

Presented By: MBS Capital Markets



MBS CAPITAL MARKETS, LLC

Villages of Westport Community Development District

Duval County, FL

October 23, 2023



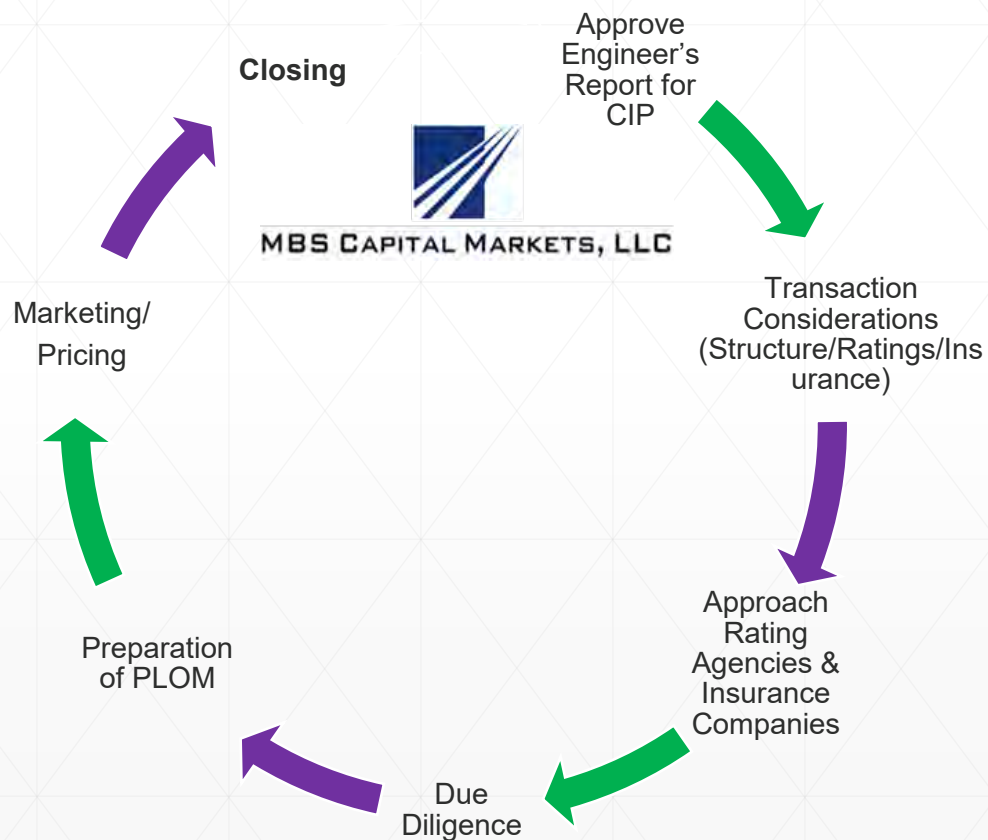
Bonds History Overview

Bonds History Overview

- In 2004 the District validated \$57 million in bonds.
- The District issued \$24,345,000 of the Series 2005A Bonds in February 2005. The Series 2005A Bonds mature on May 1, 2035.
- The Series 2005A Bonds are currently outstanding in the amount of \$6,875,000 with an average coupon of 5.70%.
- The Series 2005A Bonds were issued as non-rated tax-exempt securities due to the concentration of ownership (i.e. one landowner) and the infancy stage of development at the time the Series 2005A Bonds were issued
- The Series 2005A Bonds were callable on May 1, 2013, at par plus accrued interest.



The Financing Cycle





Credit Considerations

In order to obtain an investment grade rating from one of the rating agencies and a commitment from a bond insurer, the rating agencies and insurers will review certain credit statistics including, without limitation, the following:

Current Composition

- Level of vertical build-out
- Assessed value of the land within the assessment area
- Value to lien analysis of each individual land use and product type within the assessment area
- Size of the assessment area

Diversification

- Top ten tax-payers in the assessment area
- Concentration of top ten tax-payers

Collection History

- History of delinquent taxes
- Success of tax certificate process
- Foreclosure, short sale and resale activity



Financing Considerations

- Assessment Levels and Overlapping Debt
- Bonds to be issued with an investment grade rating, thereby lowering the overall assessments on the property

