Grove Resort
Community Development District

ANNUAL FINANCIAL REPORT

September 30, 2025

Grove Resort Community Development District

ANNUAL FINANCIAL REPORT

September 30, 2025

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REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors
Grove Resort Community Development District
Orange County, Florida

Report on Audit of the Financial Statements

Opinion

We have audited the financial statements of the governmental activities, business-type activities, and each major fund of Grove Resort 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, business-type 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
Grove Resort 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 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 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
Grove Resort 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 October 30, 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

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

October 30, 2026

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

Management's discussion and analysis of Grove Resort 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 are comprised of 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 business-type activities and the change in net position. Governmental activities are primarily supported by special assessments. Business-type activities are supported by charges to the users of those activities, such as water park and restaurant service charges.

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 separate from the assets, liabilities, and net position of business-type 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 or business-type activities. Governmental activities financed by the District include physical environment, general government, culture/recreation and debt service. Business-type activities financed by user charges include water park and restaurant services.

Fund financial statements present financial information for governmental funds and the enterprise fund. 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. The enterprise fund financial statements provide information on all assets and liabilities of the funds, changes in the economic resources (revenues and expenses), and total economic resources.

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. For the enterprise fund, a **statement of fund net position**, a **statement of revenues, expenses, and changes in fund net position**; and a **statement of cash flows** are presented. *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, split between Governmental Activities and Business-type Activities. 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*, a reconciliation is 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, long term debt, and capital assets are some of the items included in the *notes to the financial statements.*

Financial Highlights

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

- The District's total assets exceeded total liabilities by $29,865,254 (net position). Net investment in capital assets for Governmental Activities was $21,244,980. Net investment in capital assets for Business-type Activities was $11,534,177. Unrestricted net position for Governmental Activities was $(1,859,357) and for Business-type Activities was $(1,710,629). Restricted net position for Governmental Activities was $656,083.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Highlights (Continued)

- Governmental Activities revenues totaled $2,294,749 while Governmental Activities expenses totaled $2,988,465. Business-type Activities revenues totaled $10,179,161 while Business-type Activities expenses totaled $10,703,951.

Financial Analysis of the District

The following schedule provides a summary of the assets, liabilities and net position of the District. It is not intended to be a complete presentation of government-wide financial activity.

Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current assets	$ 576,758	$ 336,127	$ 70,989	$ 222,127	$ 647,747	$ 558,254
Restricted assets	2,051,785	1,979,023	-	-	2,051,785	1,979,023
Capital assets, net	31,769,781	33,120,516	11,534,177	12,058,967	43,303,958	45,179,483
Total Assets	34,398,324	35,435,666	11,605,166	12,281,094	46,003,490	47,716,760
Current liabilities	684,847	672,434	1,781,618	1,932,756	2,466,465	2,605,190
Non-current liabilities	13,671,771	14,027,810	-	-	13,671,771	14,027,810
Total Liabilities	14,356,618	14,700,244	1,781,618	1,932,756	16,138,236	16,633,000
Net Position						
Net investment in capital assets	21,244,980	22,318,720	11,534,177	12,058,967	32,779,157	34,377,687
Restricted	656,083	567,609	-	-	656,083	567,609
Unrestricted	(1,859,357)	(2,150,907)	(1,710,629)	(1,710,629)	(3,569,986)	(3,861,536)
Total Net Position	$ 20,041,706	$ 20,735,422	$ 9,823,548	$ 10,348,338	$ 29,865,254	$ 31,083,760

The increase in current assets for governmental activities is due to the increase in cash in the current year.

The increase in restricted assets for governmental activities is primarily the result of revenues exceeding expenditures at the fund level in the current year.

The decrease in capital assets is primarily the result of depreciation in the current year.

The decrease in non-current liabilities for governmental activities is the result of principal payments and prepayments made in the current year.

The decrease in current assets for business-type activities is related to the decrease in accounts receivable in the current year.

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 at the government-wide level for comparison purposes. It is not intended to be a complete presentation of District-wide financial activity.

