in Sumter County. The cost of maintenance in the commercial areas is funded through commercial maintenance assessments.

- Brownwood Community Development District provides the maintenance of common areas and roadways for the commercial areas within the District boundaries in Sumter County. The cost of maintenance in the commercial areas is funded through commercial maintenance assessments.
- Eastport Community Development District provides recreation facility services, maintenance of common areas for the commercial areas, maintenance of residential common areas through the projectwide fund and Stormwater Management within the District boundaries in Sumter County. The cost of maintenance in the commercial areas is funded through Developer contributions as the new downtown area builds out.
- The Village Community Development District No. 1 boundary consists of approximately 993.3 acres in Sumter County. The development includes original construction of 3,444 residential units.
- The Village Community Development District No. 2 boundary consists of approximately 990 acres in Sumter County. The development included construction of 3,668 residential units.
- The Village Community Development District No. 3 boundary consists of approximately 894 acres in Sumter County. The development included construction of 3,762 residential units.
- The Village Community Development District No. 4 boundary consists of approximately 1,253 acres in Marion County. The development included construction of 5,432 residential units.
- The Village Community Development District No. 5 boundary consists of approximately 1,407 acres in Sumter County. The development included construction of 6,399 residential units.
- The Village Community Development District No. 6 boundary consists of approximately 1,497 acres in Sumter County. The development included construction of 6,697 residential units.
- The Village Community Development District No. 7 boundary consists of approximately 976 acres in Sumter County. The development included construction of 4,765 residential units.
- The Village Community Development District No. 8 boundary consists of approximately 1,098 acres in Sumter County. The development included construction of 5,193 residential units.
- The Village Community Development District No. 9 boundary consists of approximately 1,309 acres in Sumter County. The development included construction of 5,480 residential units and apartment style living at the Brownwood Lofts.
- The Village Community Development District No. 10 boundary consists of approximately 1,588 acres in Sumter County. The development includes construction of 6,639 residential units.
- The Village Community Development District No. 11 boundary consists of approximately 693 acres within the city limits of Fruitland Park in Lake County. The development included construction of 2,055 residential units.
- The Village Community Development District No. 12 boundary consists of approximately 1,483 acres within the city limits of the City of Wildwood in Sumter County. The development included construction of 6,202 residential units.
- The Village Community Development District No. 13 boundary consists of approximately 2,232 acres within the city limits of the City of Wildwood in Sumter County. Planned development includes construction of 8,062 residential units.
- The Village Community Development District No. 14 boundary consists of approximately 1,013 acres within the city limits of the City of Leesburg in Lake County. Planned development includes construction of 3,234 residential units in Phase I.
- The Village Community Development District No. 15 boundary consists of approximately 1,378 acres within the city limits of the City of Wildwood in Sumter County. Planned development includes construction of 3,616 residential units in Phase I and 3,700 residential units in Phase II.

In order to acquire land and fund the construction costs of the public infrastructure in each of the Districts above, each District issued Special Assessment Revenue Bonds. The proceeds of these bonds were used to construct improvements within the District which consists of roadway improvements, landscaping, open areas, streetlights, multi-modal paths, master drainage systems and a water and wastewater distribution and collection service system. The bonds are supported by assessments that are levied upon the benefiting properties. In addition to the bond assessment for construction of the infrastructure, there is an annual maintenance assessment to provide for the services and ongoing maintenance and administration.

It is anticipated that additional infrastructure improvements within The Villages will be undertaken by existing community development districts and/or a community development district yet to be created in the future, for which special assessments may be imposed on residences in The Villages and lands owned by the Developer.

In addition to the above community development districts, there are three dependent districts of Sumter County in the total structure of Districts. The following Districts are separate government entities formed under Chapter 189, providing services to the area.

- North Sumter County Utility Dependent District (NSCUDD) – NSCUDD is a dependent district of Sumter County. This dependent district provides water, wastewater, and non-potable irrigation water to Village properties between C.R. 466 to S.R 44 in Sumter County. NSCUDD also provides solid waste sanitation services for Sumter County, Marion County, and portions of The Villages that are in the City of Fruitland Park and City of Wildwood.
- Wildwood Utility Dependent District (WUDD) – WUDD is a dependent district of the City of Wildwood. This dependent district provides water, wastewater and non-potable irrigation water service to certain Village properties located south of State Road 44, specifically Village Community Development Districts 12, 13, and 14.
- The Village Public Safety Department Dependent District (VPSDDD) - VPSDDD is a dependent district of Sumter County and provides funding for fire protection services, rescue, EMS transport service facilities, infrastructure, and other public facilities to the property owners within the established boundaries.

