

*Preston Cove
Community Development District*

*Meeting Agenda
March 26, 2026*

AGENDA

Preston Cove

Community Development District

219 East Livingston Street, Orlando, Florida 32801

Phone: 407-841-5524 – Fax: 407-839-1526

March 19, 2026

Board of Supervisors Preston Cove Community Development District

Dear Board Members:

The regular meeting of the Board of Supervisors of **Preston Cove Community Development District** will be held **Thursday, March 26, 2026 at 9:00 AM at 8 Broadway, Suite 104, Kissimmee, Florida 34741**. Following is the advance agenda for the meeting:

1. Roll Call
2. Public Comment Period
3. Organizational Matters
 - A. Appointment of Individual to Fulfill Board Vacancy with a Term Ending November 2027
 - B. Administration of Oath of Office to Newly Appointed Board Member
 - C. Consideration of Resolution 2026-04 Electing an Assistant Secretary
4. Approval of Minutes of the February 26, 2026 Board of Supervisors Meeting
5. Consideration of Resolution 2026-05 Appointing an Assistant Treasurer
6. Consideration of Security Services Agreement with Nation Security
7. Ratification of Engagement Letter with Waugh PLLC to Provide Legal Services as Interim Counsel
8. Ratification of Revised Escrow Agreement
9. **Review and Acceptance of Fiscal Year 2025 Audit Report – ADDED**
10. Staff Reports
 - A. Attorney
 - B. Engineer
 - C. District Manager's Report
 - i. Check Register
 - ii. Balance Sheet and Income Statement
 - D. Field Manager's Report
11. Other Business
12. Supervisors Requests
13. Adjournment

The balance of the agenda will be discussed at the meeting. In the meantime, if you should have any questions, please do not hesitate to contact me.

Sincerely,

Jeremy LeBrun

Jeremy LeBrun
District Manager

SECTION 3

SECTION C

RESOLUTION 2026-04

A RESOLUTION OF THE PRESTON COVE COMMUNITY DEVELOPMENT DISTRICT ELECTING AN ASSISTANT SECRETARY OF THE BOARD OF SUPERVISORS

WHEREAS, the Board of Supervisors of the Preston Cove Community District desires to elect _____ as an Assistant Secretary.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE PRESTON COVE COMMUNITY DEVELOPMENT DISTRICT:

1. _____ is elected Assistant Secretary of the Board of Supervisors.

PASSED AND ADOPTED this 26th day of March, 2026.

ATTEST:

PRESTON COVE COMMUNITY DEVELOPMENT DISTRICT

Secretary / Assistant Secretary

Chairperson, Board of Supervisors

SECTION 4

**MINUTES OF MEETING
PRESTON COVE
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Preston Cove Community Development District was held Thursday, **February 26, 2026** at 9:00 a.m. at 8 Broadway, Suite 104, Kissimmee, Florida.

Present and constituting a quorum:

Owais Khanani
Paul Roth
Maria "MJ" Sanchez

Chairman
Vice Chairman
Assistant Secretary

Also present were:

Jeremy LeBrun
Jay Lazarovich
Mark Vincutonis
Jarett Wright
Ashley Hilyard
Michael Candiotti
James Visconti
Christian Waugh *by phone*
Lou Avelli *by phone*

District Manager, GMS
District Counsel, Latham Luna
District Engineer
Field Manager, GMS
GMS
Developer Counsel
Elevation Development
Interim District Counsel
DR Horton

FIRST ORDER OF BUSINESS

Roll Call

Mr. LeBrun called the meeting to order at 9:00a.m. Three Supervisors were present constituting a quorum.

SECOND ORDER OF BUSINESS

Public Comment Period

There being no comments, the next item followed.

THIRD ORDER OF BUSINESS

Organizational Matters

A. Acceptance of Resignation of Loubna Kaboune in Seat #5

Mr. LeBrun stated they received a resignation via email from Loubna Kaboune. He asked for a motion from the Board to accept the resignation.

On MOTION by Mr. Khanani, seconded by Ms. Sanchez, with all in favor, Accepting the Resignation of Loubna Kaboune in Seat #5, was approved.

B. Appointment of Individual to Fulfill Board Vacancy with a Term Ending November 2027

C. Administration of Oath of Office to Newly Appointed Board Member

D. Consideration of Resolution 2026-04 Electing Assistant Secretary

Mr. LeBrun stated that the Board could appoint someone to fill the vacancy or they can defer it to a future meeting. Board consensus was to defer this item to a future meeting.

FOURTH ORDER OF BUSINESS

Approval of Minutes of the February 3, 2026 Board of Supervisors Meeting

Mr. LeBrun presented the minutes from the February 3, 2026 Board of Supervisors meeting and asked for any comments, corrections, or changes. The Board had no changes to the minutes.

On MOTION by Ms. Sanchez, seconded by Mr. Roth, with all in favor, the Minutes of the February 3, 2026 Board of Supervisors Meeting, were approved.

FIFTH ORDER OF BUSINESS

Termination of Latham Luna

Mr. Lazarovich stated that Latham Luna was asked to resign prior to the meeting and are willing to comply if the Board decides to terminate them immediately. They mentioned the developer should request this action if desired. He also noted there are several agenda items and unresolved issues concerning the escrow and petitioner's agreements that they are ready to discuss. Mr. LeBrun asked for a motion to terminate District Counsel.

On MOTION by Mr. Khanani, seconded by Ms. Sanchez, with all in favor, Termination of Latham Luna, was approved.

Mr. LeBrun asked for a motion to approve Christian Waugh as interim counsel until the engagement letter is executed by the Board.

On MOTION by Mr. Khanani, seconded by Ms. Sanchez, with all in favor, Appointing Christian Waugh as Interim District Counsel, was approved.

Mr. LeBrun asked if there was anything the District Counsel or the Board would like to discuss about the Revised Escrow Agreement. A member of the Board stated they had initially sent a draft of the agreement to prior counsel for review. After receiving comments from prior district counsel, which have not yet been fully addressed, the Board wishes to adopt the version previously presented to Developer’s Counsel. This adoption is contingent upon final review and approval by the new District Counsel (Christian Waugh), Mark Vincutonis (who is with Hanson Walter for a final engineering certificate), and the District manager, who may make any necessary negotiated changes. The escrow agreement is intended to facilitate the transfer of tracts in Phases 1, 2, and 3. The Board is considering whether to formally accept these tracts, pending the finalization of the escrow agreement and its terms and conditions. The Escrow Agreement provides for an engineer certificate to identify any outstanding punch items.

On MOTION by Mr. Khanani, seconded by Mr. Roth, with all in favor, Adopting the Revised Escrow Agreement Authorizing Final Engineer Certificate and District Manager to Make any Final Changes for Tracts Phase 1-3 and Adopting Tracts Subject to Final Certification and Punch Items, was approved.

SIXTH ORDER OF BUSINESS

Review of Amendment to Petitioner’s Agreement

Mr. LeBrun stated that this item would be removed from the agenda.

SEVENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. Waugh had nothing to report.

B. Engineer

i. Update on South Florida Water Management District Consent Order

Mr. Vincutonis stated the South Water Florida Management District sent an order which was added to the agenda for record-keeping purposes. There were no additional updates.

C. District Manager’s Report

i. Check Register

Mr. LeBrun presented the check register for the month, found on page 71 of the electronic agenda. This month's register, covering checks 213 through 221, is noticeably higher than usual at \$391,427.69 due to assessments collected from the tax collector flowing through the account. A detailed register is also provided, and approval of the check register is requested

On MOTION by Mr. Khanani, seconded by Ms. Sanchez, with all in favor, the Check Register, was approved.

ii. Balance Sheet and Income Statement

Mr. LeBrun stated the unaudited financial statements, covering up to January 31, 2026, are provided for review. No Board action is needed; these statements simply offer an overview of the financial position as of the end of January.

D. Field Manager’s Report

i. Deficiency Tracker Update

Mr. Wright stated there have been recent efforts, including collaborating with Mark to resolve outstanding issues and updating the amenity list. Access control has been installed on the bathrooms to address concerns about homeless individuals, though verification of its effectiveness is pending. Significant frost damage has occurred, especially at the front entrances, and recovery work is planned for mid-March. The manager recommended a \$5,000 limit for repairs at the entrances, seeking authorization to proceed once the weather improves, given uncertainty about the timing of the next meeting. He stated there are no gate that blocks the bathroom access which is how the Homeless are getting in.

On MOTION by Mr. Khanani, seconded by Ms. Sanchez, with all in favor, a not to exceed amount of \$5,000 for Entrance Landscape Repairs, was approved 3-0.

EIGHTH ORDER OF BUSINESS

Other Business

There being no comments, the next item followed.

NINTH ORDER OF BUSINESS

Supervisors Requests

There being no comments, the next item followed.

TENTH ORDER OF BUSINESS

Adjournment

Mr. LeBrun asked for a motion to adjourn the meeting.

On MOTION by Mr. Khanani, seconded by Ms. Sanchez, with all in favor, the meeting was adjourned.

Secretary/Assistant Secretary

Chairman/Vice Chairman

SECTION 5

RESOLUTION 2026-05

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE PRESTON COVE COMMUNITY DEVELOPMENT DISTRICT DESIGNATING A AN ASSISTANT TREASURER OF THE DISTRICT AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, Preston Cove Community Development District (hereinafter the “District”) is a local unit of special-purpose government created and existing pursuant to Chapter 190, *Florida Statutes*, being situated within Osceola County, Florida; and

WHEREAS, the Board of Supervisors of the District desires to appoint an Assistant Treasurer.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE PRESTON COVE COMMUNITY DEVELOPMENT DISTRICT:

SECTION 1. Alison Mossing is appointed Assistant Treasurer.