Change in Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Program Revenues						
Charges for services	$ 2,059,193	$ 1,712,994	$ 10,179,161	$ 10,102,762	$ 12,238,354	$ 11,815,756
Capital grants and contributions	-	2,538,619	-	-	-	2,538,619
Operating grants and contributions	-	20,626	-	-	-	20,626
General Revenues						
Miscellaneous revenues	83,613	97,668	-	-	83,613	97,668
Investment earnings	151,943	115,105	-	-	151,943	115,105
Total Revenues	2,294,749	4,485,012	10,179,161	10,102,762	12,473,910	14,587,774
Expenses						
General government	141,633	168,962	-	-	141,633	168,962
Physical environment	2,051,956	1,576,153	-	-	2,051,956	1,576,153
Culture/recreation	14,778	24,321	-	-	14,778	24,321
Interest and other charges	780,098	796,767	-	-	780,098	796,767
Water park/restaurant	-	-	10,703,951	10,625,579	10,703,951	10,625,579
Total Expenses	2,988,465	2,566,203	10,703,951	10,625,579	13,692,416	13,191,782
Change in Net Position	(693,716)	1,918,809	(524,790)	(522,817)	(1,218,506)	1,395,992
Net Position - Beginning of Year	20,735,422	18,816,613	10,348,338	10,871,155	31,083,760	29,687,768
Net Position - End of Year	$ 20,041,706	$ 20,735,422	$ 9,823,548	$ 10,348,338	$ 29,865,254	$ 31,083,760

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

The decrease in capital grants and contributions is the result of the capital project being completed in the prior year.

The increase in physical environment is related to the increase in insurance and depreciation expenses in the current year.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Capital Assets Activity

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

Description	Governmental Activities	Business-type Activities	Total
Land	$ 2,077,900	$ -	$ 2,077,900
Buildings and improvements	26,073,046	3,361,224	29,434,270
Infrastructure	1,679,307	11,007,441	12,686,748
Improvements other than buildings	10,842,052	1,004,213	11,846,265
Equipment	-	678,141	678,141
Accumulated depreciation	(8,902,524)	(4,516,842)	(13,419,366)
Total Capital Assets (Net)	$ 31,769,781	$ 11,534,177	$ 43,303,958

Capital asset activity for governmental activities in the current year included depreciation of $1,350,735.

Capital asset activity for business-type activities in the current year included depreciation of $515,886 and net disposals of capital assets of $8,904.

General Fund Budgetary Highlights

The final budget exceeded actual expenditures for the year primarily because reserve expenditures were less than anticipated.

The September 30, 2025 budget was amended primarily to increase budgeted amounts for insurance and engineering fee expenditures.

Debt Management

Governmental Activities debt includes the following:

- In April 2017, the District issued $13,300,000 Series 2017A Special Assessment Revenue Bonds. These bonds were issued to finance the cost of acquiring, constructing, and reconstructing all or a portion of the Series 2017A Project. As of September 30, 2025, the balance outstanding was $11,585,000.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Debt Management (Continued)

- In February 2022, the District issued $2,780,000 Series 2022 Special Assessment Revenue Bonds. These bonds were issued to finance a portion of the cost of acquiring, constructing, and reconstructing of the Series 2022 Project. As of September 30, 2025, the balance outstanding was $2,610,000.

Economic Factors and Next Year's Budget

Grove Resort Community Development District does not expect any economic factors to have a 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 Grove Resort 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 Grove Resort Community Development District, PFM Group Consulting, LLC, 3501 Quadrangle Boulevard, Suite 270, Orlando, Florida 32817.

Grove Resort Community Development District
STATEMENT OF NET POSITION
September 30, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets			
Cash and equivalents	$ 474,663	$ -	$ 474,663
Accounts receivable	4,082	70,989	75,071
Assessments receivable	3,341	-	3,341
Interest receivable	6,484	-	6,484
Prepaid expenses	88,188	-	88,188
Total Current Assets	576,758	70,989	647,747
Non-current Assets			
Restricted assets			
Investments	2,051,785	-	2,051,785
Capital assets, not being depreciated			
Land	2,077,900	-	2,077,900
Capital assets, being depreciated			
Buildings and improvements	26,073,046	3,361,224	29,434,270
Infrastructure	1,679,307	11,007,441	12,686,748
Improvements other than buildings	10,842,052	1,004,213	11,846,265
Equipment	-	678,141	678,141
Less: accumulated depreciation	(8,902,524)	(4,516,842)	(13,419,366)
Total Non-current Assets	33,821,566	11,534,177	45,355,743
Total Assets	34,398,324	11,605,166	46,003,490
LIABILITIES			
Current Liabilities			
Accounts payable and accrued expenses	34,774	-	34,774
Unearned revenues	186	-	186
Due to others	-	1,781,618	1,781,618
Accrued interest	319,887	-	319,887
Bonds payable	330,000	-	330,000
Total Current Liabilities	684,847	1,781,618	2,466,465
Non-current Liabilities			
Bonds payable, net	13,671,771	-	13,671,771
Total Liabilities	14,356,618	1,781,618	16,138,236
NET POSITION			
Net investment in capital assets	21,244,980	11,534,177	32,779,157
Restricted for debt service	647,805	-	647,805
Restricted for capital projects	8,278	-	8,278
Unrestricted	(1,859,357)	(1,710,629)	(3,569,986)
Total Net Position	$ 20,041,706	$ 9,823,548	$ 29,865,254