Middleton, By The Villages

During fiscal year 2023, the Developer introduced Middleton A, a family oriented or non-age restricted community known as “Middleton By The Villages.” The Middleton A community allows for working professionals to support the larger Villages retirement community. Many of the residents are employed by the Villages Developer and surrounding businesses. The community offers residents their own recreation, community parks, and a charter school in addition to a town center, with shopping, dining, and entertainment.

To provide for the necessary community wide infrastructure for this new community, two new Districts were formed. Both Districts were formed under Chapter 190.

- Middleton Community Development District A (the District) was established for the purpose of planning, financing, constructing, operating, and maintaining the community-wide infrastructure for this new community development district located entirely within Sumter County, Florida. Phase I consists of 1,008 residential units. Phase II consists of 834 planned residential units.
- Middleton Downtown Community Development District (the District) provides the maintenance of common areas and commercial areas within the District boundaries in Sumter County as well as the project-wide areas within both Middleton Downtown Community Development District and

Middleton-A Community Development District. The cost of maintenance in the commercial areas is funded through Developer Contributions until the new downtown area builds out. The cost of the project-wide maintenance is funded through fees paid from both the residential and commercial Middleton Districts.

Basis of Presentation

Government-wide Statements: The financial statements include both government-wide financial statements, based on the District as a whole, and fund financial statements. The government-wide financial statements report information on all of the non-fiduciary activities of the District. The effect of any inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by assessments and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The government-wide statement of net position reports the governmental activities of the District on a government-wide basis and on a full accrual basis, using the economic resources measurement focus, which incorporates long-term assets and receivables as well as long-term debt and obligations. The statement of net position also addresses deferred inflows and deferred outflows. The statement of activities reflects the expenses of the District, which are offset by revenues. Program revenues are defined as charges for services, operating grants and contributions, and capital grants and contributions directly associated with a given function.

Fund Financial Statements: Separate financial statements are provided for the governmental and proprietary funds. Major individual governmental funds are presented in separate columns on the fund financial statements and all non-major funds are aggregated and displayed in a single column. The governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide and the statements of the governmental funds. The Eastport General and the Eastport Project Wide funds meet the definition of governmental funds and are designated as major funds. The Eastport Storm Water Management fund is a governmental, non-major fund. The Eastport Amenity Division fund meets the definition of proprietary funds and is designated as major funds.

Program revenues in the statement of activities consist primarily of intergovernmental revenue for the governmental funds and charges for recreational amenities in the proprietary funds as well as grants and contributions that are used to meet the operational or capital requirements of a particular function or segment. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets is intended to reflect the portion of net position which is associated with capital assets net of accumulated depreciation less outstanding capital asset related debt. As of September 30, 2025, there is no net investment in capital assets.

Restricted net position consists of assets that have third party (statutory, bond covenant or granting agency) or enabling legislation limits on their use. The District would typically use restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use thereof to a future project or replacement equipment acquisition. As of September 30, 2025, there is no restricted net position.

The unrestricted net position component of net position represents the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

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.

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 District considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded when payment is due.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Principal operating revenues of the Districts enterprise funds are charges to customers for services and activity fees. Operating expenses for enterprise funds include contractual services, other supplies and expenses, utilities, intergovernmental expenses, and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

The following are the District's major governmental funds:

Eastport General Fund: This Fund is the main operating fund of the District and is used to account for day to day activities. It accounts for all the revenues and expenditures that are not specifically designated for other, more specialized funds.

Eastport Project Wide Fund: The Fund is used to account for the revenues associated with an inter-local agreement with Districts 14, 15 and the Eastport General Fund. These resources are used to maintain landscaping along road rights-of-way, fences, multi-modal paths, walls, tunnels, and related drainage and water management structures which benefit the residents of Districts in the same area.