SECTION 2. This Resolution shall become effective immediately upon its adoption.

PASSED AND ADOPTED this 26th day of March, 2026.

ATTEST:

**PRESTON COVE COMMUNITY
DEVELOPMENT DISTRICT**

Secretary / Assistant Secretary

Chairperson, Board of Supervisors

SECTION 6



NATION SECURITY

Security Services Agreement for Preston Cove CDD

SUBMITTED TO:

**Emily Grimes
Preston Cove CDD
555 Preston Cove Drive
St. Cloud, FL 34771
407-841-5524**

PRESENTED BY:

**Scott Guilbert
Nation Security Services, LLC
16703 Early Riser Ave Suite 230
Tampa, FL 34638
813-385-2330**

This document includes confidential details regarding the operations, services, and pricing of Nation Security. The information is sensitive and must not be shared publicly. This document was created and shared in confidence, intended exclusively for the internal use of management for evaluation purposes, and in response to a request for a proposal on security services.

Option #1 (16 Hours)

	Price	Hours	Total
<input checked="" type="checkbox"/> Pool Security Officer	\$28.95	16	\$463.20
A specialized professional who monitors and protects a designated aquatic facility or pool area to prevent unauthorized access, theft, and vandalism while ensuring the safety and adherence to rules of residents or guests.			

Equipment

	Price	Quantity	Total
<input checked="" type="checkbox"/> Workforce Management	\$0.00	1	\$0.00
TrackTik offers GPS in real-time tracking, immediate task assignments, and customizable Incident and Maintenance reporting, enhancing transparency and effective guard tour completion.			
		Tax	7 %
		Total	\$495.62

Option #2 (56 Hours)

	Price	Hours	Total
<input checked="" type="checkbox"/> Pool Security Officer	\$28.95	56	\$1,621.20
A specialized professional who monitors and protects a designated aquatic facility or pool area to prevent unauthorized access, theft, and vandalism while ensuring the safety and adherence to rules of residents or guests.			

Equipment

	Price	Quantity	Total
<input checked="" type="checkbox"/> Workforce Management	\$0.00	1	\$0.00
TrackTik offers GPS in real-time tracking, immediate task assignments, and customizable Incident and Maintenance reporting, enhancing transparency and effective guard tour completion.			
		Tax	7 %
		Total	\$1,734.68

SERVICE AGREEMENT AND TERMS AND CONDITIONS

This agreement, effective 03-06-2026, is made between Preston Cove CDD ("Client"), situated at 555 Preston Cove Drive St. Cloud, FL 34771 and Nation Security Services, LLC ("Nation Security"), a Florida Limited Company with its office at 12750 NW 17th St, Suite 207, Miami, FL 33182. Hereafter, Nation Security and the Client are referred to individually as a "Party" and collectively as the "Parties." In acknowledgment of the mutual promises and agreements contained herein, and for other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to the terms outlined in this Agreement.

1. SERVICES: As outlined in the attached specifications and forming an integral part of this agreement, Nation Security commits to supplying uniformed security staff, fully licensed by the Florida Department of State as per Chapter 493, and to providing necessary equipment for operations at the Client's location. It is understood by both parties that while these services aim to reduce the risk of injury or property loss, they do not guarantee total elimination of such risks. All individuals performing services under this agreement will be direct employees of Nation Security, under its supervision and control. At any point, the Client can request the replacement of any Nation Security personnel, which, unless illegal, will be honored within two days of the request or immediately if the situation demands. Nation Security ensures that all its employees adhere to relevant federal, state, and local laws and regulations and will conduct mandatory criminal background checks. Throughout this agreement's duration, including any extensions or renewals, the Client commits to using Nation Security's services exclusively, as detailed herein. The Client agrees to compensate Nation Security for the provided services and equipment at the agreed rates, plus any applicable taxes.

2. OPTIONAL SERVICES: Nation Security offers the provision of disaster or emergency services at predefined rates for such situations, contingent upon both parties agreeing to a specific disaster or emergency services agreement. Emergency services encompass responses to governmental actions, riots, strikes, acts of terrorism, and similar events. Disaster services address natural and other catastrophic events, such as floods, fires, earthquakes, hurricanes, and other acts of God. Moreover, should the Client require services not detailed in the agreed Schedule of Security Services, Nation Security is prepared to provide these additional services, subject to an agreement, at the established national short-term rates set by Nation Security.

3. HIRING: Nation Security is recognized not as an employment agency but as a provider of security services, a role supported by significant investments in advertising, recruiting, screening, testing, and training of personnel for effective deployment at the Client's sites. Given the resources expended on these employees, it is agreed that should the Client hire any Nation Security personnel, either directly or via another vendor, for any security-related role or tasks associated with it, during this Agreement or within one year following the termination of Nation Security's services, the Client shall compensate Nation Security with a fee of three thousand dollars (\$3,000.00) per hired individual. This stipulation does not apply to employees who were already working at the Client's location before being employed by Nation Security.

4. RATE CHANGE: The Client agrees to compensate Nation Security at the hourly rates provided in this agreement, including all relevant sales taxes. These rates are calculated based on a 40-hour workweek. Overtime rates will apply for hours worked beyond 40 per week, in compliance with collective bargaining agreements or when extra hours are requested by the Client at their premises beyond the regular schedule. The rates specified in the Security Services Schedule will remain stable for one year from the signing of this Agreement or each respective Schedule, whichever date is later. However, rates will be adjusted automatically following a written notification from Nation Security to reflect any legally mandated cost increases, including changes in licensing fees, contributions and taxes under FICA, FUTA, SUI, worker's compensation, costs arising from collective bargaining agreements, union activities, compliance costs related to the PPACA, and adjustments due to changes in federal or state minimum wage laws. Should any authoritative body enact a law or regulation that increases the mandatory minimum wage, the hourly rate paid by the Client will be adjusted accordingly to match the rise in minimum wage, along with associated tax and payroll liabilities.

5. TERM: This Agreement is set for an initial duration of one year, beginning from the Effective Date (referred to as the "Initial Term"). The Agreement will automatically renew unless terminated by either party with thirty (30) days' written notice to the other. The Agreement becomes effective on the date mentioned earlier and will continue until terminated by either party with at least thirty (30) days' advance written notice, indicating the termination date. Furthermore, either party can end this Agreement with ten (10) days' prior written notice if they have informed the other party of a significant breach that has not been resolved promptly. Nation Security reserves the right to terminate this Agreement with twenty-four (24) hours' notice in the event of non-payment. Immediate termination is permissible by either party if the other becomes bankrupt, seeks bankruptcy protection, makes an assignment for the benefit of creditors, or enters into receivership. However, the terms for each separate Schedule of Security Services are determined by the specific agreements within each respective Schedule.

6. HOLIDAYS AND ADDITIONAL SERVICES: The Client shall inform the Contractor via fax or email when additional services are required. Overtime rates will be applied to all extra employee hours worked on designated holidays, which include New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, where employees will receive 1.5 times their standard hourly wage. For any overtime requested by the Client with less than 72 hours' notice, a premium rate of 1.5 times the regular hourly rate will be charged. This premium rate also applies when requesting additional officers with less than 72 hours' notice. However, if the Contractor is given more than 72 hours' notice, additional officers will be provided at the regular straight-time rate, allowing for schedule adjustments that avoid the necessity for overtime.

7. INVOICING AND PAYMENT: Nation Security will issue weekly invoices to the Client. These invoices must be settled within thirty (30) days from the date they are received. Payments can be made via check or EFT. If paying by check, it should be sent to Nation Security Inc., 12750 NW 17 St Suite 207 Miami, FL 33182. A late fee of 5% per month applies to any outstanding balances not paid within thirty (30) days of the invoice date. The Client agrees to cover any reasonable attorney fees and collection costs incurred by the Contractor in the event of late payment. Any disputes concerning invoice charges must be communicated in writing to the Contractor within thirty (30) days from the invoice date, specifying the disputed items. Failure to dispute within this timeframe will result in waiver of any disputes or defenses. Invoices should be paid in full within thirty (30) days, and prices do not include applicable taxes. After the first year, the Client agrees to an annual rate increase of 3% plus any applicable sales tax per hour. Nation Security will provide at least 30 days' notice before any rate increases. If payment is not received, the Contractor reserves the right to terminate or suspend services with seventy-two (72) hours' notice. In cases of service termination or suspension due to non-payment or bankruptcy, the Contractor is not liable for any resulting losses, which will be the Client's responsibility.

8. MODIFICATION: Changes to this Agreement can be made at any time with the written consent of both parties. The Client is allowed to request changes in the number of security personnel, their working hours, or modifications to their shifts or posts, given reasonable advance notice is provided. The Contractor agrees to accommodate these changes as long as they are feasible without causing unreasonable scheduling conflicts. Any cost adjustments resulting from these changes will be reflected in the payments or credits due in alignment with the Schedule of Security Services. Additionally, if the Client wishes to extend security services to additional locations, a corresponding Schedule of Security Services for those location(s) will be integrated into this Agreement.