See accompanying notes to financial statements.

Grove Resort Community Development District
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Business-type Activities	Total
Governmental Activities					
General government	$ (141,633)	$ 159,108	$ 17,475	$ -	$ 17,475
Physical environment	(2,051,956)	804,340	(1,247,616)	-	(1,247,616)
Culture/recreation	(14,778)	-	(14,778)	-	(14,778)
Interest and other charges	(780,098)	1,095,745	315,647	-	315,647
Total Governmental Activities	(2,988,465)	2,059,193	(929,272)	-	(929,272)
Business-type Activities					
Water park and restaurant	(10,703,951)	10,179,161	-	(524,790)	(524,790)
Total Primary Government	$ (13,692,416)	$ 12,238,354	(929,272)	(524,790)	(1,454,062)
General Revenues					
Miscellaneous revenues			83,613	-	83,613
Investment earnings			151,943	-	151,943
Total General Revenues			235,556	-	235,556
Change in Net Position			(693,716)	(524,790)	(1,218,506)
Net Position - October 1, 2024			20,735,422	10,348,338	31,083,760
Net Position - September 30, 2025			$ 20,041,706	$ 9,823,548	$ 29,865,254

See accompanying notes to financial statements.

Grove Resort Community Development District
BALANCE SHEET – GOVERNMENTAL FUNDS
September 30, 2025

ASSETS	General	Debt Service	Capital Projects	Total Governmental Funds
Cash and equivalents	$ 474,663	$ -	$ -	$ 474,663
Accounts receivable	4,082	-	-	4,082
Assessments receivable	1,154	2,187	-	3,341
Interest receivable	-	6,458	26	6,484
Due from other funds	-	5,251	-	5,251
Prepaid expenses	88,188	-	-	88,188
Restricted assets				
Investments	-	2,043,533	8,252	2,051,785
Total Assets	$ 568,087	$ 2,057,429	$ 8,278	$ 2,633,794
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable/accrued expenses	$ 34,774	$ -	$ -	$ 34,774
Due to other funds	5,251	-	-	5,251
Unearned revenues	186	-	-	186
Total Liabilities	40,211	-	-	40,211
Fund Balances				
Non-spendable				
Prepaid expenses	88,188	-	-	88,188
Restricted for debt service	-	2,057,429	-	2,057,429
Restricted for capital projects	-	-	8,278	8,278
Unassigned	439,688	-	-	439,688
Total Fund Balances	527,876	2,057,429	8,278	2,593,583
Total Liabilities and Fund Balances	$ 568,087	$ 2,057,429	$ 8,278	$ 2,633,794

See accompanying notes to financial statements.

Grove Resort Community Development District
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2025

Total Governmental Fund Balances	$ 2,593,583
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets, which include land, $2,077,900, infrastructure, $1,679,307, buildings and improvements, $26,073,046, improvements other than buildings, $10,842,052, net of accumulated depreciation, $(8,902,524), used in governmental activities are not current financial resources, and therefore, are not reported at the fund level.	31,769,781
Long-term liabilities, bonds payable, $(14,195,000), net of bond premium, net, $(28,327), net of bond discount, net, $221,556, are not due and payable in the current period, and therefore, are not reported at the fund level.	(14,001,771)
Accrued interest expense for long-term debt is not a current financial use and, therefore, is not reported at the fund level.	(319,887)
Net Position of Governmental Activities	$ 20,041,706

See accompanying notes to financial statements.

