

**FOR THE FISCAL
YEAR ENDED
SEPTEMBER 30,
2025**

The Villages®
Community Development Districts
District 10

ANNUAL FINANCIAL REPORT

(WITH INDEPENDENT AUDITORS' REPORT THEREON)

VILLAGE COMMUNITY DEVELOPMENT DISTRICT NO. 10

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Financial Section

Annual Financial Report

PURVIS GRAY

INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
Village Community Development District No. 10
The Villages, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Village Community Development District No. 10 (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 and each major fund of the District as of September 30, 2025, and the respective changes in financial position and the budgetary comparison statement for the General Fund 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.

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Board of Supervisors
Village Community Development District No. 10
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 tables 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 an essential part of financial reporting for placing the basic financial statements in an appropriate

Board of Supervisors
Village Community Development District No. 10
The Villages, Florida

INDEPENDENT AUDITOR’S REPORT

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 February 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

February 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 Village Community Development District No. 10 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 \$199,662,049; the deferred outflows of the resources of the District are \$26,203; total assets and deferred outflows have decreased \$7,176,802 over prior year, a decrease of 3.5%. The decrease is due to a decrease in Assessment receivable and Capital Assets due to depreciation.
- Total liabilities of the District are \$87,979,519; the deferred inflows of the resources of the District are \$0; total liabilities and deferred inflows have decreased \$4,225,627 over prior year, a decrease of 4.6%, mainly due to a decrease in long term bond debt.
- The assets and deferred outflows of the District exceeded its liabilities and deferred inflows by \$111,708,733 (net position). Of this amount, \$5,848,786 is unrestricted and can be used at the discretion of the Board of Supervisors.
- At September 30, 2025, fund balance for the General Fund was \$5,833,703, or 130.5% of total general fund operating revenues. Of this amount, \$4,203,933 is committed for renewal and replacement.
- The current year's unassigned fund balance for the General Fund is \$1,629,770, or 36.0% of total general fund operating revenues.
- The total net position has decreased from a fiscal year 2024 balance of \$114,659,908 to a fiscal year 2025 balance of \$111,708,733.
- The District's total expenses of \$11,384,726 exceeded the revenues of \$8,433,551 for governmental activities, providing a \$2,951,175 decrease in total net position.
- Depreciation expenses on existing capital assets for the current fiscal year amounted to \$3,490,056 to show the need for the gradual replacement of these assets over time.
- The District's total debt decreased by \$4,194,656 during the year ending 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. All of the funds of the District are considered governmental funds. There are no proprietary or 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.

The District maintains two governmental funds, the General Fund and Debt Service 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 two funds, all of which are considered to be major funds.

A budgetary comparison statement is provided for the General Fund to demonstrate compliance with this 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 21.

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	
	September 30, 2025	September 30, 2024
Assets:		
Current and other assets	\$ 10,589,694	10,158,796
Assessments receivable	81,190,592	85,306,825
Capital assets, (net of accumulated depreciation)	107,881,763	111,371,819
Total assets	<u>199,662,049</u>	<u>206,837,440</u>
Deferred outflows of resources:		
Deferred amount on debt refunding	26,203	27,614
Total assets and deferred outflows	<u>199,688,252</u>	<u>206,865,054</u>
Liabilities:		
Current and other liabilities	1,512,730	1,543,701
Long-term liabilities		
Due within one year	3,004,000	2,915,000
Due in more than one year	83,462,789	87,746,445
Total liabilities	<u>87,979,519</u>	<u>92,205,146</u>
Net position:		
Net investments in capital assets	21,685,307	20,995,255
Restricted for:		
Debt service	84,174,640	87,843,157
Unrestricted	5,848,786	5,821,496
Total net position	<u>\$ 111,708,733</u>	<u>114,659,908</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 \$111,708,733. The net position decreased \$2,951,175 from a balance of \$114,659,908 as of September 30, 2024.

The District’s net position is broken down into three categories. The largest portion of the District’s net position 75.4% is restricted for debt service. A total 19.4% reflects its investment in capital assets less any related outstanding debt. The remaining portion of \$5,848,786 or 5.2% is unrestricted and available to meet the future needs of the district as unrestricted net position.

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	
	September 30, 2025	September 30, 2024
Program revenues:		
Charges for services	\$ 7,768,527	7,944,313
General revenues:		
Investment earnings or (losses)	664,813	890,223
Other revenues	211	219
Total revenues	<u>8,433,551</u>	<u>8,834,755</u>
Expenses:		
General government	622,247	698,039
Physical environment	3,476,528	3,161,313
Transportation	519,345	201,601
Interest on long-term debt	3,276,550	3,463,554
Depreciation expense	3,490,056	3,490,055
Total expenses	<u>11,384,726</u>	<u>11,014,562</u>
Changes in net position	(2,951,175)	(2,179,807)
Net position, beginning	<u>114,659,908</u>	<u>116,839,715</u>
Net position, ending	<u>\$ 111,708,733</u>	<u>114,659,908</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.