The following is the District's non-major governmental fund:

Eastport Storm Water Management Fund: The Fund is used to account for the revenues associated with an inter-local agreement with District 15, the Eastport General Fund, Middleton Downtown, and Middleton District A. The purpose of the fund is to efficiently and cooperatively cover the cost of permitting, operation, maintenance, repair, and replacement of Water Conservation Structures.

The following is the District's major enterprise fund:

Eastport Amenities Division Fund: This Fund is used to account for the District's amenity operations and maintenance of recreation facilities. The Fund accounts for revenues derived from developer contributions and for expenditures related to providing services at recreational facilities located in Districts 14 and 15.

Governmental Fund Balance Classifications

Governmental fund balances are classified as either non-spendable or spendable. Spendable balances are further classified as restricted, committed, assigned or unassigned, based on the extent to which there are external or internal constraints on the spending of these fund balances. A discussion of each is as follows:

- **Non-spendable:** This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. "Not in spendable

form” includes items that are not expected to be converted into cash (such as inventories and prepaid amounts).

- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.
- **Committed:** This classification includes amounts that can only be used for specific purposes established by the highest decision making authority in the government. Committed amounts cannot be used for any other purpose unless the District removes those constraints by taking the same type action.
- **Assigned:** This classification includes amounts that are constrained by the District’s intent to be used for a specific purpose but are neither restricted nor committed.
- **Unassigned:** This classification includes the residual fund balance for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to a specific purpose within the General Fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

The District does not currently use non-spendable or assigned categories of fund balance. The Board of Supervisors, the highest decision making authority of the District, approves the establishment, increase and reduction in committed fund balances by budget resolutions and amendments. All other fund balances are unassigned. Restricted and Committed fund balances are always used first for the purposes for which they are designated. Changes to this practice require prior Board of Supervisors approval. A minimum fund balance amount has not been formally adopted.

Budgetary Information

The annual budget is formally adopted by the Board of Supervisors and serves as the legal authorization for expenditures. Legal authority and control are established in accordance with Section 190.008, Florida Statutes. The annual budget, as well as any subsequent amendment, is adopted and approved for the Eastport General Fund by the Board of Supervisors. Budgets are adopted on a basis consistent with GAAP. All budget amounts presented in the statements reflect the original budget and the amended final budget.

Assets, Liabilities and Net Position

Cash and Cash Equivalents The District considers cash and cash equivalents to be cash on hand, demand deposits, cash with fiscal agent, and short-term investments with original maturities of three months or less from the date of acquisition.

The District’s investments are recorded at fair value unless the investment qualifies as an external investment pool and follows the guidance in GASB, which allows the investment to be recorded at amortized cost under certain criteria. 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 method of measuring the fair value of investments uses the fair value hierarchy as defined by GASB.

Receivables and Payables The accounts receivable of the District are recorded in the government-wide and fund financial statements. Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds”.

Capital Assets Capital assets, which may include property (land), buildings, infrastructure assets (roads, sidewalks, etc.), improvements, equipment, construction in progress and intangible assets, are reported in the government-wide financial statements.

The District has established the threshold for additions to capital assets as an asset with an acquisition cost of \$10,000 or more, and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The District values and records donated capital assets at the estimated acquisition value of the item at the date of its donation.

Routine maintenance and repairs to capital assets are not included in the reported value because they do not increase the capacity or extend the useful life of the capital asset.

Depreciation of capital assets is computed using the straight-line method and is recorded in general government expenses in the District's statement of activities. Estimated useful lives of the assets are as follows:

- Improvement other than building and structure 40 years
- Furniture and Equipment 5-10 years

Currently, the District does not own any capital assets.

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make various 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 statement and the reported amounts of revenues and expenditures/expenses during the reporting period. Some of these estimates include assessing the collectability of the receivables, the useful lives of capital assets and the collectability of the liabilities. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they could ultimately differ from actual results.

Note 2 - Cash, Cash Equivalents and Investments

The District plans to approve an Investment Policy in compliance with guidelines established by Florida Statutes in the upcoming year.

The primary objective of the District's Investment policy will be to assure safety and preservation of principal. The objective will be to mitigate credit and interest rate risk, maintain the necessary liquidity to match expected liabilities and maximize yield.