Grove Resort 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	$ 963,448	$ 1,095,745	$ -	$ 2,059,193
Miscellaneous revenues	83,613	-	-	83,613
Developer contributions	20,626	-	-	20,626
Investment earnings	42,363	109,510	70	151,943
Total Revenues	1,110,050	1,205,255	70	2,315,375
Expenditures				
Current				
General government	141,633	-	-	141,633
Physical environment	715,999	-	-	715,999
Debt service				
Principal	-	350,000	-	350,000
Interest	-	778,044	-	778,044
Total Expenditures	857,632	1,128,044	-	1,985,676
Excess of revenues over/(under) expenditures	252,418	77,211	70	329,699
Other financing sources/(uses)				
Transfers in	-	-	6,479	6,479
Transfers out	-	(6,479)	-	(6,479)
Total Other Financing Sources/(Uses)	-	(6,479)	6,479	-
Net change in fund balances	252,418	70,732	6,549	329,699
Fund Balances - October 1, 2024	275,458	1,986,697	1,729	2,263,884
Fund Balances - September 30, 2025	$ 527,876	$ 2,057,429	$ 8,278	$ 2,593,583

See accompanying notes to financial statements.

Grove Resort 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 Changes in Fund Balances - Total Governmental Funds	$ 329,699
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation. This is the amount of depreciation in the current period.	(1,350,735)
Repayments of long term debt are expenditures at the governmental fund level, but the repayments reduce long-term liabilities in the Statement of Net Position.	350,000
Bond discount and bond premium are amortized over the life of the bond at the government-wide level. This is the amount of current-year amortization.	(8,961)
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.	(20,626)
In the Statement of Activities, interest is accrued on outstanding bonds; whereas at the governmental fund level, interest expenditures are reported when due. This is the net amount between the prior year and the current year accruals.	6,907
Change in Net Position of Governmental Activities	$ (693,716)

See accompanying notes to financial statements.

Grove Resort 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	$ 950,910	$ 950,910	$ 963,448	$ 12,538
Miscellaneous revenues	90,000	90,000	83,613	(6,387)
Developer contributions	-	-	20,626	20,626
Investment earnings	-	-	42,363	42,363
Total Revenues	1,040,910	1,040,910	1,110,050	69,140
Expenditures				
Current				
General government	166,095	166,095	141,633	24,462
Physical environment	874,815	874,815	715,999	158,816
Total Expenditures	1,040,910	1,040,910	857,632	183,278
Net change in fund balances	-	-	252,418	252,418
Fund Balances - October 1, 2024	-	-	275,458	275,458
Fund Balances - September 30, 2025	$ -	$ -	$ 527,876	$ 527,876

See accompanying notes to financial statements.

Grove Resort Community Development District
STATEMENT OF FUND NET POSITION – ENTERPRISE FUND
September 30, 2025

ASSETS	
Current Assets	
Accounts receivable	$ 70,989
Non-current Assets	
Improvements other than buildings	1,004,213
Infrastructure	11,007,441
Buildings and improvements	3,361,224
Equipment	678,141
Less: accumulated depreciation	(4,516,842)
Total Non-current Assets	11,534,177
Total Assets	11,605,166
LIABILITIES	
Current Liabilities	
Due to others	1,781,618
NET POSITION	
Net investment in capital assets	11,534,177
Unrestricted	(1,710,629)
Total Net Position	$ 9,823,548

See accompanying notes to financial statements.

Grove Resort Community Development District
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION – ENTERPRISE FUND
For the Year Ended September 30, 2025

Operating Revenues:	
Charges for services	$10,179,161
Operating Expenses:	
Personal services	3,398,096
General and administrative	1,382,968
Contractual and professional services	1,504,574
Supplies and expenses	1,516,166
Repairs and maintenance	2,225,028
Utilities	159,829
Rent and lease expense	1,404
Depreciation	515,886
Total Operating Expenses	10,703,951
Operating Income/(Loss)	(524,790)
Net Position - October 1, 2024	10,348,338
Net Position - September 30, 2025	$ 9,823,548

See accompanying notes to financial statements.