Revenues and Expenses The District’s revenues for the years ended September 30, 2025, and September 30, 2024 were \$8,433,551 and \$8,834,755 respectively. Total revenues decreased 4.5% year over year. The District’s expenses for the years ended September 30, 2025, and September 30, 2024, were \$11,384,726 and \$11,014,562 respectively. The increase in expense was related primarily to an increase in transportation and physical environment..

Revenues include special assessment proceeds for maintenance and debt service, and investment earnings on cash balances held during the year. Charges for services totaled \$7,768,527 in Fiscal Year 2025, a decrease of \$175,786 compared to the prior year. The fiscal year 2025 maintenance assessments remained consistent with the prior year while the debt service assessments decreased. The debt assessment portion of the special assessments will continue to decrease each year as bond assessments are paid. Investment income decreased by \$225,410. Investment income decreased primarily due to reductions in the federal funds rate. The District’s investment portfolio is composed largely of short-term fixed-income securities, and earnings are directly influenced by interest rate movements. The rate cut by the Federal Reserve during the fiscal year and a weakening in economic activity contributed to the decline in investment income relative to the prior year.

Expenses Total expenses increased \$370,164 or 3.0% in fiscal year 2025 compared to fiscal year 2024. General government expenses decreased \$75,792 mainly due to a reduction in the deed compliance allocation. Physical environment expenses increased by \$315,215 over the prior year partly due to the need for debris hauling services for hurricane clean up and an eight percent (8%) increase in projectwide

fees. Furthermore, Transportation expense, including costs related to electric utility for the District's street lighting, increased \$317,744 over prior year due to the increase in pole rental rates. In 2025, interest on long-term debt decreased \$187,004 compared to 2024.

- **Projectwide Fees** - The District is a party to an interlocal agreement with Sumter Landing Community Development District to maintain designated common infrastructure such as water retention areas and multi-modal paths. The Projectwide Fund within the Sumter Landing Community Development District accounts for the revenues and expenses. All parties to the interlocal agreement have representation on the committee, appointing a committee member to oversee responsibilities of the Projectwide Fund. Current parties to the agreement are Villages Community Districts 5-13, Sumter Landing CDD and Brownwood CDD. The Projectwide allocation to the District makes up approximately 65% of its General Fund operating budget. Additional information regarding Projectwide fees are located in the note section under Related Parties.

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 \$10,266,877, an increase of \$406,289, or 4.1% over prior year. This increase resulted from an increase in General Fund of \$12,206, an increase in Debt Service Fund of \$394,083. Of the total fund balance, the unassigned fund balance of \$1,629,770 is available for spending at the government's discretion, while \$4,203,933 is committed for renewal and replacement, \$4,433,174 is restricted for debt service.

The General Fund is the operating fund of the District and is used to pay for core governmental services. As a measure of the General Fund's liquidity, it is useful to compare the unassigned and total fund balance to total fund expenditures. General Fund unassigned fund balance represents 36.6% of total annual General Fund expenditures and total fund balance represents 130.9% of total annual General Fund expenditures, a healthy reserve to meet unanticipated needs.

The Debt Service Fund accounts for debt service assessments levied through the county Tax Collector and collection of bond prepayments which are used to pay for the District's long-term debt. Debt service requirements are scheduled for payment each May and November every fiscal year until the debt is paid off.

General 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.

- During fiscal year 2025, the final General Fund revenue budget was changed compared to the original budgeted revenues mostly due to an increase of \$38,564 in Federal Assistance dollars related to hurricane damage.
- The total expenditure budget increased \$231,944 compared to the original budgeted expenditures mostly due to an increase in Utility services and an increase in Building, landscape and other maintenance.

Utility pole rental rate increased significantly from the prior year. A \$190,000 budget resolution was processed for the expected increase in electricity costs. In addition an increase in budget was needed for hurricane clean up and basin repair.

- Total revenues were \$36,484, or 0.8% under budget for the year primarily due to a decrease in other income by \$38,353, a decrease in investment earnings or (losses) by \$5,909 offset by an increase in special assessments by \$7,778. The main variance was for federal assistance dollars expected, but not received in fiscal year 2024-25.
- Total expenses were \$79,758 under budget or 1.8% below budget for the year. Repair budgets, such as irrigation repairs were not fully expended resulting in a small surplus of \$12,206 for the year.

Capital Assets and Debt Administration

Capital Assets

The District’s capital assets for its governmental activities as of September 30, 2025 amounts to \$107,881,763. Capital assets include land and improvements other than buildings. There were neither additions nor disposals during the year. Depreciation expenses totaled \$3,490,056 resulting in an overall decrease in capital assets of \$3,490,056.

Additional information regarding the District’s capital assets can be found in Note 4 of the Notes to Basic Financial Statements.

Long-Term Debt

As of September 30, 2025, the District has long-term debt outstanding totaling \$86,466,789. Total principal and interest payments for the year were \$3,941,000 and \$3,597,513, respectively during the year.

Additional information regarding the District’s long-term debt can be found in Note 5 of the Notes to Basic Financial Statements.

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 General Fund 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 State’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 urban consumers increased from 2.4% in September 2024 to 3.0% in September 2025.