9. LIABILITY: The parties acknowledge that the Contractor is not an insurer; the fees paid to the Contractor are for services rendered, not insurance premiums, and do not reflect the value of the Client's property or interests. The Contractor does not guarantee that its services will prevent incidents or the consequences thereof that might result in loss or damage. The Contractor is not liable for any losses or damages incurred by the Client, whether to persons or property, due to the Contractor's service provision or failure thereof, except in cases of gross negligence or intentional misconduct by the Contractor. Should the Client require security personnel to operate vehicles other than their own or those provided by the Contractor, the Client will indemnify and defend the Contractor against any resulting claims or expenses. The services under this Agreement are exclusively for the Client's benefit, not creating third-party beneficiary rights. Obligations under this Agreement may be suspended during events beyond the parties' control, such as natural disasters, conflicts, or government directives. However, Nation Security is expected to exert commercially reasonable best efforts in fulfilling its obligations. The Client must indemnify and hold the Contractor harmless against any claims resulting from the Client's negligence or willful misconduct. The Client is required to notify the Contractor within thirty (30) days of an incident or ten (10) days upon learning of a claim, with the Contractor not being liable for claims without proper and timely notification.

10. INSURANCE: The Contractor will provide the Client with proof of insurance, listing the Client as an additional insured party. This includes Commercial General Liability insurance on an occurrence basis with a minimum coverage of \$1,000,000.00, achievable through a combination of primary and excess umbrella policies; Workers' Compensation insurance meeting or exceeding state-mandated limits; and Employers' Liability insurance with a minimum of \$1,000,000.00 per occurrence. Before the Contractor begins any services on the Client's premises, they must submit a valid certificate of insurance covering all required policies to the Client. The insurance coverage must ensure the Client as an additional insured and cannot be altered or canceled without at least thirty (30) days' advance notice to the Client. If there's a termination or modification of the insurance without the Client's agreement, the Client reserves the right to end this Agreement with 24 hours' notice. Such termination doesn't affect the accrued rights or responsibilities of either party prior to the termination.

11. LEGAL COMPLIANCE: Nation Security certifies that the services it provides will be performed in compliance with and subject to all state and federal statutes, municipal and local ordinances, and the rules and regulations of any governmental agency or department which has jurisdiction over the performance of these services.

12. CONFIDENTIALITY: Both parties commit not to use, reveal, sell, license, publish, duplicate, or distribute the other party's Confidential Information except as necessary to fulfill this Agreement's obligations. Each party must safeguard the other's Confidential Information with the same degree of care as it would its own confidential and proprietary details, ensuring at least reasonable protection. Measures will be taken to ensure employees, consultants, or agents with access to Confidential Information uphold these confidentiality obligations. "Confidential Information" refers to knowledge specific to a party, not publicly known, and includes internal data related to personnel, finances, marketing, business operations, strategic planning, and any proprietary methods of conducting business, as well as information about employees, clients, contractors, and partners, regardless of whether it is written or marked as confidential.

13. FORCE MAJEURE: Nation Security will not be held responsible for any inability or delay in fulfilling its obligations under this Agreement, in whole or part, when such inability or delay arises from events outside the reasonable control of the Contractor. This includes, but is not limited to, natural disasters, extreme weather conditions, fires, acts of terrorism, vandalism or civil unrest, warfare, disturbances, labor strikes or actions, judicial orders, or any other circumstances beyond the direct and exclusive control of Nation Security.

14. SEVERABILITY: The clauses within this Agreement are independent of one another, and should any clause be deemed invalid or unenforceable, it will not impact the validity or enforceability of the rest of the Agreement's provisions.

15. ATTORNEYS' FEES/EXPENSES: In the event that either party initiates legal action to enforce any terms of this Agreement, the prevailing party is entitled to recover reasonable attorneys' fees and expenses, in addition to any other awarded relief.

16. DISPUTE RESOLUTION: The Parties commit to a process where any dispute arising under this Agreement will first be discussed in a meeting between authorized management representatives tasked with negotiating a mutually satisfactory resolution. This step must occur within thirty (30) days after the dispute is identified. If these discussions do not lead to a resolution, either Party is then free to pursue legal or equitable remedies. This clause does not prevent either Party from seeking urgent or permanent injunctions from courts with the proper authority.

17. NOTICES: All communications required or permitted under this Agreement must be in writing and are considered adequately delivered if done so through one of the following methods: (i) in-person delivery; (ii) facsimile; (iii) email; (iv) first-class, registered, or certified mail, with prepaid postage; or (v) overnight courier, directed to the receiving party's specified address in this Agreement or another address specified through a prior notice under this Agreement. Such notices are deemed effective when received by the intended party or on the third day after mailing, whichever comes first.

18. COMPLIANCE WITH LAW: The Parties commit to adhering to all relevant Federal and State laws while fulfilling their respective duties under this Agreement.

19. ENTIRE AGREEMENT: This Agreement, along with the Schedules of Security Services, constitutes the full and complete understanding between Nation Security and the Client, replacing any prior agreements or understandings, whether verbal or written. No additional agreements or representations beyond those contained in this document have been made. Terms preprinted on any Client purchase orders will defer to the terms of this Agreement, and in the event of any discrepancies between this Agreement and any preprinted terms on commercial documents, the terms of this Agreement shall prevail.

20. GOVERNING LAW: The laws of the State of Florida shall dictate the interpretation and enforcement of this Agreement. The undersigned individual attests and guarantees through their signature that they have the proper authority to sign and enact this Agreement on behalf of the entity they represent, ensuring that this Agreement is legally binding on said entity.

21. NOTICES: Any notice required or permitted under this Agreement must be in writing. Such notice is considered duly given when delivered via (1) in-person delivery; (2) electronic mail; (3) first-class, registered, or certified mail, with postage prepaid; or (4) overnight courier, sent to the recipient's address specified in this Agreement or to another address specified by the recipient in a subsequent notice. A notice becomes effective when it is received by the intended party or three days after it is mailed, whichever happens first.

TO CONTRACTOR:

**Nation Security Services, LLC
12750 NW 17th ST Suite 207
Miami, FL 33182
305-302-2000**

TO CLIENT:

**Preston Cove CDD
555 Preston Cove Drive
St. Cloud, FL 34771
407-841-5524**

22. ENTIRE AGREEMENT: This Agreement, along with the Schedules of Security Services, overrides any prior agreements, whether verbal or written, between Nation Security and the Client at any Client site, and constitutes the sole understanding between the parties. No additional agreements or representations, whether verbal or written, have been made. Any pre-printed terms found on a Client purchase order are subordinate to this Agreement, and any discrepancies between this Agreement and pre-printed terms on commercial documents will be settled in favor of this Agreement.

IN WITNESS WHEREOF, the undersigned Parties have affixed their signatures as of the Effective Date.

By signing below, the signatory confirms that they are duly authorized to execute and deliver this Agreement on behalf of the entity they represent, and further attest that this Agreement is legally binding upon said entity.

Once we receive confirmation of your acceptance, we will sign the agreement and an email with the signed document will be sent to you automatically for your records.

SECTION 7

WAUGH PLLC

ATTORNEYS AT LAW

PHONE: 321-800-6008
FAX: 844-206-0245
WAUGH.LEGAL

CHRISTIAN W. WAUGH[^]
AVERY L. DYEN
DEVIN GOBIN
JUAN QUINTERO BORNAS
REBA ABRAHAM PEARCE[~]
EMAIL: CWAUGH@WAUGH.LEGAL

[^]BOARD CERTIFIED IN REAL ESTATE LAW
[~]OF COUNSEL

February 25, 2026

Via Electronic Mail

Preston Cove CDD
c/o Owais Khanani
owais@elevationdev.com

RE: Engagement Letter Regarding Representation by Waugh PLLC – Provision of Legal Services as General Counsel to Preston Cove CDD

Dear Mr. Khanani,

Waugh PLLC would be happy to assist Preston Cove CDD with Legal Services as General Counsel. We will do our best to provide the highest quality of legal service in a responsive and efficient manner. I will be the member of the firm supervising your representation although other personnel within the firm may be working with me to provide representation to you. We value the relationships we build with our clients and believe that it will be mutually beneficial to have a clear understanding of our engagement. This letter sets forth our understanding of the legal services to be performed, the basis on which we will be paid for those services, the policy of the firm concerning fees and to otherwise confirm the terms and conditions under which our firm will provide legal representation.

Scope of the Engagement. The scope of this engagement is to assist Preston Cove CDD with Legal Services as General Counsel. Any matters not included above will not be the responsibility of this firm. You are under no obligation to request additional legal services from the firm and the firm is under no obligation to accept any request by you for additional legal services. Any request for additional legal services from you which are accepted by the firm will be set forth in a separate written agreement, but in absence of such an agreement, the provisions of this agreement will govern any additional engagement accepted by the firm.

Terms and Termination. It is contemplated that all services will be performed expeditiously, but it is expressly understood that the timetable for the performance of our services may be within the discretion and control of the applicable agency, court or third parties. You may terminate the engagement of the firm at any time upon written notice to the firm. Upon written notice to you, the firm may withdraw from, terminate or suspend representation at any time should you fail to comply with the terms of this agreement, or in the event legal, ethical or other considerations arise which require such action as determined by the firm. Any termination, withdrawal or suspension will not affect the firm's right to payment for services performed prior

Orlando office
201 E. Pine Street, Ste. 315
Orlando, FL 32801
(Primary Office)

Miami office
2828 Coral Way, Ste. 303
Miami, FL 33145
(By Appointment Only)

The Villages office
561 Fieldcrest Drive
The Villages, FL 32162
(By Appointment Only)

Dallas office
325 North St. Paul St Ste
3100, #1478
Dallas, TX 75201
(By Appointment Only)

to such termination, or for services performed in connection with the transfer of active matters to substitute legal counsel.