Cash and Cash Equivalents: The District's cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent and short-term investments with an original maturity of three months or less.

The District invests its operating cash solely in Qualified Public Depositories that meet the requirements of Chapter 280, Florida Statutes "Florida Security for Public Deposits Act". In addition to protection of up to \$250,000 for its deposits with a single bank as provided by the Federal Deposit Insurance Corporation (FDIC), the District's deposits are provided the extra level of security afforded by using a public depository that meets the requirements of Chapter 280. This includes the provision by the public depository of collateral based on the amount of public deposits maintained at the institution and the ability of the State of Florida to levy other public depositories for shortages in collateral in the event of the failure of a public depository. Citizens First Bank is a Qualified Public Depository.

May 2025 the District was notified that Citizens First Bank, the operating bank of the District, will be acquired by Seacoast National Bank. The acquisition is expected to be completed by October 2025, however full

integration of the two banks is expected to be complete by July 2026. District Staff does not foresee any significant impact from this acquisition.

As of September 30, 2025, the District's Cash and Cash Equivalents consisted of:

Cash and Cash Equivalents	Fair Value	Weighted Average Maturity (Days)	Credit Rating
Citizens First Bank demand deposits	257,131	1.0	n/a
FI Cooperative Liquid Assets Securities System, FLCLASS	1,530,401	42.3	AAAm
Total Fair Value	\$ 1,787,532		
Portfolio Weighted Average Maturity (WAM)		36.4	

As the District becomes more established, the District will invest excess funds pursuant to the guidelines established in Section 218.415, Florida Statutes. The authorized investments consist of:

- The Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Inter-local Cooperation Act as provided in Section 163.01, Florida Statutes.
- Securities and Exchange Commission registered money market mutual funds with the highest credit quality rating from a nationally recognized rating agency.
- Interest-bearing time deposits or savings accounts in qualified public depositories as defined in Section 280.02, Florida Statutes.
- Direct obligations of the United States Treasury.
- Federal agencies and instrumentalities.
- Repurchase agreements with financial institutions approved as public depositories, provided that the underlying collateral consists of obligations of the United States Government, its agencies and instrumentalities. The repurchase agreement shall be collateralized equal to at least 102 percent of the value of the District's investment.

The District plans to adopt a long-term investment policy that will further segregate a portion of its investments into a longer-term investment portfolio with further investment guidelines. The investment objectives are based on a long-term investment horizon of five years or longer. The District plans to adopt a long-term investment horizon such that the risk and duration of investment losses are carefully weighed against the long-term potential for asset growth. A large portion of the assets will be invested in longer-term investments and will be diversified with the intent to minimize risk loss.

The District participates in the following external investment pools:

- **The Florida Cooperative Liquid Assets Securities System (FLCLASS)** is an independent local government investment pool designed to provide a safe and competitive investment alternative for Florida governmental entities. FLCLASS does not meet the requirements of GASB Statement No. 79 and is measured at variable NAV, which approximates fair value.

Management of the following investment risks are addressed below:

- Custodial credit risk is the risk which a government will not be able to recover deposits or the value of an investment which is in the possession of a failed institution or counterparty.
 - The financial institution in which the District places its deposits is certified as a "qualified public depository" as required under the Florida Security for Public Deposits Act. Therefore, the deposits