In Fiscal Year 2026, the total revenues are projected to increase by \$40,567 compared to the Fiscal Year 2025 final budget. The increase is due to a decrease in investment income offset by an increase in maintenance assessments. Investment income is expected to decrease by \$225,000, due to additional rate cuts from the Federal Reserve. The Board approved a 7.5% maintenance assessment increase for 2025-26. The Fiscal Year 2026 General Fund expenditure budget projects an increase of \$132,041, when compared to the Fiscal Year 2025 final budget. The increase in expenditures results primarily from an increase in utility services of water and electricity. The electricity budget increased by \$123,290.

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 Rd
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**

	<u>Governmental activities</u>
Assets	
Cash and cash equivalents	\$ 5,916,377
Receivables	37
Accrued interest receivable	15,720
Assessments receivable	81,190,592
Investments	4,413,430
Capital assets:	
Non depreciable assets	4,940,345
Depreciable assets (net of accumulated depreciation)	102,941,418
Bond insurance	244,130
Total assets	<u>199,662,049</u>
Deferred outflows of resources	
Deferred amount on debt refunding	26,203
Total assets and deferred outflows	<u>199,688,252</u>
Liabilities	
Accounts payable	76,129
Accrued interest payable	1,434,043
Due to other governments	2,558
Total current liabilities	<u>1,512,730</u>
Long-term debt:	
Due within one year	3,004,000
Due in more than one year	83,462,789
Total long-term debt	<u>86,466,789</u>
Total liabilities	<u>87,979,519</u>
Net position	
Net investments in capital assets	21,685,307
Restricted for:	
Debt service	84,174,640
Unrestricted	5,848,786
Total net position	<u>\$ 111,708,733</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	Total
Governmental activities						
General government	\$ 622,247	7,768,527	-	-	7,146,280	7,146,280
Physical environment	3,476,528	-	-	-	(3,476,528)	(3,476,528)
Transportation	519,345	-	-	-	(519,345)	(519,345)
Interest on long-term debt	3,276,550	-	-	-	(3,276,550)	(3,276,550)
Depreciation expense	3,490,056	-	-	-	(3,490,056)	(3,490,056)
Total governmental activities	<u>11,384,726</u>	<u>7,768,527</u>	<u>-</u>	<u>-</u>	<u>(3,616,199)</u>	<u>(3,616,199)</u>
Total primary government	<u>\$ 11,384,726</u>	<u>7,768,527</u>	<u>-</u>	<u>-</u>	<u>(3,616,199)</u>	<u>(3,616,199)</u>
General revenues						
Investment earnings (losses)					664,813	664,813
Other revenues					211	211
Total general revenues					<u>665,024</u>	<u>665,024</u>
Change in net position					(2,951,175)	(2,951,175)
Net position, beginning					114,659,908	114,659,908
Net position, ending					<u>\$ 111,708,733</u>	<u>\$ 111,708,733</u>

**Balance Sheet - Governmental Funds
September 30, 2025**

	<u>General Fund</u>	<u>Debt Service</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 1,514,006	4,402,371	5,916,377
Investments	4,413,430	-	4,413,430
Due from other funds	-	15,083	15,083
Receivables	37	-	37
Accrued interest receivable	-	15,720	15,720
Assessments receivable	-	81,190,592	81,190,592
Total assets	<u>5,927,473</u>	<u>85,623,766</u>	<u>91,551,239</u>
Liabilities			
Accounts payable	76,129	-	76,129
Due to other funds	15,083	-	15,083
Due to other governments	2,558	-	2,558
Total liabilities	<u>93,770</u>	<u>-</u>	<u>93,770</u>
Deferred inflows of resources			
Unavailable special assessment revenue	-	81,190,592	81,190,592
Total liabilities and deferred inflows	<u>93,770</u>	<u>81,190,592</u>	<u>81,284,362</u>
Fund balances			
Restricted			
Debt service	-	4,433,174	4,433,174
Committed			
Renewal and replacement	4,203,933	-	4,203,933
Unassigned	1,629,770	-	1,629,770
Total fund balances	<u>5,833,703</u>	<u>4,433,174</u>	<u>10,266,877</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 5,927,473</u>	<u>85,623,766</u>	<u>91,551,239</u>

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

Total fund balances, governmental funds	\$ 10,266,877
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets	\$ 144,238,695
Less accumulated depreciation	<u>(36,356,932)</u>
	107,881,763
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Special assessment revenue bonds	(81,753,000)
Deferred amount on refunding (to be amortized as an increase in interest expense)	26,203
Premium on bonds	(4,713,789)
Prepaid bond insurance	244,130
Accrued interest payable	<u>(1,434,043)</u>
	(87,630,499)
Unavailable special assessment revenue reported in the funds is added to the beginning balance of net position restricted for debt service to reflect the revenue as recorded when the total assessment is levied.	<u>81,190,592</u>
Net position of governmental activities	<u>\$ 111,708,733</u>