Fees. You agree to compensate the firm for its services on an hourly basis at the firm's discounted hourly rates. Partners' hourly rate is \$300.00, associate attorneys' hourly rate is \$250.00; and paralegals will not charge for their time. In addition, to any attorney fees or costs as Court may award to you as a prevailing party in any lawsuit we may prosecute on your behalf, is merely that Court's determination of the appropriate damages to be assessed against the opposing party but is not in any way a measure of the actual fees and costs that we may charge for services rendered.

Expenses. In addition to fees for our professional services, there may be charges for expenses which we incur (e.g., filing fees, miscellaneous court costs, and court reporters); and for other charges in connection with our engagement (e.g., copying, computerized legal research and faxes). Expenses incurred will be billed at our cost (which in some cases may be estimated). Other charges will be billed at amounts which reflect the value of the service or industry practice. Further detail regarding these expenses and other charges will be furnished upon request. You authorize the firm to incur costs and expenses on your behalf in connection with your engagement of the firm.

Fee Advance. We do not require a fee advance.

Invoicing. The firm will invoice you on a monthly basis, or as other circumstances require. You agree to pay the firm's invoice upon receipt. If you have any questions pertaining to your invoice, please contact me immediately so we can discuss your concerns or questions. Our objective in all events will be to minimize legal fees while attempting to provide you with the best possible representation.

Conflict of Interest. We have checked our system for a conflict of interest, and we have not detected any actual conflicts. However, Florida ethical rules governing lawyers require that I make certain disclosures and get your written consent to proceed, And, if you believe that there is one, or that one may arise, please let us know as early as possible so that we may assess this possibility.

Current Address. You are responsible for letting the firm know where you can be contacted at all times and that information includes a current mailing address, telephone number, and an email address, if applicable. If you are required to relocate during the time that the firm is representing you, it is your responsibility to update all information. You also specifically agree and acknowledge that all such notices and invoices emailed to your address of record shall be deemed to have been conclusively received by you for purposes of this engagement.

In reliance upon information and guidance provided by you, we will provide legal counsel and assistance to you in accordance with this letter, keep you reasonably informed of progress and developments, and respond to your inquiries. To enable us to effectively render these services,

Engagement Letter – Preston Cove CDD

Re: Legal Services

February 25, 2026

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you agree to cooperate fully with us in all matters relating to the preparation and presentation of your case, to fully and accurately disclose to us all matters relating to the preparation and presentation of your case, all the facts that may be relevant to the matter or that we may otherwise request, and to keep us apprised of developments relating to the matter.

Acceptance of Engagement. We believe the above provisions outline in reasonable detail our agreement as to our representation. This engagement letter contains the entire agreement between you and us regarding the matters set forth herein, the fees, charges and expenses to be paid relative thereto, and shall not be modified except by written agreement signed by you and us. Please review this letter carefully, to be certain that it accurately sets forth our agreement.

If you have any questions regarding the contents, terms, or conditions of our representation, please let me know. Otherwise, if this letter is acceptable to you, please sign and date where indicated, signifying your acknowledgement and acceptance and return it to me via email to [cwaugh@waugh.legal; rwood@waugh.legal]. Upon receipt of the signed letter, we will begin our work on this matter.

We look forward to helping you in this matter and appreciate the opportunity to be of service. If it is an emergency, feel free to text or call me on my cell phone at 352-262-0618 any time of the day or week.

Sincerely,

/s/Christian W. Waugh

Christian W. Waugh

I have read, understand and agree to the foregoing terms and conditions of representation on this 26th day of February, 2026.

Signed: _____


OWAIS KHANANI

for and behalf of PRESTON COVE CDD

SECTION 8

*This item will be provided under
separate cover*

SECTION 9

**PRESTON COVE
COMMUNITY DEVELOPMENT DISTRICT
OSCEOLA COUNTY, FLORIDA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2025**

**PRESTON COVE COMMUNITY DEVELOPMENT DISTRICT
OSCEOLA COUNTY, FLORIDA**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Preston Cove Community Development District
Osceola County, 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 Preston Cove Community Development District, Osceola County, Florida ("District") as of and for the fiscal 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, thereof for the fiscal 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 (GAAS) 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

The District's 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, 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 and budgetary comparison information 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 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 Information Included in the Financial Report

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 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, 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.

March 19, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Preston Cove Community Development District, Osceola County, Florida ("District") provides a narrative overview of the District's financial activities for the fiscal year ended September 30, 2025. Please read it in conjunction with the District's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year resulting in a net position balance of \$465,773
- The change in the District's total net position in comparison with the prior fiscal year was \$377,935, an increase. The key components of the District's net position and change in net position are reflected in the table in the government-wide financial analysis section.
- At September 30, 2025, the District's governmental funds reported combined ending fund balance of \$1,337,219, an increase of \$144,861 in comparison with the prior fiscal year. The total fund balance is restricted for debt service and capital projects, non-spendable for prepaids, and the remainder is unassigned fund balance which is available for spending at the District's discretion.

OVERVIEW OF FINANCIAL STATEMENTS

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

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 the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual amount being reported as net position. Over time, increases or 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 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 the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements include all governmental activities that are principally supported by assessments. The District does not have any business-type activities. The governmental activities of the District include the general government (management) and maintenance functions.

Fund Financial Statements

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

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

Governmental Funds

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

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

The District maintains three governmental funds for external reporting. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund and capital projects fund, all of which are considered major funds.

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

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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Key components of the District's net position are reflected in the following table:

	NET POSITION SEPTEMBER 30,	
	2025	2024
Current and other assets	\$ 1,354,105	\$ 1,234,123
Capital assets, net of depreciation	10,253,988	10,253,988
Total assets	11,608,093	11,488,111
Current liabilities	198,402	226,395
Long-term liabilities	10,943,918	11,173,878
Total liabilities	11,142,320	11,400,273
Net position		
Net investment in capital assets	(636,781)	(894,742)
Restricted	751,731	738,024
Unrestricted	350,823	244,556
Total net position	\$ 465,773	\$ 87,838

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The restricted portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the District's other obligations.

The District's net position increased during the most recent fiscal year. The majority of the increase represents the extent to which ongoing program revenues exceeded the cost of operations.

Key elements of the change in net position are reflected in the following table:

	<u>2025</u>	<u>2024</u>
Revenues:		
Program revenues		
Charges for services	\$ 1,124,822	\$ 1,092,678
Operating grants and contributions	37,159	41,533
Capital grants and contributions	1,491	680
General revenues		
Investment earnings	4,964	-
Total revenues	<u>1,168,436</u>	<u>1,134,891</u>
Expenses:		
General government	94,287	120,270
Maintenance and operations	256,176	56,970
Interest	440,038	447,309
Total expenses	<u>790,501</u>	<u>624,549</u>
Change in net position	<u>377,935</u>	<u>510,342</u>
Net position - beginning	<u>87,838</u>	<u>(422,504)</u>
Net position - ending	<u>\$ 465,773</u>	<u>\$ 87,838</u>

As noted above and in the statement of activities, the cost of all governmental activities during the period ended September 30, 2025 was \$790,501. The costs of the District's activities were funded by program revenues which were comprised of assessments and interest income. In total, expenses increased mainly as a result of more areas of the District being built out.

GENERAL BUDGETING HIGHLIGHTS

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2025.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2025, the District had \$10,253,988 invested in capital assets for its governmental activities. In the government-wide financial statements. No depreciation has been taken, which resulted in a net book value of \$10,253,988. More detailed information about the District's capital assets is presented in the notes of the financial statements.

Capital Debt

At September 30, 2025, the District had \$10,945,000 Bonds outstanding for its governmental activities. More detailed information about the District's capital debt is presented in the notes of the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND OTHER EVENTS

The District expects an increase in general operations in the subsequent year as the District is built out.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, land owners, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact the Preston Cove Community Development District's Finance Department at 219 E. Livingston Street, Orlando, FL 32801.