Grove Resort Community Development District
STATEMENT OF CASH FLOWS – ENTERPRISE FUND
For the Year Ended September 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 10,330,299
Payments to suppliers for goods and services	(6,932,203)
Payments to employees for services	(3,398,096)
Net Cash Provided/(Used) by Operating Activities	-
Net change in cash and cash equivalents	-
Cash and equivalents - October 1, 2024	-
Cash and equivalents - September 30, 2025	$ -
RECONCILIATION OF OPERATING INCOME TO NET CASH (USED) BY OPERATING ACTIVITIES	
Operating income/(loss)	$ (524,790)
Adjustments to reconcile operating income/(loss) to net cash provided by operating activities:	
Depreciation	515,886
Loss on disposal of capital assets	8,904
Decrease in accounts receivable	151,138
Decrease in due to others	(151,138)
Net Cash (Used) by Operating Activities	$ -

See accompanying notes to financial statements.

Grove Resort Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Grove Resort Community Development District (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 December 5, 2016, under the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes, and Orange County Board of County Commissioners Ordinance 2016-29, under the name of Grove Resort Community Development District. The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of a portion of the infrastructure necessary for the community development within the District.

The District is governed by a five-member Board of Supervisors (the "Board"), who are elected on an at large basis by owners of the property within the District. Among the primary powers, which the Act provides, the Board may exercise the power to manage basic service for community development, the power to borrow money and issue bonds, and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure, subject to the approval of applicable State administrative agencies.

As required by GAAP, these financial statements present the Grove Resort 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 which includes, but is 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 by the Governmental Accounting Standards Board, 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

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 separate columns for the governmental and business-type activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

Governmental activities, which normally are supported by special assessments, miscellaneous revenues, and interest, are reported separately from business-type activities. Program revenues include charges for services and special assessments. 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 financial 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.

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.

Non-spendable 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.

Committed Fund Balance – This classification consists of contractual obligations which require formal approval from the Board of Supervisors. This type of fund balance can only be removed by the Board of Supervisors through the same approval process.

Assigned Fund Balance – This classification consists of the Board of Supervisors' intent to be used for specific purposes, but are neither restricted nor committed.

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.

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 60 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 decreases (expenditures) 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 were 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.

Enterprise Funds

In the fund financial statements, the enterprise fund is presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, enterprise funds are presented using the economic resources measurement focus. This means that all assets and all liabilities (whether current or non-current) associated with their activity are included on their balance sheets. Enterprise fund operating statements present increases (revenues) and decreases (expenses) in total net position. The Enterprise Fund is accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when incurred.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Enterprise Funds (Continued)

All assets, liabilities, deferred outflows of resources, and deferred inflows of resources associated with the Enterprise Fund are reported in the financial statements. The Enterprise Fund follows accounting principles established by the Governmental Accounting Standards Board (GASB). Enterprise fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as investment earnings, result from non-exchange transactions or ancillary activities. Amounts paid to acquire capital assets are capitalized as assets in the fund financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the fund financial statements, rather than as other financing sources.

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.

Debt Service Fund – The Debt Service Fund accounts for debt service requirements for the District's outstanding special assessment debt.

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

b. Enterprise Major Fund

Enterprise Fund – The Enterprise Fund accounts for the operations of the Water Park and Restaurant, which are funded by proceeds from operations of these facilities.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Basis of Presentation (Continued)

c. 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, Deferred Inflows of Resources, 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.

For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposit 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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Assets, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

b. Receivables and Payables

Activity 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”. Any residual balances outstanding between the governmental activities and business-type activities are reported as “internal balances”.

c. 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.

d. Capital Assets

Capital assets, which include land, buildings and improvements, infrastructure, equipment, and improvements other than buildings, are reported in the applicable governmental or business-type 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 of capital assets is computed and recorded by utilizing the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows:

Buildings and improvements	30-39 years
Equipment	5 years
Infrastructure	25-30 years
Improvements other than buildings	25-39 years

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Assets, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

e. Budgets

Budgets are prepared and adopted after a public hearing for the governmental funds, pursuant to the requirements of the 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. Formal budgets are adopted for the general and debt service funds. As a result, deficits in the budget columns of the accompanying financial statements may occur.

f. Bond Discounts/Premiums

Bond discounts/premiums associated with the issuance of revenue bonds are amortized using the straight-line method over the life of the bonds. For financial reporting purposes, unamortized bond discounts/premiums are netted with the applicable long-term debt.

g. 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.

h. Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future reporting period(s) and so will not be recognized as an inflow of resources (revenue) until then. The District only has one item that qualifies for reporting in the category. Unavailable revenues are reported only in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that amounts become available.