- are entirely insured by Federal depository insurance and collateralized pursuant to Chapter 280, Florida Statutes.
- At September 30, 2025, and consistent with the investment policy, the District's investments are all registered in the name of the District by a custodian or a trustee for the District.
 - Credit risk is the risk of loss from an issuer's failure to repay principal and/or interest on a debt obligation. To manage this risk, the District's investment policy identifies and limits investments to only top ratings issued by nationally recognized statistical rating organization.
 - Concentration of investment risk is the increasing probability of loss arising from heavily lopsided exposure to an asset class, issuer, structure or maturity. The District's investment policy stipulates guidelines for diversification of investments by limiting investments to avoid over-concentration in securities from a specific issuer or business sector; limiting investments in securities with higher credit risk; investments in securities with varying maturities; and continuously investing a portion of the portfolio in readily available funds to ensure appropriate liquidity is maintained to meet ongoing obligations.
 - Interest rate risk is the risk that a security's value will decrease with a rise in interest rates. To manage interest rate risk, the District maintains a formal short-term investment policy that limits a portion of its investments in maturities, not to exceed five (5) years. The short-term target balance is 85% of the District's portfolio. The District also adopted a Long-term investment portfolio which targets 15% of investment dollars and may hold some maturities longer than five years. The District maintains and reports interest rate risk using the Weighted Average Maturity (WAM) method. A weighted average takes into consideration both the timing and the amounts of the maturities. The District manages its exposure to decline in fair values by limiting the WAM of its short-term investment portfolio to less than three (3) years.
 - Foreign currency risk is the risk of loss from a reduction in value affected by changes in the rate of exchange. The District's investment policies do not allow for direct investments in foreign currency.

Note 3 - Receivables And Payables

Receivables Maintenance of infrastructure is supported by Commercial Assessment Maintenance levied by the District. Commercial property owners are Direct billed for their portion of the annual assessments. The assessments are used to fund roadway improvements, cart paths, landscaping and other open areas. In addition, the District receivables consist of usage of the square for local events. Other receivables include an agreement with the City of Wildwood to maintain a portion of Buena Vista Extension and minimal accruals for miscellaneous revenues. As of September 30, 2025, the District had a Receivable amount of \$1,014,435.

Due from other Governments As of September 30, 2025, a total \$8,610 is due from other governments. The inter-government balances result from the time lag between the dates that (1) inter-government goods and services were provided or reimbursable expenditure occur, (2) transactions are recorded in the accounting system and (3) payments between governments are made.

Due from Other Funds The inter-government balances result from the time lag between the dates that (1) inter-government goods and services were provided or reimbursable expenditure occurred, (2) transactions are recorded in the accounting system and (3) payments between governments are made. The balance, if any, at September 30, 2025 is expected to be repaid shortly after year-end from available current assets and next year funding.

There is no allowance for doubtful accounts as management believes the accounts are fully collectible as of September 30, 2025.

Payables

Accounts Payable As of September 30, 2025, a total \$734,512 is due to trade vendors in the normal course of business. This balance is expected to be repaid shortly after year-end from available current assets and next year funding.

Due to other Governments As of September 30, 2025, a total \$854,718 is due to other governments. The inter-government balances result from the time lag between the dates that (1) inter-government goods and services were provided or reimbursable expenditure occur, (2) transactions are recorded in the accounting system and (3) payments between governments are made. The balance at September 30, 2025 is expected to be repaid shortly after year-end from available current assets and next year funding.

Due to Other Funds The inter-government balances result from the time lag between the dates that (1) inter-government goods and services were provided or reimbursable expenditure occurred, (2) transactions are recorded in the accounting system and (3) payments between governments are made. The balance, if any, at September 30, 2025, is expected to be repaid shortly after year-end from available current assets and next year funding.

Note 4 - Related Parties.

The District entered into an interlocal agreement with District No. 14, District No. 15 and Eastport General Fund for maintenance of Project Wide Improvements. Eastport Projectwide Fund receives funds from District 14, District 15 and the Eastport General Fund to share in the cost to maintain improvements and facilities for certain defined areas. During the fiscal year ending September 30, 2025, the District received \$679,926 from District No.14, \$1,401,691 from District No. 15 and \$53,154 from Eastport General Fund.

The District recognized Developer Contributions in the amount of \$2,130,502 for Fiscal Year 2024-2025 for operational expenses such as management, finance and administrative services as the District develops.

The District also has agreements to provide stormwater management services to Middleton-A, Middleton-Downtown, District No. 15, and Eastport. The amounts of these payments were \$48,205, \$6,575, \$142,108, and \$5,400 respectively.

The District paid Gibson Place Utility Company LLC, a developer owned by The Villages, a total of \$486,097 for its water and irrigation in FY 2025. The District paid The Daily Sun, a newspaper owned by The Villages, a total of \$1,477 for certain legal advertisements in FY 2025.

The District paid Village Center Community Development District safety fees in the amount of \$277,750.