**PRESTON COVE COMMUNITY DEVELOPMENT DISTRICT
OSCEOLA COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025**

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 47,967
Investments	304,965
Prepaid items	14,777
Restricted assets:	
Investments	986,396
Capital assets:	
Nondepreciable	10,253,988
Total assets	11,608,093
 LIABILITIES	
Accounts payable	16,886
Accrued interest payable	181,516
Non-current liabilities:	
Due within one year	235,000
Due in more than one year	10,708,918
Total liabilities	11,142,320
 NET POSITION	
Net investment in capital assets	(636,781)
Restricted for debt service	751,731
Unrestricted	350,823
Total net position	\$ 465,773

See notes to the financial statements

**PRESTON COVE COMMUNITY DEVELOPMENT DISTRICT
OSCEOLA COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

<u>Functions/Programs</u>	Program Revenues				Net (Expense) Revenue and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Primary government:					
Governmental activities:					
General government	\$ 94,287	\$ -	\$ -	\$ -	\$ (94,287)
Maintenance and operations	256,176	451,766	-	1,491	197,081
Interest on long-term debt	440,038	673,056	37,159	-	270,177
Total governmental activities	790,501	1,124,822	37,159	1,491	\$ 372,971
General revenues:					
					4,964
					4,964
					377,935
					87,838
					\$ 465,773

See notes to the financial statements

**PRESTON COVE COMMUNITY DEVELOPMENT DISTRICT
OSCEOLA COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025**

	Major Funds			Total Governmental Funds
	General	Debt Service	Capital Projects	
ASSETS				
Cash and cash equivalents	\$ 47,967	\$ -	\$ -	\$ 47,967
Investments	304,965	933,247	53,149	1,291,361
Prepaid items	14,777	-	-	14,777
Total assets	<u>\$ 367,709</u>	<u>\$ 933,247</u>	<u>\$ 53,149</u>	<u>\$ 1,354,105</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 16,886	\$ -	\$ -	\$ 16,886
Total liabilities	<u>16,886</u>	<u>-</u>	<u>-</u>	<u>16,886</u>
Fund balances:				
Nonspendable:				
Prepaid items	14,777	-	-	14,777
Restricted for:				
Debt service	-	933,247	-	933,247
Capital projects	-	-	53,149	53,149
Unassigned	336,046	-	-	336,046
Total fund balances	<u>350,823</u>	<u>933,247</u>	<u>53,149</u>	<u>1,337,219</u>
Total liabilities and fund balances	<u>\$ 367,709</u>	<u>\$ 933,247</u>	<u>\$ 53,149</u>	<u>\$ 1,354,105</u>

See notes to the financial statements

**PRESTON COVE COMMUNITY DEVELOPMENT DISTRICT
OSCEOLA COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2025**

Fund balance - governmental funds \$ 1,337,219

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. The statement of net position includes those capital assets, net of any accumulated depreciation, in the net position of the government as a whole.

Cost of capital assets	10,253,988	
Accumulated depreciation	-	10,253,988

Liabilities not due and payable from current available resources are not reported as liabilities in the governmental fund statements. All liabilities, both current and long-term, are reported in the government-wide financial statements.

Accrued interest payable	(181,516)	
Bonds payable	(10,943,918)	(11,125,434)
Net position of governmental activities		\$ 465,773

See notes to the financial statements

**PRESTON COVE COMMUNITY DEVELOPMENT DISTRICT
OSCEOLA COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

	Major Funds			Total Governmental Funds
	General	Debt Service	Capital Projects	
REVENUES				
Special assessments	\$ 451,766	\$ 673,056	\$ -	\$ 1,124,822
Interest earnings	4,964	37,159	1,491	43,614
Total revenues	<u>456,730</u>	<u>710,215</u>	<u>1,491</u>	<u>1,168,436</u>
EXPENDITURES				
Current:				
General government	94,287	-	-	94,287
Maintenance and operations	256,176	-	-	256,176
Debt service:				
Principal	-	230,000	-	230,000
Interest	-	443,112	-	443,112
Total expenditures	<u>350,463</u>	<u>673,112</u>	<u>-</u>	<u>1,023,575</u>
Excess (deficiency) of revenues over (under) expenditures	106,267	37,103	1,491	144,861
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	-	(26,510)	26,510	-
Total other financing sources (uses)	<u>-</u>	<u>(26,510)</u>	<u>26,510</u>	<u>-</u>
Net change in fund balances	106,267	10,593	28,001	144,861
Fund balances - beginning	<u>244,556</u>	<u>922,654</u>	<u>25,148</u>	<u>1,192,358</u>
Fund balances - ending	<u>\$ 350,823</u>	<u>\$ 933,247</u>	<u>\$ 53,149</u>	<u>\$ 1,337,219</u>

See notes to the financial statements

**PRESTON COVE COMMUNITY DEVELOPMENT DISTRICT
OSCEOLA COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

Net change in fund balances - total governmental funds	\$	144,861
Amounts reported for governmental activities in the statement of activities are different because:		
Repayment of long-term liabilities are reported as expenditures in the governmental fund statements, but such repayments reduce liabilities in the statement of net position and are eliminated in the statement of activities.		230,000
The change in accrued interest on long-term liabilities between the current and prior fiscal year is recorded in the statement of activities but not in the governmental fund financial statements.		3,074
		3,074
Change in net position of governmental activities	\$	377,935

See notes to the financial statements

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

NOTE 1 - NATURE OF ORGANIZATION AND REPORTING ENTITY

Preston Cove Community Development District (the "District") was established by the Board of Commissioners of Osceola County's approval of Ordinance No. 2021-54 effective on August 19, 2021 pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes. The Act provides among other things, the power to manage basic services for community development, power to borrow money and issue bonds, and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure.

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

The District is governed by the Board of Supervisors ("Board"), which is composed of five members. The Supervisors are elected on an at large basis by the owners of the property within the District. The Board exercises all powers granted to the District pursuant to Chapter 190, Florida Statutes. As of September 30, 2025, four out of five of the Board members are affiliated with Elevation Development, LLC ("Developer").

The Board has the responsibility for:

1. Allocating and levying assessments.
2. Approving budgets.
3. Exercising control over facilities and properties.
4. Controlling the use of funds generated by the District.
5. Approving the hiring and firing of key personnel.
6. Financing improvements.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-Wide and Fund Financial Statements

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

Assessments

Assessments are non-ad valorem assessments on benefited property within the District. Operating and maintenance assessments are based upon the adopted budget and levied annually at a public hearing of the District. Debt service assessments are levied when Bonds are issued and assessed and collected on an annual basis. The District may collect assessments directly or utilize the uniform method of collection under Florida Statutes. Direct collected assessments are due as determined by annual assessment resolution adopted by the Board of Supervisors. Assessments collected under the uniform method are mailed by the County Tax Collector on November 1 and due on or before March 31 of each year. Property owners may prepay a portion or all of the debt service assessments on their property subject to various provisions in the Bond documents.

Assessments and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. The portion of assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period.

The District reports the following major governmental funds:

General Fund

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

Debt Service Fund

The debt service fund is used to account for the accumulation of resources for the annual payment of principal and interest on long-term debt.

Capital Projects Fund

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

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

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

Assets, Liabilities and Net Position or Equity

Restricted Assets

These assets represent cash and investments set aside pursuant to Bond covenants or other contractual restrictions.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand and demand deposits (interest and non-interest bearing).

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

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

The State Board of Administration's ("SBA") Local Government Surplus Funds Trust Fund ("Florida PRIME") is a "2a-7 like" pool. A "2a-7 like" pool is an external investment pool that is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940, which comprises the rules governing money market funds. Thus, the pool operates essentially as a money market fund. The District has reported its investment in Florida PRIME at amortized cost for financial reporting purposes.

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due.

The District records all interest revenue related to investment activities in the respective funds. Investments are measured at amortized cost or reported at fair value as required by generally accepted accounting principles.

Prepaid Items

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

Capital Assets

Capital assets which include property, plant and equipment, and infrastructure assets (e.g., roads, sidewalks and similar items) are reported in the government activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

No depreciation has been taken in the current fiscal year as the District's infrastructure and other capital assets are under construction.

Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the Bonds. Bonds payable are reported net of applicable premiums or discounts. Bond issuance costs are expensed when incurred.

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes 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.

In addition to liabilities, the statement of financial position will sometimes 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 that time.

Fund Equity/Net Position

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

The District can establish limitations on the use of fund balance as follows:

Committed fund balance – Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Board of Supervisors. Commitments may be changed or lifted only by the Board of Supervisors taking the same formal action (resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

Assigned fund balance – Includes spendable fund balance amounts established by the Board of Supervisors that are intended to be used for specific purposes that are neither considered restricted nor committed. The Board may also assign fund balance as it does when appropriating fund balance to cover differences in estimated revenue and appropriations in the subsequent year's appropriated budget. Assignments are generally temporary and normally the same formal action need not be taken to remove the assignment.

The District first uses committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net position is the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position in the government-wide financial statements are categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents net position related to infrastructure and property, plant and equipment. Restricted net position represents the assets restricted by the District's Bond covenants or other contractual restrictions. Unrestricted net position consists of the net position not meeting the definition of either of the other two components.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other Disclosures

Use of Estimates

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

NOTE 3 - BUDGETARY INFORMATION

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

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

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

NOTE 4 – DEPOSITS AND INVESTMENTS

Deposits

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

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

Investments

The District's investments were held as follows at September 30, 2025:

	<u>Amortized Cost</u>	<u>Credit Risk</u>	<u>Maturities</u>
First American Government Obligation Fd.C.I.D.	\$ 986,396	S&P AAAM	Weighted average of the fund portfolio: 45 days
Surplus Funds Trust Fund (Florida PRIME)	304,965	S&P AAAM	Weighted average of the fund portfolio: 47 days
	<u>\$ 1,291,361</u>		

Credit risk – For investments, credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investment ratings by investment type are included in the preceding summary of investments.

Concentration risk – The District places no limit on the amount the District may invest in any one issuer.

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

However, the Bond Indenture limits the type of investments held using unspent proceeds.

Fair Value Measurement – When applicable, the District measures and records its investments using fair value measurement guidelines established in accordance with GASB Statements. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques.