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

	<u>General Fund</u>	<u>Debt Service</u>	<u>Total</u>
Revenues			
Management and other fees collected:			
Special assessments:			
Special assessments	\$ 4,062,846	7,821,915	11,884,761
Investment earnings or (losses)	406,091	258,722	664,813
Other revenues	211	-	211
Total revenues	<u>4,469,148</u>	<u>8,080,637</u>	<u>12,549,785</u>
Expenditures			
Current:			
General government	461,069	146,041	607,110
Physical environment	3,476,528	-	3,476,528
Transportation	519,345	-	519,345
Debt service:			
Principal	-	3,941,000	3,941,000
Interest	-	3,597,513	3,597,513
Miscellaneous bond expense	-	2,000	2,000
Total expenditures	<u>4,456,942</u>	<u>7,686,554</u>	<u>12,143,496</u>
Net change in fund balances	<u>12,206</u>	<u>394,083</u>	<u>406,289</u>
Fund balances, beginning	<u>5,821,497</u>	<u>4,039,091</u>	<u>9,860,588</u>
Fund balances, ending	<u>\$ 5,833,703</u>	<u>4,433,174</u>	<u>10,266,877</u>

**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	\$	406,289
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 capitalized and allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets that were purchased and donated offset by depreciation for the current period.		
Depreciation expense	(3,490,056)	(3,490,056)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Amortization of deferred amount on refunding	(1,411)	
Change in accrued interest payable	68,717	
Amortization of prepaid bond insurance	(13,137)	
Amortization of bond premium	253,656	
Principal repayment	<u>3,941,000</u>	4,248,825
Governmental funds report special assessment debt service as revenue when collected, however in the statement of activities the revenue is recorded when the total assessment is levied.		
Reduction of Special assessment receivable from collections	(4,116,233)	<u>(4,116,233)</u>
Change in net position of governmental activities	\$	<u>(2,951,175)</u>

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

	Original Budget	Amended Budget	YTD Actual	Variance
Revenues				
Special assessments	\$ 4,055,068	\$ 4,055,068	\$ 4,062,846	\$ 7,778
Investment earnings or (losses)	412,000	412,000	406,091	(5,909)
Other income	-	38,564	211	(38,353)
Total revenues	<u>4,467,068</u>	<u>4,505,632</u>	<u>4,469,148</u>	<u>(36,484)</u>
Expenditures				
Personnel services	15,096	13,698	10,569	(3,129)
Management and other professional services	438,768	446,526	439,824	(6,702)
Utility services	446,556	640,556	593,990	(46,566)
Building, landscape and other maintenance	3,393,984	3,419,637	3,398,298	(21,339)
Other expenditures	<u>10,352</u>	<u>16,283</u>	<u>14,261</u>	<u>(2,022)</u>
Total expenditures	<u>4,304,756</u>	<u>4,536,700</u>	<u>4,456,942</u>	<u>(79,758)</u>
Net change in fund balances	<u>162,312</u>	<u>(31,068)</u>	<u>12,206</u>	<u>43,274</u>
Fund balances, beginning	5,821,497	5,821,497	5,821,497	-
Fund balances, ending	<u>\$ 5,983,809</u>	<u>\$ 5,790,429</u>	<u>\$ 5,833,703</u>	<u>\$ 43,274</u>

See accompanying notes to basic financial statements.

Notes to Financial Statements

Note 1 - Summary Of Significant Accounting Policies

Financial Reporting Entity

Village Community Development District No. 10 (the District) was established on September 28, 2004 for the purpose of planning, financing, constructing, operating, and maintaining certain community-wide infrastructure for a community development district located entirely within Sumter County, Florida. The District was created by Sumter County Commission Ordinance No. 04-38, 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. As of September 30, 2025, each member of the Board of Supervisors is an elected resident of the District.

The District boundary consists of approximately 1,588 acres in Sumter County. The development includes construction of 6,639 residential units. The land within the District is part of the active adult retirement community known as "The Villages". The Villages of Lake-Sumter, Inc. was the developer and initial owner of the property within the District. All 6,639 units in the District have been completed by the Developer.

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 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 includes 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. Planned development includes 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 with 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 District's public infrastructure, the 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 waste water 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 for the commercial areas within the District boundaries in Sumter County. The cost of maintenance in the commercial areas is funded through Developer Contributions until the new downtown area builds out.

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 interfund 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 District has no business-type activities.

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 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 District reports the General Fund, the Debt Service fund and the Capital Project Fund as major funds. The District has no non-major funds.

Program revenues in the statement of activities consist primarily of special assessment revenues. 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.

Restricted net position is 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.

Unrestricted net position represents net position not included in net investment in capital assets or restricted 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. Assessments are recognized as revenues in the year in which the related debt is issued and the assessments established.

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.

The following are the District's major governmental funds:

General Fund: The General Fund is the primary operating fund of the District and is used to account 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 is used to account for the accumulation of resources for, and payment of, general long-term debt principal, interest, and related costs.

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. All restricted fund balances relate to external debt service restrictions. 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.

The District adopted a formal Reserve Policy in fiscal year 2023-24. The policy intends to provide for sound financial planning and decision making by establishing appropriate levels of operating and capital reserves and providing for funds in case of emergencies and extraordinary expenditures. Minimum Reserves which consist of unassigned fund balance and committed fund balance are to be established at thirty five percent (35%) of budgeted revenues plus four (4) months of annual operating expense. The District has met the minimum reserve requirement per the policy as of September 30, 2025

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 General Fund and Debt Service 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, Cash Equivalents and Investments 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".