Assessment Area
767 Assessable Units

**Platted and Vertical
Single Family Homes**
540 Assessable Units
Vertically Built-out

**Recently Platted
Single Family**
227 Assessable Units
Vacant Residential



Financing Timeline

Date	Action	Responsibility
Month 1	Board Meeting - Begin Assessment Process	
	• Consideration of Engineer's Report	Engineer
	• Consideration of Assessment Methodology Report	Assessment Consultant
	• Consideration of Resolution Declaring Special Assessments	Board
	• Consideration of Resolution calling for Public Hearing to Impose Special Assessments (30 day mailed notice)	Board
Month 2	Board Meeting - Public Hearing	
	• Public Hearing to Impose Special Assessments	All
	• Consideration of Resolution Equalizing and Improving Special	Board
	• Approve Delegated Award Resolution	
	o Form of Supplemental Trust Indenture	Bond Counsel
	o Form of Bond Purchase Agreement	Underwriter's Counsel
	o Form of Preliminary Official Statement	Underwriter's Counsel
	o Form of Continuing Disclosure Agreement	Underwriter's Counsel
Month 3	• Print and Mail Preliminary Official Document	Underwriter
	• Begin Marketing Efforts	Underwriter
	• Price Bonds	Underwriter
	• Execute BPA	Chair of Board
	Board Meeting - Pre-close on Bonds	All
	Closing on Bonds (pre-close + 2 business days)	Underwriter/Counsel



Disclosures Regarding Underwriter's Role – MSRB Rule G-17

Disclosures Concerning the Underwriter's Role

- i. Municipal Securities Rulemaking Board Rule G-17 requires an underwriter to deal fairly at all times with both municipal issuers and investors;
- ii. The Underwriter's primary role is to purchase securities with a view to distribution in an arm's-length commercial transaction with the District and it has financial and other interests that differ from those of the District;
- iii. Unlike a municipal advisor, the Underwriter does not have a fiduciary duty to the District under the federal securities laws and is, therefore, not required by federal law to act in the best interests of the District without regard to its own financial or other interests;
- iv. The Underwriter has a duty to purchase securities from the District at a fair and reasonable price, but must balance that duty with its duty to sell municipal securities to investors at prices that are fair and reasonable; and
- v. The Underwriter will review the official statement for the District's securities in accordance with, and as part of, its responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of the transaction.

Disclosure Concerning the Underwriter's Compensation

Underwriter's compensation that is contingent on the closing of a transaction or the size of a transaction presents a conflict of interest, because it may cause the Underwriter to recommend a transaction that it is unnecessary or to recommend that the size of the transaction be larger than is necessary.



Disclosures Regarding Underwriter's Role – MSRB Rule G-17

Payments to or from Third Parties. There are no undisclosed payments, values, or credits to be received by the Underwriter in connection with its underwriting of this new issue from parties other than the District, and there are no undisclosed payments to be made by the Underwriter in connection with this new issue to parties other than the District (in either case including payments, values, or credits that relate directly or indirectly to collateral transactions integrally related to the issue being underwritten). In addition, there are no third-party arrangements for the marketing of the District's securities.

Profit-Sharing with Investors. There are no arrangements between the Underwriter and an investor purchasing new issue securities from the Underwriter (including purchases that are contingent upon the delivery by the District to the Underwriter of the securities) according to which profits realized from the resale by such investor of the securities are directly or indirectly split or otherwise shared with the Underwriter.

Credit Default Swaps. There will be no issuance or purchase by the Underwriter of credit default swaps for which the reference is the District for which the Underwriter is serving as underwriter, or an obligation of that District.

Retail Order Periods. For new issues in which there is a retail order period, the Underwriter will honor such agreement to provide the retail order period. No allocation of securities in a manner that is inconsistent with an District's requirements will be made without the District's consent. In addition, when the Underwriter has agreed to underwrite a transaction with a retail order period, it will take reasonable measures to ensure that retail clients are bona fide.

Dealer Payments to District Personnel. Reimbursements, if any, made to personnel of the District will be made in compliance with MSRB Rule G-20, on gifts, gratuities, and non-cash compensation, and Rule G-17, in connection with certain payments made to, and expenses reimbursed for, District personnel during the municipal bond issuance process.

2.



**AGREEMENT FOR UNDERWRITING SERVICES
VILLAGES OF WESTPORT COMMUNITY DEVELOPMENT DISTRICT**

October 23, 2023

Board of Supervisors
Villages of Westport Community Development District

Dear Supervisors:

MBS Capital Markets, LLC (the "Underwriter") offers to enter into this agreement (the "Agreement") with the Villages of Westport Community Development District (the "District") which, upon your acceptance of this offer, will be binding upon the District and the Underwriter. This agreement relates to the proposed issuance of bonds (the "Bonds") for the purpose of refunding the District's outstanding Series 2005A Bonds (the "Prior Bonds"). This Agreement will cover the engagement for the Bonds and will be supplemented for future bond issuances as may be applicable.

1. **Scope of Services:** MBS intends to serve as the underwriter, and not as a financial advisor or municipal advisor, in connection with the issuance of the Bonds. The scope of services to be provided in a non-fiduciary capacity by the Underwriter for this transaction will include those listed below.