These guidelines recognize a three-tiered fair value hierarchy, in order of highest priority, as follows:

- *Level 1:* Investments whose values are based on unadjusted quoted prices for identical investments in active markets that the District has the ability to access;
- *Level 2:* Investments whose inputs - other than quoted market prices - are observable either directly or indirectly; and,
- *Level 3:* Investments whose inputs are unobservable.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the entire fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

Money market investments that have a maturity at the time of purchase of one year or less and are held by governments other than external investment pools should be measured at amortized cost. For external investment pools that qualify to be measured at amortized cost, the pool's participants should also measure their investments in that external investment pool at amortized cost for financial reporting purposes. Accordingly, the District's investments have been reported at amortized cost above.

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

External Investment Pool – With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states that “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, the Investment Advisory Council, and the Participant Local Government 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 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, 2025, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100% of their account value.

NOTE 5 – INTERFUND TRANSFERS

Interfund transfers for the fiscal year ended September 30, 2025 were as follows:

Fund	Transfer in	Transfer out
Debt service	\$ -	\$ 26,510
Capital projects	26,510	-
Total	\$ 26,510	\$ 26,510

Transfers are used to move revenues from the fund where collection occurs to the fund where funds have been reallocated for use. In the case of the District, transfers from the debt service fund to the capital projects fund were made in accordance with the Bond Indentures

NOTE 6 – CAPITAL ASSETS

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

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Governmental activities</u>				
Capital assets, not being depreciated				
Infrastructure under construction	\$ 10,253,988	\$ -	\$ -	\$ 10,253,988
Total capital assets, not being depreciated	10,253,988	-	-	10,253,988
 Governmental activities capital assets, net	\$ 10,253,988	\$ -	\$ -	\$ 10,253,988

The infrastructure intended to serve the District has been estimated at a total cost of approximately \$22,920,075. The infrastructure will include roadways, potable water and wastewater systems, stormwater management systems, landscape, irrigation and recreational facilities. A portion of the project costs was expected to be financed with the proceeds from the issuance of Bonds with the remainder to be funded by the Developer and conveyed to the District. In addition, upon completion, certain improvements are to be conveyed to other governmental entities for ownership and maintenance responsibilities.

NOTE 7 - LONG-TERM LIABILITIES

On February 28, 2022, the District issued \$11,610,000 of Special Assessment Revenue Bonds, Series 2022, consisting of \$1,145,000 Term Bonds due on May 1, 2027, \$1,350,000 Term Bonds due on May 1, 2032, \$3,645,000 Term Bonds due on May 1, 2042, and \$5,470,000 Term Bonds due on May 1, 2052 with fixed interest rates ranging from 3.25% to 4.125%. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District. Interest is to be paid semiannually on each May 1 and November 1. Principal on the Bonds is to be paid serially commencing May 1, 2023 through May 1, 2052.

The Series 2022 Bonds are subject to redemption at the option of the District prior to their maturity. The Series 2022 Bonds are subject to optional redemption. The Bonds are subject to extraordinary mandatory redemption prior to their selected maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Bond Indenture.

The Bond Indenture established a debt service reserve requirement as well as other restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. Upon satisfaction of certain conditions, a portion of the original reserve requirements will be released to the Developer for construction costs paid on behalf of the District; this did not occur during the current fiscal year. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements. The District was in compliance with the requirements at September 30, 2025.

Changes in long-term liability activity for the fiscal year ended September 30, 2025 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities</u>					
Series 2022	\$ 11,175,000	\$ -	\$ 230,000	\$ 10,945,000	\$ 235,000
Less: original issue discount	1,122	-	40	1,082	-
Total	<u>\$ 11,173,878</u>	<u>\$ -</u>	<u>\$ 229,960</u>	<u>\$ 10,943,918</u>	<u>\$ 235,000</u>

At September 30, 2025, the scheduled debt service requirements on the long-term debt were as follows:

Year ending September 30:	Governmental Activities		
	Principal	Interest	Total
2026	\$ 235,000	\$ 443,113	\$ 678,113
2027	245,000	435,638	680,638
2028	250,000	428,000	678,000
2029	260,000	420,038	680,038
2030	270,000	411,038	681,038
2031-2035	1,515,000	1,906,388	3,421,388
2036-2040	1,850,000	1,597,388	3,447,388
2041-2045	2,260,000	1,211,025	3,471,025
2046-2050	2,775,000	727,856	3,502,856
2051-2052	1,285,000	157,781	1,442,781
	<u>\$ 10,945,000</u>	<u>\$ 7,738,265</u>	<u>\$ 18,683,265</u>

NOTE 8 - CONCENTRATION

The Developer owns a portion of land within the District; therefore, assessment revenues in the general and debt service funds include the assessments levied on those lots owned by the Developer.

The District's activity is dependent upon the continued involvement of the Developer and major landowners, the loss of which could have a material adverse effect on the District's operations.

NOTE 9 - MANAGEMENT COMPANY

The District has contracted with a management company to perform services which include financial and accounting advisory services. Certain employees of the management company also serve as officers of the District. Under the agreement, the District compensates the management company for management, accounting, financial reporting, computer and other administrative costs.

NOTE 10 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations. There were no settled claims since the inception of the District.

NOTE 11 – CONTINGENCIES AND CLAIMS

Incomplete Infrastructure

Subsequent to fiscal year end, two demand letters were sent on December 16, 2025 to Elevation Preston Cove LLC (the “Developer”) and Hanson, Walter & Associates, Inc. (the “Engineers”) related to incomplete infrastructure in Phases 1 & 2 that was conveyed to the District. Potential claims of the District include alleged: construction defects, disclosure or other liability securities issues related to the use of tax-exempt bonds, and misrepresentations during turnover process from Developer to District, including potential claims against the engineer.

SFWMD Enforcement Notice

A Notice of Violation was sent to the District by the South Florida Water Management District (“SFWMD”) alleging unauthorized works, dewatering, and water quality violations. The issue has since been resolved by the Developer; however, no documentation to that effect has been provided to the District to confirm this.

**PRESTON COVE COMMUNITY DEVELOPMENT DISTRICT
OSCEOLA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

	Budgeted Amounts Original & Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Assessments	\$ 441,297	\$ 451,766	\$ 10,469
Developer Contributions	244,692	-	(244,692)
Interest earnings	-	4,964	4,964
Total revenues	685,989	456,730	(229,259)
EXPENDITURES			
Current:			
General government	134,757	94,287	40,470
Maintenance and operations	551,232	256,176	295,056
Total expenditures	685,989	350,463	335,526
Excess (deficiency) of revenues over (under) expenditures	\$ -	106,267	\$ 106,267
Fund balance - beginning		244,556	
Fund balance - ending		\$ 350,823	

See notes to required supplementary information

**PRESTON COVE COMMUNITY DEVELOPMENT DISTRICT
OSCEOLA COUNTY, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

The District is required to establish a budgetary system and an approved Annual Budget for the general fund. The District's budgeting process is based on estimates of cash receipts and cash expenditures which are approved by the Board. The budget approximates a basis consistent with accounting principles generally accepted in the United States of America (generally accepted accounting principles).

The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2025.

**PRESTON COVE COMMUNITY DEVELOPMENT DISTRICT
OSCEOLA COUNTY, FLORIDA
OTHER INFORMATION – DATA ELEMENTS
REQUIRED BY FL STATUTE 218.39(3)(C)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025
UNAUDITED**

<u>Element</u>	<u>Comments</u>
Number of District employees compensated in the last pay period of the District's fiscal year being reported.	0
Number of independent contractors compensated to whom nonemployee compensation was paid in the last month of the District's fiscal year being reported.	8
Employee compensation	\$0
Independent contractor compensation	\$36,715
Construction projects to begin on or after October 1; (\$65K)	Not applicable
Budget variance report	See the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
Ad Valorem taxes;	Not applicable
Non ad valorem special assessments;	
Special assessment rate	Operations and maintenance - \$237.74 - \$1,322.74 Debt service - \$974.96 - \$1,299.94
Special assessments collected	\$1,124,822
Outstanding Bonds:	see Note 7 for details.



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Preston Cove Community Development District, Osceola County, Florida ("District") as of and for the fiscal 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 opinion thereon dated March 19, 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) to determine the 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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 agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

March 19, 2026



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE
REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY
RULE 10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

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

We have examined Preston Cove Community Development District, Osceola County, Florida's ("District") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2025. Management is responsible for District's compliance with those requirements. Our responsibility is to express an opinion on 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 specified requirements referenced in Section 218.415, Florida Statutes. 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 noncompliance, 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. Our examination does not provide a legal determination on the District's compliance with specified requirements.

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

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

This report 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, management, and the Supervisors of Preston Cove Community Development District, Osceola County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

March 19, 2026



**MANAGEMENT LETTER PURSUANT TO THE RULES OF
THE AUDITOR GENERAL FOR THE STATE OF FLORIDA**

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

Report on the Financial Statements

We have audited the accompanying basic financial statements of Preston Cove Community Development District, Osceola County, Florida ("District") as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated March 19, 2026.

Auditor's Responsibility

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

Other 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 Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 19, 2026, should be considered in conjunction with this management letter.

Purpose of this Letter

The purpose of this letter is to comment on those matters required by Chapter 10.550 of the Rules of the Auditor General for the State of Florida. Accordingly, in connection with our audit of the financial statements of the District, as described in the first paragraph, we report the following:

- I. Current year findings and recommendations.**
- II. Status of prior year findings and recommendations.**
- III. Compliance with the Provisions of the Auditor General of the State of Florida.**

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, as applicable, management, and the Board of Supervisors of Preston Cove Community Development District, Osceola County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank Preston Cove Community Development District, Osceola County, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements, and the courtesies extended to us.