Deferred Outflows/Inflows of Resources In addition to assets, the statement of Net Position may report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has one item that qualifies for reporting in this category. This deferred outflow, deferred amount on debt refunding, consists of the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of Net Position and Balance Sheet may report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. There is one item that qualifies for reporting in this category. This deferred inflow, unavailable revenue, consists of special assessment revenue received/receivable by the District that is applicable to a future period.

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

Special Assessments: The District levies an annual bond and maintenance assessment to the land owners:

- **Bond Assessments:** The bond debt is repaid from the proceeds of an assessment levied by the District's Board of Supervisors. The levy is in the form of a non-ad valorem special assessment that will have a lien against properties within the boundary of the District that receive special benefits from the infrastructure improvements financed by the bonds. These assessments may be prepaid in total or in annual installments as a non-ad valorem special assessment. The bond assessment revenue and the debt service activity are accounted for in the Debt Service Fund.

The assessment methodology consists of five steps.

- The District Engineer determines the costs for all District improvements needed.
 - The assessable acres that benefit from the District's infrastructure improvements are determined.
 - The District Financial Advisor and Underwriter estimate total funding needed to acquire and/or construct the infrastructure improvements.
 - This amount is divided equally among the benefited properties on a net assessable acreage basis.
 - And finally, as land is platted, the debt on each assessable acre is allocated to each residential unit. This methodology is applied to both the bond and the maintenance assessments.
- **Maintenance Assessments:** In addition to the assessment for the repayment of bond obligations, the District has levied an assessment for the maintenance of the infrastructure and the operations of the District. This assessment is a part of the General Fund's annual budget. The maintenance assessment revenue is classified as program revenue and is accounted for in the General Fund.
 - **Billing and Collection:** The District has entered into an agreement with the Tax Collector of Sumter County. The assessments are placed on the county property tax bill as a non-ad valorem assessment. They are collected by the county under the uniform tax collection process and then remitted to the District.

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 maintains an approved Investment Policy and Long-Term Portfolio Investment Policy in compliance with guidelines established by Florida Statutes.

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

The primary objective of the District's Long-term Portfolio Investment policy is to achieve a long-term (five years or longer) level of return commensurate with the contemporary economic conditions and equal to or exceeding the then prevailing investment environment.

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 a portion of its operating cash in a Qualified Public Depository that meets 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.

In 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.

In addition, the District uses Florida Cooperative Liquid Asset Securities System (FLCLASS) and Florida Public Assets for Liquid Management (FLPALM) for its everyday funds. FLCLASS and FLPALM are independent local government investment pools designed to generate additional investment income while providing safety and liquidity to meet the District's current liability needs. See additional information under the external government investment pool section.

SBA Florida Prime is used for the District's Debt Service deposits. SBA Florida Prime seeks capital, liquidity and competitive yield. See additional information under external government investment pool section.

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	266,895	1.0	n/a
FI Cooperative Liquid Assets Securities System, FLCLASS	635,978	42.3	AAAm
FI Public Assets for Liquidity Management (FL PALM)	611,132	42.0	AAAm
US Bank - State Board of Administration, Florida Prime TM	4,402,372	47.0	
Total Fair Value	\$ 5,916,377		
Portfolio Weighted Average Maturity (WAM)		43.9	

The District invests 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 has further segregated a portion of its investment into a long-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 has developed 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. In order to best balance risk and return for optimal diversification, the following asset allocation has been identified:

Asset Classes	Asset Weightings	
	Range	Target
Growth Assets		
Domestic Equity	20% - 60%	40%
International Equity	0% - 40%	20%
Other	0% - 20%	0%
Income Assets		
Fixed Income	20% - 60%	40%
Other	0% - 20%	0%
Real Return Assets	0% - 20%	0%
Cash Equivalents	0% - 20%	0%

As of September 30, 2025, the District’s Investments consisted of:

Investments	Fair Value	Weighted Average Maturity (Years)	Credit Rating
Florida Fixed Income Trust, FLFIT	\$ 1,423,811	1.07	AAAf/S1
Florida Local Government Investment Trust	1,684,949	1.89	AAAf/S1
Fidelity Total Market Index Fund	518,682	n/a	n/a
First American Multi-Manager International Equity Fund	276,654	n/a	n/a
First American Multi-Manager Fixed Income Fund	506,349	8.2	A
First American Government Money Market Fund	2,985	n/a	n/a
Total Investments	\$ 4,413,430		
Portfolio Weighted Average Maturity (WAM)		2.0	