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, $2,593,583, differs from "net position" of governmental activities, $20,041,706, 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.

Land	$ 2,077,900
Improvements other than buildings	10,842,052
Infrastructure	1,679,307
Buildings and improvements	26,073,046
Accumulated depreciation	(8,902,524)
Total	$ 31,769,781

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. All liabilities (both current and long-term) are reported in the Statement of Net Position. Balances at September 30, 2025 were:

Bonds payable	$ (14,195,000)
Bond premium	(28,327)
Bond discount	221,556
Net bonds payable	$ (14,001,771)

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	$ (319,887)

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

The "net changes in fund balances" for government funds, $329,699, differs from the "change in net position" for governmental activities, $(693,716), 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 funds. The effect of the differences is illustrated as follows.

Capital related items

When capital assets for governmental activities are purchased or constructed, they 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.

Depreciation	$ (1,350,735)

Long-term debt transactions

Long-term debt issuance and repayments of principal are reported as other financing sources and expenditures at the fund level.

Principal payments	$ 350,000

Amortization of the bond discount does not require the use of current financial resources and therefore, is not reported at the governmental fund level.

Amortization of bond discount/premium	$ (8,961)

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.

Net change in accrued interest payable	$ 6,907

Deferred inflows of resources

Unavailable revenues are recognized as deferred inflows of resources at the fund level. Revenues are recognized when earned at the government-wide level.

Net change in unavailable revenues	$ (20,626)

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 and the carrying value were $474,663. 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 had the following investments and maturities:

Investment	Maturities	Fair Value
First American Government Obligations Fund	45 days*	$ 2,051,785

*Weighted average maturity

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 uses the best information available under the circumstances, which includes the District’s own data in measuring unobservable input.

Based on the criteria in the preceding paragraph, the investments in First American Government Obligations Fund are Level 1 assets.

The District’s investment policy allows management to invest funds in investments permitted under Section 218.415, Florida Statutes.

NOTE C – CASH AND INVESTMENTS (CONTINUED)

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. As of September 30, 2025, the District's investments in First American Government Obligations Fund was rated AAAm by Standard and Poor's.

Concentration of Credit Risk

The District places no limit on the amount it may invest in any one investment. The District's investment in First American Government Obligations Fund represents 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 fiscal year then ended. The District considers any decline in fair value for certain investments to be temporary.

NOTE D – SPECIAL ASSESSMENT REVENUES

Special assessment revenues recognized for the 2024-2025 fiscal year were levied by the Board in a public hearing. 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 taxes become delinquent as of April 1. Virtually all unpaid taxes are collected via the sale of tax certificates on or prior to, June 1; therefore, there were no material assessments receivable at fiscal year end.

NOTE E – INTERFUND BALANCES

Interfund balances for the year ended September 30, 2025, consisted of the following:

	Payable Fund
Receivable Fund	General Fund
Debt Service Fund	$ 5,251

Balances due from the General Fund to the Debt Service Fund relate to monies collected in one fund on behalf of the other that have yet to be remitted.

NOTE F – INTERFUND TRANSFERS

Interfund transfers for the year ended September 30, 2025, consisted of the following:

	Transfers Out
Transfers In	Debt Service Fund
Capital Projects Fund	$ 6,479

Current year transfers were completed in accordance with the trust indenture.

NOTE G – CAPITAL ASSETS

The following is a summary of changes in the Governmental Activities capital assets for the year ended September 30, 2025:

	Balance October 1, 2024	Additions	Deletions	Balance September 30, 2025
Governmental Activities:				
Capital assets, not being depreciated:				
Land	$ 2,077,900	$ -	$ -	$ 2,077,900
Total Capital Assets, Not Being Depreciated	2,077,900	-	-	2,077,900
Capital assets, being depreciated:				
Infrastructure	1,679,307	-	-	1,679,307
Improvements other than buildings	10,842,052	-	-	10,842,052
Buildings and improvements	26,073,046	-	-	26,073,046
Total Capital Assets, Being Depreciated	38,594,405	-	-	38,594,405
Less accumulated depreciation for:				
Infrastructure	(403,032)	(67,172)	-	(470,204)
Improvements other than buildings	(1,934,145)	(414,461)	-	(2,348,606)
Buildings and improvements	(5,214,612)	(869,102)	-	(6,083,714)
Total Accumulated Depreciation	(7,551,789)	(1,350,735)	-	(8,902,524)
Total Capital Assets Depreciated, Net	31,042,616	(1,350,735)	-	29,691,881
Total Governmental Activities Capital Assets	$ 33,120,516	$ (1,350,735)	$ -	$ 31,769,781

Depreciation was charged to physical environment, $1,335,957, and culture/recreation, $14,778.