March 19, 2026

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

None

III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Unless otherwise required to be reported in the auditor's report on compliance and internal controls, the management letter shall include, but not be limited to the following:

1. A statement as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2024.

2. Any recommendations to improve the local governmental entity's financial management.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2025.

3. Noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2025.

4. The name or official title and legal authority of the District are disclosed in the notes to the financial statements.
5. The District has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes.
6. We applied financial condition assessment procedures and no deteriorating financial conditions were noted. It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.
7. Management has provided the specific information required by Section 218.39(3)(c) in the Other Information section of the financial statements on page 24.

SECTION 10

SECTION C

SECTION I

Preston Cove Community Development District

Summary of Check Register

February 01, 2026 through February 28, 2026

Fund	Date	Check No.'s	Amount
General Fund			
	2/10/26	222-226	\$ 17,676.00
	2/18/26	227	\$ 150,000.00
	2/25/26	228-232	\$ 17,129.17
Total Amount			\$ 184,805.17

CHECK DATE	VEND#	INVOICE DATE	INVOICE	EXPENSED TO YRMO	DPT	ACCT#	SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
2/10/26	00022	1/28/26	21133	202601	320	53800	47000		JAN LAKE MAINTENANCE AQUATIC WEED MANAGEMENT, INC.	*	950.00	950.00	000222
2/10/26	00023	2/01/26	189589	202602	320	53800	46100		FEB LANDSCAPE MAINTENANCE BLADE RUNNERS COMMERCIAL	*	11,000.00	11,000.00	000223
2/10/26	00027	1/27/26	17040	202601	330	53800	46000		DEC25-JAN26 JANITORIAL CSS CLEAN STAR SERVICES OF CFL INC.	*	1,406.00	1,406.00	000224
2/10/26	00004	1/21/26	5295462	202512	310	51300	31100		ENGINEERING SRVCS - DEC25 HANSON WALTER & ASSOCIATES INC	*	2,970.00	2,970.00	000225
2/10/26	00026	2/01/26	30521	202602	330	53800	48000		FEB26 POOL SERVICE RESORT POOL SERVICES	*	1,350.00	1,350.00	000226
2/18/26	00025	2/18/26	02182026	202602	300	15100	10000		TRANSFER TO SBA STATE BOARD OF ADMINISTRATION	*	150,000.00	150,000.00	000227
2/25/26	00028	1/08/26	1107	202601	330	53800	34500		JAN26 SECURITY	*	120.00		
		2/17/26	1120	202602	330	53800	34500		FEB26 SECURITY CURRENT DEMANDS ELECTRICAL & SECURI	*	120.00	240.00	000228
2/25/26	00006	2/01/26	87	202602	320	53800	34100		FEB26 FIELD MANAGEMENT	*	1,351.92		
		2/01/26	87	202602	330	53800	59200		AMENITY CENTER LOCK BOX	*	65.48		
		2/01/26	87	202602	330	53800	12000		FEB26 AMENITY ACCESS	*	884.08		
		2/01/26	88	202602	310	51300	34000		FEB26 MANAGEMENT FEES	*	3,433.33		
		2/01/26	88	202602	310	51300	35200		FEB26 WEBSITE ADMIN	*	108.17		
		2/01/26	88	202602	310	51300	35100		FEB26 INFO TECH	*	162.25		
		2/01/26	88	202602	310	51300	31300		FEB26 DISSEM AGENT SRVCS	*	450.67		
		2/01/26	88	202602	310	51300	51000		OFFICE SUPPLIES	*	1.47		

CHECK DATE	VEND#	INVOICE DATE	INVOICE	EXPENSED TO YRMO	DPT	ACCT#	SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
2/01/26	88		POSTAGE	202602	310	51300	42000			*	36.41		
GOVERNMENTAL MANAGEMENT SERVICES												6,493.78	000229
2/25/26	00003	2/10/26	150118	202601	310	51300	31500		GENERAL SERVICES JAN26	*	8,908.50		
LATHAM LUNA EDEN & BEAUDINE LLP												8,908.50	000230
2/25/26	00019	2/09/26	2019078	202602	310	51300	49000		2025 TAX ROLL ASSESS	*	346.89		
OSCEOLA COUNTY PROPERTY APPRAISER												346.89	000231
2/25/26	00026	2/17/26	30730	202602	330	53800	48000		POOL RULES SIGN	*	1,140.00		
RESORT POOL SERVICES												1,140.00	000232
TOTAL FOR BANK A											184,805.17		
TOTAL FOR REGISTER											184,805.17		

SECTION II

Preston Cove
Community Development District

Unaudited Financial Reporting
February 28, 2026



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Preston Cove
Community Development District
Combined Balance Sheet
February 28, 2026

	<i>General Fund</i>	<i>Debt Service Fund</i>	<i>Capital Projects Fund</i>	<i>Totals Governmental Funds</i>
Assets:				
Operating Account	\$ 118,446	\$ -	\$ -	\$ 118,446
Due from Developer	\$ -	\$ -	\$ -	\$ -
Due from Debt Service	\$ -	\$ -	\$ -	\$ -
INV - SBA	\$ 409,318			
Assessment Receivable	\$ -	\$ -	\$ -	\$ -
Due from General Fund	\$ -	\$ 1,248	\$ -	\$ 1,248
Prepaid Expense	\$ -	\$ -	\$ -	\$ -
Investments:				
<u>Series</u>				
Reserve	\$ -	\$ 670,238	\$ -	\$ 670,238
Revenue	\$ -	\$ 401,828	\$ -	\$ 401,828
Capitalized Interest	\$ -	\$ 15	\$ -	\$ 15
Sinking Fund	\$ -	\$ -	\$ -	\$ -
Construction	\$ -	\$ -	\$ 63,608	\$ 63,608
Cost of Issuance	\$ -	\$ -	\$ -	\$ -
Total Assets	\$ 527,763	\$ 1,073,329	\$ 63,608	\$ 1,664,700
Liabilities:				
Accounts Payable	\$ 2,645	\$ -	\$ -	\$ 2,645
Due to Debt Service	\$ 1,248	\$ -	\$ -	\$ 1,248
Due to Developer	\$ -	\$ -	\$ -	\$ -
Due to Capital Projects	\$ -	\$ -	\$ -	\$ -
Due to General Fund	\$ -	\$ -	\$ -	\$ -
Developer Advance	\$ -	\$ -	\$ -	\$ -
Total Liabilities	\$ 3,893	\$ -	\$ -	\$ 3,893
Fund Balance:				
Assigned For:				
Debt Service - Series 2022	\$ -	\$ 1,073,329	\$ -	\$ 1,073,329
Restricted For:				
Capital Projects - Series 2022	\$ -	\$ -	\$ 63,608	\$ 63,608
Unassigned	\$ 523,870	\$ -	\$ -	\$ 523,870
Total Fund Balances	\$ 523,870	\$ 1,073,329	\$ 63,608	\$ 1,660,807
Total Liabilities & Fund Balance	\$ 527,763	\$ 1,073,329	\$ 63,608	\$ 1,664,700

Preston Cove

Community Development District

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

For The Period Ending February 28, 2026

	Adopted	Prorated Budget	Actual	
	Budget	Thru 02/28/26	Thru 02/28/26	Variance
Revenues:				
Assessments - On Roll	\$ 388,556	\$ 367,307	\$ 367,307	\$ -
Assessments - Direct	\$ 53,573	\$ 40,121	\$ -	\$ (40,121)
Interest - SBA	\$ -	\$ -	\$ 4,353	\$ 4,353
Developer Contributions	\$ 243,860	\$ -	\$ -	\$ -
Total Revenues	\$ 685,989	\$ 407,427	\$ 371,660	\$ (35,767)
Expenditures:				
<u>General & Administrative:</u>				
Supervisor Fees	\$ 12,000	\$ 5,000	\$ -	\$ 5,000
FICA Expense	\$ 918	\$ 383	\$ -	\$ 383
Engineering	\$ 15,000	\$ 6,250	\$ 3,600	\$ 2,650
Attorney	\$ 25,000	\$ 10,417	\$ 17,241	\$ (6,824)
Annual Audit	\$ 4,300	\$ 4,300	\$ -	\$ 4,300
Assessment Administration	\$ 5,732	\$ 5,732	\$ 5,732	\$ -
Arbitrage	\$ 450	\$ 450	\$ -	\$ 450
Dissemination	\$ 5,408	\$ 2,253	\$ 2,253	\$ (0)
Trustee Fees	\$ 4,500	\$ 1,684	\$ 1,684	\$ -
Management Fees	\$ 41,200	\$ 17,167	\$ 17,167	\$ 0
Information Technology	\$ 1,947	\$ 811	\$ 811	\$ (0)
Website Maintenance	\$ 1,298	\$ 541	\$ 541	\$ (0)
Telephone	\$ 300	\$ 125	\$ -	\$ 125
Postage & Delivery	\$ 800	\$ 333	\$ 74	\$ 259
Insurance	\$ 6,456	\$ 6,456	\$ 6,163	\$ 293
Printing & Binding	\$ 700	\$ 292	\$ -	\$ 292
Legal Advertising	\$ 8,000	\$ 3,333	\$ 476	\$ 2,858
Other Current Charges	\$ 2,200	\$ 917	\$ 609	\$ 308
Office Supplies	\$ 500	\$ 208	\$ 3	\$ 205
Dues, Licenses & Subscriptions	\$ 175	\$ 175	\$ 175	\$ -
Total General & Administrative:	\$ 136,883	\$ 66,826	\$ 56,529	\$ 10,298