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.
- **Florida Public Assets for Liquid Management (FLPALM)** has daily liquidity with unlimited investments and redemptions. The fund has investments in Negotiable Certificates of Deposit, Commercial Paper, Repurchase Agreements, Bank Deposits, Bank Notes, Corporate Notes, Money Market Funds, Federal Agency Bonds/Notes, and US Treasury Notes. The investment advisor, on behalf of the fund, determines the net asset value of the shares at the close of each business day and monitors the difference between the amortized cost and fair market value. The Trustees of the fund can suspend the right of withdrawal or postpone the date of payment if the Trustees determine that there is an emergency that makes the sale of a Portfolio’s securities or determination of its net asset value not reasonably practical. The District’s investments in Florida FLPALM, a qualified external investment pool, meet the requirements of GASB Statement No. 79 and are reported at amortized cost.
- **The State Board of Administration** for participation in the Local Government Investment Pool (Florida PRIMETM) created by Section 218.415, Florida Statutes is an investment pool that operates under investment guidelines established by Section 215.47, Florida Statutes. The District’s investments in Florida PRIMETM, qualified external investment pool, meet the requirements of GASB Statement No. 79 and are reported at amortized cost. With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states, “The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, and the Investment Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days.” With regard to liquidity fees, Florida Statute Section 218.409(4) provides authority for the

SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made. As of September 30, 2024, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100 percent of their account value.

- **Florida Fixed Income Trust (FLFIT)** Enhanced Cash Pool is a Series Trust designed to provide liquid solutions to local governments of Florida. The funds objective is to provide liquidity and preservation of capital while providing current income consistent with low volatility of net asset value. The fund does not meet the requirements of GASB Statement No. 79 and is measured at variable NAV, which approximates fair value.
- **The Florida Local Government Investment Trust (FLGIT)** is administered by a Board of Trustees appointed by the Florida Association of Court Clerks and County Comptroller, and the Florida Association of Counties, Inc. The Trust was created to provide a means for public entities to pool surplus funds to maximize net earnings certificates of deposit. The District’s investment in the Trust Short-Term Bond Fund does not meet the requirements of GASB Statement No. 79 and is valued at variable Net Asset Value (NAV), which approximates fair value.

Fair Value Hierarchy. GASB Statement No. 72, Fair Value Measurement and Application, sets forth the framework for measuring fair value. The District’s investments are recorded at fair value unless the investment qualifies as an external investment pool under the guidance in GASB Statement No. 79.

The valuation measurement levels are defined below:

- Level 1 inputs are unadjusted price quotations in active markets/exchanges for identical assets or liabilities that a government can access at the measurement date.
- Level 2 inputs are observable inputs including, but not limited to, quoted prices for similar assets or liabilities in active markets, quoted process for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market-corroborated inputs.
- Level 3 inputs are unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs.

At September 30, 2025, the District’s investments carried the following Fair Value Hierarchy:

	Total	Level 1	Level 2	Level 3
Investment by fair value level:				
Fidelity Total Market Index Fund	\$ 518,682	\$ -	\$ 518,682	\$ -
First American Multi-Manager International Equity Fund	276,654	-	276,654	-
First American Multi-Manager Fixed Income Fund	506,349	-	506,349	-
Totals	\$ 1,301,685	\$ -	\$ 1,301,685	\$ -

Management of the following investment risks are addressed below:

- Custodial credit risk is the risk that a government will not be able to recover deposits or the value of an investment that's 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 that 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

The Assessments Receivable The infrastructure of the District was built with tax-exempt 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. The bonds are repaid with monies collected in the annual tax bill sent out by the County Tax Collector's Offices and appear in the Non-Ad Valorem section of the tax bill as "Bond Debt Assessment". As of September 30, 2025, the outstanding Assessment Receivable to support the future bond liability for the District was \$81,190,592.

Due from other Governments As of September 30, 2025 no balance is due from other governments.

Due from Other Funds The inter-fund balances result from the time lag between the dates that (1) interfund goods and services were provided, reimbursable expenditures occurred or bond prepayments

were received (2) transactions are recorded in the accounting system and (3) payments between funds 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 \$76,129 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 \$2,558 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-fund balances result from the time lag between the dates that (1) inter-fund goods and services were provided, reimbursable expenditures occurred or bond prepayments were received (2) transactions are recorded in the accounting system and (3) payments between funds 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 - Capital Assets

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

	Beginning balance	Increases	Decreases	Ending balance
Governmental activities:				
Assets not being depreciated:				
Land	\$ 4,940,345	-	-	4,940,345
Assets being depreciated:				
Furniture & equipment	7,289	-	-	7,289
Improvements other than buildings	139,291,061	-	-	139,291,061
Total assets being depreciated	139,298,350	-	-	139,298,350
Less accumulated depreciation for:				
Furniture & equipment	(7,289)	-	-	(7,289)
Improvements other than buildings	(32,859,587)	(3,490,056)	-	(36,349,643)
Total depreciation	(32,866,876)	(3,490,056)	-	(36,356,932)
Total assets being depreciated, net	106,431,474	(3,490,056)	-	102,941,418
Governmental activities, capital assets	\$ 111,371,819	(3,490,056)	-	107,881,763

Note 5 - Long-Term Debt

Long-term debt consists of the following Special Assessment Revenue bonds as of September 30, 2025:

\$48,730,000 Special Assessment Revenue Bonds, Series 2023, annual principal installments ranging from \$1,160,000 to \$3,005,000 through May 1, 2044 in accordance with the redemption schedule. Interest is due semi-annually on May 1 and November 1 of each year until redemption or maturity. Interest rate is 5.00%	\$ 37,205,000
Bonds from Direct Placement	
\$51,385,000 Special Assessment Direct Placement Revenue Bonds, Series 2022, annual principal installments ranging from \$1,755,000 to \$3,325,000 through May 1, 2043 in accordance with the redemption schedule. Interest is due semi-annually on May 1 and November 1 of each year until redemption or maturity. Interest rate is 3.55%.	<u>44,548,000</u>
Total long-term debt	<u>81,753,000</u>
Plus unamortized bond premium	4,713,789
Less current installments of bonds payable	<u>(3,004,000)</u>
Revenue bonds payable less current installments	<u>\$ 83,462,789</u>

The Special Assessment Revenue Bonds are secured by a lien and pledge of revenues under the indentures, which are derived through levy and collection on land within the District specifically benefited. These bonds are additionally secured by amounts on deposit in the funds and accounts created pursuant to the indentures.

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

	<u>Special Revenue Bonds</u>		<u>Bonds from Direct Placements</u>		<u>Totals</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
Year ending September 30,					
2026	1,205,000	1,860,250	1,799,000	1,581,454	6,445,704
2027	1,265,000	1,800,000	1,865,000	1,517,590	6,447,590
2028	1,330,000	1,736,750	1,932,000	1,451,382	6,450,132
2029	1,395,000	1,670,250	2,002,000	1,382,796	6,450,046
2030	1,470,000	1,600,500	2,074,000	1,311,725	6,456,225
2031-2035	8,555,000	6,822,000	11,551,000	5,399,479	32,327,479
2036-2040	10,990,000	4,452,250	13,793,000	3,195,674	32,430,924
2041-2044	10,995,000	1,409,000	9,532,000	684,795	22,620,795
Total	<u>\$ 37,205,000</u>	<u>21,351,000</u>	<u>44,548,000</u>	<u>16,524,895</u>	<u>119,628,895</u>

The following is a summary of changes in long-term debt:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
Governmental activities:					
Bonds payable	\$ 38,930,000	-	(1,725,000)	37,205,000	1,160,000
Plus unamortized bond premium	4,967,445	-	(253,656)	4,713,789	
	<u>\$ 43,897,445</u>	<u>\$ -</u>	<u>\$ (1,978,656)</u>	<u>\$ 41,918,789</u>	<u>\$ 1,160,000</u>
Direct placement bonds	46,764,000	-	(2,216,000)	44,548,000	1,799,000
Long-term debt	<u>\$ 90,661,445</u>	<u>\$ -</u>	<u>\$ (4,194,656)</u>	<u>\$ 86,466,789</u>	<u>\$ 2,959,000</u>

Debt Covenants and Pledged Revenues

The Bond indentures contain significant limitations and restrictions on the District regarding annual debt service requirements, the use of certain restricted accounts, minimum sinking fund balances and minimum revenue bond coverage. Management believes that the District has complied with all material financial-related covenants.

The District has pledged certain benefit special assessment revenue to pay the principal and interest on special assessment bonds issued to pay for infrastructure improvements. These special assessment revenue bonds were outstanding on September 30, 2025, as shown below. The table reports the revenues pledged for each debt issue, the amounts of revenue received in the current year, the current year principal and interest paid on the debt, the approximate percentage of each revenue which is pledged to meet the debt obligation, and the date through which the revenue is pledged under the debt agreement and the total pledged future revenues for each debt, which is the amount of the remaining principal and interest on the bonds as of September 30, 2025.

Description of Debt	Pledged Revenue	Funds Available	Principal and Interest Paid	Estimated Percent Pledged	Outstanding Principal and Interest	Pledged Through
Special Assessment Revenue Bonds, Series 2022	Special Assessments Phase I	\$ 4,244,163	\$ 3,873,513	100%	\$ 61,072,895	2043
Special Assessment Revenue Bonds, Series 2023 (Phase 2)	Special Assessments Phase II	\$ 3,836,473	\$ 3,665,000	100%	\$ 58,556,000	2044

Note 6 - Related Parties

The District has no employees. For certain management, finance, technology and administrative services, the District entered into an inter-local agreement with Village Center Community Development District (Center District), a community development district created under Florida Statute 190. Under the agreement, deed compliance and management fees accrued to the Center District by the District for such services totaled \$321,855 for the year ended September 30, 2025.

The District has an agreement with the Sumter Landing Community Development District (SLCDD) for maintenance of Project Wide Improvements. This fund under SLCDD is designed for the Districts south of C.R. 466 to share in the cost to maintain improvements and facilities that extend beyond the geographic boundaries of those Districts and benefit all residents of the Districts. Each participating District is allocated a proportionate share based on assessable acreage for the actual cost of maintaining the Project Wide improvements. During the fiscal year ending September 30, 2025, the District’s allocation to Project Wide was \$2,866,035.

The District paid North Sumter County Utility Dependent District a total \$74,645 for utility irrigation services in FY 2025. The District paid Villages Technology Solutions Group, a Developer owned technology company, a total \$532 for technology services in FY 2025. The District paid The Daily Sun, a Developer owned newspaper company, a total \$2,704 for certain legal advertisements in FY 2025.