NOTE G – CAPITAL ASSETS (CONTINUED)

The following is a summary of changes in the Business-type Activities capital assets for the year ended September 30, 2025:

	Balance October 1, 2024	Additions	Deletions	Balance September 30, 2025
Business-type Activities:				
Capital assets, being depreciated:				
Buildings and improvements	$ 3,371,099	$ -	$ (9,875)	$ 3,361,224
Infrastructure	11,007,441	-	-	11,007,441
Improvements other than buildings	1,004,213	-	-	1,004,213
Equipment	779,494	-	(101,353)	678,141
Total Capital Assets, Being Depreciated	16,162,247	-	(111,228)	16,051,019
Less accumulated depreciation:	(4,103,280)	(515,886)	102,324	(4,516,842)
Total Business-type Capital Assets	$ 12,058,967	$ (515,886)	$ (8,904)	$ 11,534,177

Depreciation was charged to water park/restaurant, $515,886.

NOTE H – LONG TERM DEBT

Governmental Activities

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

Long-term debt at October 1, 2024	$ 14,545,000
Principal payments	(350,000)
Long-term debt at September 30, 2025	$ 14,195,000
Plus: bond premium, net	28,327
Less: bond discount, net	(221,556)
Long-term debt, net at September 30, 2025	$ 14,001,771

NOTE H – LONG-TERM DEBT (CONTINUED)

Long-term debt for Governmental Activities is comprised of the following:

Bonds Payable

$13,300,000 Series 2017A Special Assessment Revenue Bonds are due in annual principal installments beginning November 2018 maturing November 2047. Interest at various rates between 5% and 5.875% is due May and November beginning November 2017. Current portion is $270,000.	$ 11,585,000
$2,780,000 Series 2022 Special Assessment Revenue Bonds are due in annual principal installments beginning May 2023 and maturing May 2052. Interest at various rates between 2.95% and 4.00% is due each May and November beginning May 2022. Current portion is $60,000.	2,610,000
Bonds Payable at September 30, 2025	$ 14,195,000

The annual requirements of principal and interest for the bonds payable are as follows:

Year Ending September 30,	Principal	Interest	Total
2026	$ 330,000	$ 760,979	$ 1,090,979
2027	330,000	745,709	1,075,709
2028	350,000	730,064	1,080,064
2029	365,000	713,294	1,078,294
2030	385,000	695,146	1,080,146
2031-2035	2,235,000	3,131,877	5,366,877
2036-2040	2,930,000	2,427,196	5,357,196
2041-2045	3,840,000	1,495,706	5,335,706
2046-2050	3,135,000	366,216	3,501,216
2051-2052	295,000	17,798	312,798
Totals	$ 14,195,000	$ 11,083,985	$ 25,278,985

NOTE H – LONG-TERM DEBT (CONTINUED)

Summary of Significant Bond Resolution Terms and Covenants

Special Assessment Revenue Bonds

Significant Bond Provisions

The Series 2017A Bonds are subject to redemption at the option of the District prior to their maturity, in whole or in part, at any time after November 1, 2032 at a redemption price equal to the principal amount of the Series 2017A Bonds to be redeemed, together with accrued interest to the date of redemption. The Series 2017A 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 2022 Bonds are subject to redemption at the option of the District prior to maturity, in whole or in part, at any time on or after May 1, 2032 at a redemption price equal to the principal amount of the Series 2022 Bonds to be redeemed, together with accrued interest to the date of redemption. The Series 2022 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 the reserve requirements.

Depository Funds

The bond resolution establishes 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:

Reserve Funds – The Series 2017A and Series 2022 Reserve Accounts were funded from the proceeds of the Series 2017A and Series 2022 Bonds respectively in an amount equal to the maximum annual debt service outstanding for the Series 2017A and Series 2022 Bonds. Monies held in the reserve accounts will be used only for the purposes established in the Trust Indenture.