Preston Cove

Community Development District

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

For The Period Ending February 28, 2026

	Adopted Budget	Prorated Budget Thru 02/28/26	Actual Thru 02/28/26	Variance
<i>Operation and Maintenance</i>				
Field Expenses				
Field Management	\$ 16,223	\$ 6,760	\$ 6,760	\$ (0)
Landscape Maintenance	\$ 140,000	\$ 58,333	\$ 55,000	\$ 3,333
Landscape Contingency	\$ 16,590	\$ 6,913	\$ 17,222	\$ (10,309)
Lake Maintenance	\$ 13,000	\$ 5,417	\$ 4,750	\$ 667
Streetlights	\$ 93,900	\$ 39,125	\$ 131	\$ 38,994
Electric	\$ 5,000	\$ 2,083	\$ -	\$ 2,083
Water & Sewer	\$ 3,000	\$ 1,250	\$ 2,182	\$ (932)
Sidewalk & Asphalt Maintenance	\$ -	\$ -	\$ -	\$ -
Irrigation Repairs	\$ 6,000	\$ 2,500	\$ 1,329	\$ 1,171
Irrigation - Usage	\$ 30,000	\$ 12,500	\$ 25,257	\$ (12,757)
General Repairs & Maintenance	\$ 20,000	\$ 8,333	\$ -	\$ 8,333
Contingency	\$ 6,273	\$ 2,614	\$ -	\$ 2,614
Subtotal	\$ 349,986	\$ 145,828	\$ 112,631	\$ 33,197
Amenity Expenses				
Staffing	\$ 75,000	\$ 31,250	\$ 4,420	\$ 26,830
Property Insurance	\$ 20,000	\$ 20,000	\$ 6,930	\$ 13,070
Amenity-Electric	\$ 15,000	\$ 6,250	\$ 1,638	\$ 4,612
Amenity-Water	\$ 6,000	\$ 2,500	\$ 853	\$ 1,647
Dues, License, Permits	\$ 500	\$ 208	\$ -	\$ 208
Cable/Internet	\$ 2,400	\$ 1,000	\$ -	\$ 1,000
Pest Control	\$ 720	\$ 300	\$ -	\$ 300
Janitorial Services	\$ 12,000	\$ 5,000	\$ 2,456	\$ 2,544
Security Services	\$ 5,000	\$ 2,083	\$ 6,656	\$ (4,573)
Pool Maintenance	\$ 20,000	\$ 8,333	\$ 8,610	\$ (277)
Amenity Repairs & Maintenance	\$ 15,000	\$ 6,250	\$ -	\$ 6,250
Special Events	\$ 7,500	\$ 3,125	\$ -	\$ 3,125
Holiday Decorations	\$ 10,000	\$ 4,167	\$ -	\$ 4,167
Amenity Contingency	\$ 10,000	\$ 4,167	\$ 3,990	\$ 176
Subtotal	\$ 199,120	\$ 94,633	\$ 35,554	\$ 59,080
Total O&M Expenses:	\$ 549,106	\$ 240,461	\$ 148,185	\$ 92,276
Total Expenditures	\$ 685,989	\$ 307,287	\$ 204,713	\$ 102,574
Excess Revenues (Expenditures)	\$ (0)		\$ 166,947	
Fund Balance - Beginning	\$ -		\$ 356,923	
Fund Balance - Ending	\$ (0)		\$ 523,870	

Preston Cove

Community Development District

Debt Service Fund - Series 2022

Statement of Revenues, Expenditures, and Changes in Fund Balance

For The Period Ending February 28, 2026

	Adopted	Prorated Budget	Actual	
	Budget	Thru 02/28/26	Thru 02/28/26	Variance
Revenues:				
Assessments - On Roll	\$ 381,858	\$ 355,345	\$ 355,345	\$ -
Assessments - Direct	\$ 288,379	\$ -	\$ -	\$ -
Interest	\$ 15,000	\$ 6,250	\$ 12,193	\$ 5,943
Total Revenues	\$ 685,237	\$ 361,595	\$367,537	\$ 5,943
Expenditures:				
Interest Expense 11/1	\$ 217,819	\$ 217,819	\$ 217,819	\$ -
Principal Expense 5/1	\$ 235,000	\$ -	\$ -	\$ -
Interest Expense 5/1	\$ 217,819	\$ -	\$ -	\$ -
Total Expenditures	\$ 670,639	\$ 217,819	\$ 217,819	\$ -
Other Financing Sources:				
Transfer In/(Out)	\$ -	\$ -	\$ (9,637)	\$ (9,637)
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ (9,637)	\$ (9,637)
Excess Revenues (Expenditures)	\$ 14,598		\$ 140,081	
Fund Balance - Beginning	\$ 266,799		\$ 933,247	
Fund Balance - Ending	\$ 281,397		\$ 1,073,329	

Preston Cove
Community Development District
Capital Projects Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
For The Period Ending February 28, 2026

	Adopted Budget	Prorated Budget Thru 02/28/26	Actual Thru 02/28/26	Variance
Revenues:				
Interest	\$ -	\$ -	\$ 822	\$ 822
Total Revenues	\$ -	\$ -	\$ 822	\$ 822
Expenditures:				
Capital Outlay - Construction	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ -	\$ -	\$ -	\$ -
Other Financing Sources:				
Transfer In/(Out)	\$ -	\$ -	\$ 9,637	\$ 9,637
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ 9,637	\$ 9,637
Excess Revenues (Expenditures)	\$ -	\$ -	\$ 10,459	
Fund Balance - Beginning	\$ -		\$ 53,149	
Fund Balance - Ending	\$ -		\$ 63,608	

Preston Cove
Community Development District
Long Term Debt Report

Series 2022, Special Assessment Bonds

Interest Rates:	3.250%, 3.600%, 4.000%, 4.125%
Maturity Date:	5/1/2052
Reserve Fund Definition	50% of Maximum Annual Debt Service
Reserve Fund Requirement	\$670,238
Reserve Fund Balance	\$670,238
Bonds Outstanding - 02/28/22	\$11,610,000
Principal Payment - 5/1/23	(\$215,000)
Principal Payment - 5/1/24	(\$220,000)
Principal Payment - 5/1/25	(\$230,000)
Current Bonds Outstanding	\$10,945,000

Preston Cove
Community Development District
Special Assessment Receipts
Fiscal Year 2026

ON ROLL ASSESSMENTS

Gross Assessments	\$ 413,357.34	\$	406,232.34	\$	819,589.68
Net Assessments	\$ 388,555.90	\$	381,858.40	\$	770,414.30

Date	Distribution	Gross Amount	Discount/Penalty	Commision	Interest	Net Receipts	50%		100%
							General Fund	Debt Service	Total
11/3/25		\$ 5,084.87	\$ -	\$ -	\$ -	\$ 5,084.87	\$ 5,084.87	\$ -	\$ 5,084.87
11/4/25		\$ 27.20	\$ -	\$ -	\$ -	\$ 27.20	\$ 27.20	\$ -	\$ 27.20
11/21/25		\$ 27,141.66	\$ -	\$ -	\$ -	\$ 27,141.66	\$ 13,688.81	\$ 13,452.85	\$ 27,141.66
12/12/25		\$ 643,997.65	\$ -	\$ -	\$ -	\$ 643,997.65	\$ 324,798.08	\$ 319,199.57	\$ 643,997.65
12/22/25		\$ 37,030.61	\$ -	\$ -	\$ -	\$ 37,030.61	\$ 18,676.27	\$ 18,354.34	\$ 37,030.61
1/12/26		\$ 6,232.82	\$ -	\$ -	\$ -	\$ 6,232.82	\$ 3,143.50	\$ 3,089.32	\$ 6,232.82
1/30/26		\$ 617.67	\$ -	\$ -	\$ -	\$ 617.67	\$ 617.67	\$ -	\$ 617.67
2/9/26		\$ 2,518.83	\$ -	\$ -	\$ -	\$ 2,518.83	\$ 1,270.36	\$ 1,248.47	\$ 2,518.83
						\$ -	\$ -	\$ -	\$ -
Total		\$ 722,651.31	\$ -	\$ -	\$ -	\$ 722,651.31	\$ 367,306.76	\$ 355,344.55	\$ 722,651.31

94%	Net Percentage Collected
\$ 47,762.99	Balance Remaining To Collect

DIRECT BILL ASSESSMENTS

Elevation Preston Cove, LLC 2026-01						
Date Received	Due Date	Check Number	Net Assessed	Amount Received	General Fund	2022 Debt Service
	11/1/25		\$ 26,747.00	\$ -	\$ 26,747.00	\$ -
	2/1/26		\$ 13,373.50	\$ -	\$ 13,373.50	\$ -
	3/1/26		\$ 196,097.51	\$ -	\$ -	\$ 196,097.51
	5/1/26		\$ 13,373.50	\$ -	\$ 13,373.50	\$ -
	9/1/26		\$ 92,281.18	\$ -	\$ -	\$ 92,281.18
			\$ 341,872.69	\$ -	\$ 53,494.00	\$ 288,378.69