Note 7 - 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 Workers’ 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
Village Community Development District No. 10
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 and each major fund of Village Community Development District No. 10 (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 February 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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Board of Supervisors
Village Community Development District No. 10
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, non-compliance 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

February 2, 2026
Ocala, Florida

PURVIS GRAY

MANAGEMENT LETTER

Board of Supervisors
Village Community Development District No. 10
The Villages, Florida

Report on the Financial Statements

We have audited the financial statements of Village Community Development District No. 10 (the District) as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated February 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 the American Institute of Certified Public Accountants *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 February 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 findings in the prior 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 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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 Village Community Development District No. 10
 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 Districts

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

February 2, 2026
 Ocala, Florida

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 VCDD# 10 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 "General Fund Budgetary Highlight" section of the Management Discussion and included as a "Budget to Actual" statement in the "Basic Financial Statements", page 16.***

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 (name of 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 (name of district) reported:

- a) The rate or rates of non-ad valorem special assessments imposed by the District as **SEE ATTACHED** for maintenance and bond payment assessment.
- b) The total amount of special assessments collected by or on behalf of the district as \$11,884,761.
- c) The total amount of outstanding bonds issued by the district and the terms of such bonds as \$86,466,789.

District: 10
 Village Community Development
 FY-2024/2025
 Sumter County Assessment Infor.

Village Name or Unit Number	FY-2024/2025		FY-2024/2025
	Net Acres	Maint. Rate	Debt Rate
Unit 188	30.94	1,253.84	2,599.44
Unit 202	50.21	621.98	1,289.48
Unit 203	31.57	563.25	1,167.71
Unit 216	41.80	685.41	1,420.99
Unit 217	38.79	621.68	1,288.85
Unit 218	30.99	845.30	1,752.45
Unit 219	35.15	664.74	1,378.14
Unit 220	40.45	663.27	1,375.09
Unit 221	32.23	597.57	1,238.87
Unit 222	33.30	621.47	1,288.42
Unit 223	49.66	667.64	1,384.14
Unit 230	27.67	659.60	1,367.48
Unit 231	11.71	722.14	1,497.12
Unit 232	50.93	675.12	1,399.65
Unit 233	22.38	697.65	1,446.36
Unit 234	61.76	681.70	1,413.29
Unit 235H	35.46	1,341.21	2,780.58
Unit 236H	38.90	735.66	1,525.17
Unit 236H Trac-C	0.48	1,361.64	0.00
Unit 237	38.66	703.00	1,457.45
Unit 954-Marianna Villas	9.40	404.02	837.61
Unit 955-Perry Villas	11.06	387.34	803.02
Unit 959-Carrabelle Villas	10.07	344.17	713.52
Unit 960-Pineland Villas	8.65	389.49	807.48
Unit 962-Leyton Villas	8.47	324.69	673.15
Unit 963-Melbourne Villas	8.87	405.84	841.36
Unit 964-New Haven Villas	9.89	338.02	700.78
Unit 967-Ventura Villas	8.47	407.24	844.29
Unit 968-Whitney Villas	9.53	386.20	800.67
	<u>787.45</u>		
Unit 183	38.88	630.24	1,375.65
Unit 184	27.59	579.75	1,265.44
Unit 185	29.77	630.22	1,375.62
Unit 185 Trac-A	0.36	1,021.23	2,229.09
Unit 186	35.43	640.17	1,397.32
Unit 187	36.45	662.82	1,446.76
Unit 187 Trac-C	0.16	453.88	990.71
Unit 189	50.30	702.90	1,534.24
Unit 189 Trac-E	0.13	368.78	804.95
Unit 190	49.41	1,374.15	2,999.42
Unit 191	39.91	677.93	1,479.75
Unit 191 Trac-C	0.03	85.10	185.75
Unit 192	29.65	667.54	1,457.06
Unit 193	44.93	653.62	1,426.67
Unit 194	57.14	707.82	1,545.00
Unit 194 Trac-A	0.43	1,219.80	2,662.49
Unit 195	43.29	620.22	1,353.77
Unit 200	35.48	666.54	1,454.89
Unit 201	23.99	648.13	1,399.69
Unit 204	37.24	664.41	1,450.24
Unit 956-Beauclair	8.90	413.89	903.40
Unit 957-Belle Glade	7.02	406.41	887.08
Unit 958-Callahan	6.96	329.06	718.27
Unit 961-Kelsea	9.72	399.61	872.25
Unit 965-Pensacola	11.50	393.04	857.91
Unit 966-Antrim Dells	34.90	543.97	1,187.34
Unit 966-Antrim Dells-Trac-E	0.33	936.13	0.00
Unit 969-Alden Bungalows	32.40	510.61	1,114.53
Unit 969-Alden Bungalows-Trac-B	0.31	879.39	0.00
Unit 970-Harlow	8.98	404.35	882.59
	<u>701.59</u>		
	<u>1,489.04</u>		

PURVIS GRAY

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

Board of Supervisors
Village Community Development District No. 10
The Villages, Florida

We have examined Village Community Development District No. 10’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

February 2, 2026
Ocala, Florida

CERTIFIED PUBLIC ACCOUNTANTS

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District 10