The following is a schedule of required reserve balances as of September 30, 2025:

	Reserve Balance	Reserve Requirement
Special Assessment Revenue Bonds, Series 2017A	$ 931,900	$ 931,900
Special Assessment Revenue Bonds, Series 2022	$ 157,837	$ 157,837

NOTE I – 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. These risks are covered by commercial insurance from independent third parties. There were no settled claims from these risks that have exceeded commercial insurance coverage over the past three years.

NOTE J – LEGAL CONTINGENCIES

The District is involved in several personal injury claims related to operations at The Grove Resort & Water Park. All known claims have been referred to the District's insurance carrier, which is providing defense or settlement assistance as appropriate. At this time, no amounts have been accrued for these matters as management, after consultation with legal counsel, believes that losses, if any, are not probable and cannot be reasonably estimated. The District does not anticipate these matters will have a material effect on its financial position.

NOTE K – DUE TO OTHERS

The District's Enterprise Fund does not maintain a separate cash account. Accordingly, expenses attributable to the Enterprise Fund are paid by another entity on behalf of the District. The resulting outstanding obligation is reported as due to others in the accompanying Statement of Fund Net Position – Enterprise Fund.

NOTE L – SUBSEQUENT EVENT

In November 2025, the District made prepayments of $15,000 on the Series 2017A Special Assessment Revenue Bonds. This amount is included in the current portion of bonds payable on the Statement of Net Position.

In February 2026, the District made prepayments of $10,000 on the Series 2017A Special Assessment Revenue Bonds.

In May 2026, the District made prepayments of $5,000 on the Series 2017A Special Assessment Revenue Bonds.

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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
Grove Resort Community Development District
Orange 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 Grove Resort 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 October 30, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit, we considered Grove Resort 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 Grove Resort Community Development District's internal control. Accordingly, we do not express an opinion on the effectiveness of Grove Resort 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.

Berger, Toombs, Elam,
Gaines & Frank
Certified Public Accountants PL

To the Board of Supervisors
Grove Resort Community Development District

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Grove Resort 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

October 30, 2026

Berger, Toombs, Elam,
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Certified Public Accountants PL

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MANAGEMENT LETTER

To the Board of Supervisors
Grove Resort Community Development District
Orange County, Florida

Report on the Financial Statements

We have audited the financial statements of Grove Resort Community Development District as of and for the year ended September 30, 2025, and have issued our report thereon dated October 30, 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 October 30, 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
Grove Resort 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 Grove Resort 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 Grove Resort 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 Grove Resort Community Development District. It is management's responsibility to monitor Grove Resort 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, Grove Resort 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: 8
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: $452,467.86
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 Board amended the budget. See comparison of original budget to actual amounts below:

To the Board of Supervisors
Grove Resort Community Development District

	Original Budget	Actual	Variance with Original Budget Positive (Negative)
Revenues			
Special assessments	$ 950,910	$ 963,448	$ 12,538
Investment earnings	-	42,363	42,363
Miscellaneous revenues	90,000	83,613	(6,387)
Developer contributions	-	20,626	20,626
Total Revenues	1,040,910	1,110,050	69,140
Expenditures			
Current			
General government	166,095	141,633	24,462
Physical environment	874,815	715,999	158,816
Total Expenditures	1,040,910	857,632	183,278
Net changes in fund balance	-	252,418	252,418
Fund Balances - October 1, 2024	-	275,458	275,458
Fund Balances - September 30, 2025	$ -	$ 527,876	$ 527,876

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

1) The rate or rates of non-ad valorem special assessments imposed by the District: $58.83 – $946.46 for the General Fund and $1,103.78 – $164,278.65 for the Debt Service Fund
2) The amount of special assessments collected by or on behalf of the District: $2,058,864.06
3) The total amount of outstanding bonds issued by the District and the terms of such bonds are as follows: $11,585,000 Series 2017A Bonds due November 2047, and $2,610,000 Series 2022 Bonds due May 2052.

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.

Berger, Toombs, Elam,
Gaines & Frank
Certified Public Accountants PL

To the Board of Supervisors
Grove Resort Community Development District

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

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

October 30, 2026

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

To the Board of Supervisors
Grove Resort Community Development District
Orange County, Florida

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

In our opinion, Grove Resort 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

October 30, 2026