The total revenue per District is outlined below:

	Eastport Project Wide Fees	Stormwater Management Fees	Totals
Middleton-A	-	48,205	48,205
Middleton-Downtown	-	6,575	6,575
District #14	679,926	-	679,926
District #15	1,401,691	142,108	1,543,799
Eastport	53,154	5,400	58,554
Totals	\$ 2,134,771	\$ 202,288	\$ 2,337,059

Note 5 - Risk Management

The District is exposed to various risks of loss related to general liability, crime, auto liability, employee practice liability, theft, damage and destruction of assets, errors and omissions, natural disasters, cyber liability and Worker's Compensation liability. To manage much of this risk, the District carries insurance, however, the District retains risk for certain property coverage and for losses in excess of coverage limits. Any settled claims from these risks have not exceeded commercial insurance coverage in any of the past three years.



Other Reports

Annual Financial Report

PURVIS GRAY

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

Board of Supervisors
Eastport Community Development District
The Villages, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Eastport Community Development District (the District) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 2, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District'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.

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 The Villages, Florida

**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**

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from 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 non-compliance 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Purvis Gray

March 2, 2026
 Ocala, Florida

PURVIS GRAY

MANAGEMENT LETTER

Board of Supervisors
Eastport Community Development District
The Villages, Florida

Report on the Financial Statements

We have audited the financial statements of Eastport Community Development District (the District) as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated March 2, 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 Auditor General*.

Other Reporting Requirements

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 the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant'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 and schedule, which are dated March 2, 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 taken to address findings and recommendations made in the preceding financial audit report. There were no prior year findings made in the preceding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements (see Note 1 of the District's September 30, 2025, basic financial statements for this information). There are no component units related to the District.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the District has 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 the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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 The Villages, Florida

MANAGEMENT LETTER

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 the District. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by 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.

Special District Component Units

For information required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i) 7 and 9, *Rules of the Auditor General*, please see attached information provided by management that is unaudited and, accordingly, we do not express an opinion or provide any assurance on the information.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance 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 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.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

Purvis Gray

March 2, 2026
 Ocala, Florida

Eastport Community Development District Attachment to the Management Letter For the Year Ending September 30, 2025

Specific Information (For a dependent special district or an independent special district, or a local government entity that includes the information of a dependent special district)

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

- a) The total number of district employees compensated in the last pay period of the district's fiscal year as N/A.
- b) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as N/A.
- c) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as N/A.
- d) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as N/A.
- e) 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 of the fiscal year being reported, together with the total expenditures for such project as \$0.
- f) 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, as _____. ***This is discussed in the "Eastport Fund Budgetary Highlight" section of the Management Discussion and included as "Budget to Actual" statements in the "Basic Financial Statements", page 23 - 24.***

Note: If the required information for a dependent special district is fulfilled by inclusion in the primary local government's audit report, a statement to that effect should be made in the dependent special district's audit report, and vice versa.

Specific Information (For an independent special district that imposes ad valorem taxes) Not Applicable

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)8, Rules of the Auditor General, the Eastport Community Development District reported:

- a) The mileage rate or rates imposed by the district as N/A.
- b) The total amount of ad valorem taxes collected by or on behalf of the district as N/A.
- c) The total amount of outstanding bonds issued by the district and the terms of such bonds as N/A.

Specific Information (For an independent special district that imposes non-ad valorem special assessments)

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

- a) The rate or rates of non-ad valorem special assessments imposed by the District as \$0 for maintenance and bond payment assessment.
- b) The total amount of special assessments collected by or on behalf of the district as \$.
- c) The total amount of outstanding bonds issued by the district and the terms of such bonds as \$0.

PURVIS GRAY

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH FLORIDA STATUTES, SECTION 218.415 - INVESTMENT OF PUBLIC FUNDS

Board of Supervisors
Eastport Community Development District
The Villages, Florida

We have examined Eastport Community Development District's (the District) compliance with Section 218.415, Florida Statutes, with regards to the District's investments during the fiscal year ended September 30, 2025. District management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material non-compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the District's compliance with specified requirements.

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

This report is intended solely for the information and use of the Florida Auditor General, the Board of Supervisors of the District, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Purvis Gray

March 2, 2026
Ocala, Florida

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