- Advice regarding the structure, timing, terms, and other similar matters concerning the particular municipal securities described above.
- Preparation of rating strategies and presentations related to the issue being underwritten.
- Preparations for and assistance with investor "road shows," if any, and investor discussions related to the issue being underwritten.
- Advice regarding retail order periods and institutional marketing if the District decides to engage in a negotiated sale.
- Assistance in the preparation of the Preliminary Official Statement, if any, and the Final Official Statement.
- Assistance with the closing of the issue, including negotiation and discussion with respect to all documents, certificates, and opinions needed for the closing.
- Coordination with respect to obtaining CUSIP numbers and the registration with the Depository Trust Company.
- Preparation of post-sale reports for the issue, if any.
- Structuring of refunding escrow cash flow requirements, but not the recommendation of and brokerage of particular municipal escrow investments.

Member: FINRA/SIPC

Tampa, FL Winter Park, FL Kingston, TN Nashville, TN



MBS CAPITAL MARKETS, LLC

2. **Fees:** The Underwriter will be responsible for its own out-of-pocket expenses other than the fees and disbursements of the underwriter's or disclosure counsel which fees shall be paid from the proceeds of the Bonds. Any fees payable to the Underwriter will be contingent upon the successful sale and delivery or placement of the Bonds. The underwriting fee for the sale or placement of the Bonds will be the greater of \$50,000 or 1.50% of the total par amount of Bonds issued.

The Underwriter shall also bear the cost of obtaining an investment grade rating with the actual cost of the rating to be paid from the proceeds of the Bonds only to the extent Bonds are issued.

3. **Termination:** Both the District and the Underwriter will have the right to terminate this Agreement without cause upon written notice to the non-terminating party.
4. **Purchase Contract:** At or before such time as the District gives its final authorization for the Bonds, the Underwriter and its counsel will deliver to the District a purchase or placement contract (the "Purchase Contract") detailing the terms of the Bonds.
5. **Notice of Meetings:** The District shall provide timely notice to the Underwriter for all regular and special meetings of the District. The District will provide, in writing, to the Underwriter, at least one week prior to any meeting, except in the case of an emergency meeting for which the notice time shall be the same as that required by law for the meeting itself, of matters and items for which it desires the Underwriter's input.
6. **Disclosures Concerning the Underwriter's Role Required by MSRB Rule G-17.** The Municipal Securities Rulemaking Board's Rule G-17 requires underwriters to make certain disclosures to issuers in connection with the issuance of municipal securities. Those disclosures are attached hereto as "Exhibit A." By execution of this Agreement, you are acknowledging receipt of the same. If you or any other Issuer officials have any questions or concerns about these disclosures, please make those questions or concerns known immediately to the undersigned. In addition, you should consult with the Issuer's own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent you deem appropriate. It is our understanding that you have the authority to bind the Issuer by contract with us, and that you are not a party to any conflict of interest relating to the subject transaction. If our understanding is incorrect, please notify the undersigned immediately.



MBS CAPITAL MARKETS, LLC

This Agreement shall be effective upon your acceptance hereof and shall remain effective until such time as the Agreement has been terminated in accordance with Section 3 hereof.

We are required to seek your acknowledgement that you have received the disclosures referenced herein and attached hereto as Exhibit A. By execution of this agreement, you are acknowledging receipt of the same.

Sincerely,
MBS Capital Markets, LLC

Rhonda Mossing

Rhonda Mossing
Managing Partner

Approved and Accepted By:

Title:

Date:



MBS CAPITAL MARKETS, LLC

EXHIBIT A

Disclosures Concerning the Underwriter's Role

- (i) MSRB Rule G-17 requires an underwriter to deal fairly at all times with both municipal issuers and investors.
- (ii) The underwriter's primary role is to purchase the Bonds with a view to distribution in an arm's-length commercial transaction with the Issuer. The underwriters has financial and other interests that differ from those of the District.
- (iii) Unlike a municipal advisor, the underwriter does not have a fiduciary duty to the District under the federal securities laws and are, therefore, is required by federal law to act in the best interests of the District without regard to their own financial or other interests.
- (iv) The underwriter has a duty to purchase the Bonds from the Issuer at a fair and reasonable price but must balance that duty with their duty to sell the Bonds to investors at prices that are fair and reasonable.
- (v) The underwriter will review the official statement for the Bonds in accordance with, and as part of, its respective responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction.

Disclosure Concerning the Underwriter's Compensation

The underwriter will be compensated by a fee and/or an underwriting discount that will be set forth in the bond purchase agreement to be negotiated and entered into in connection with the issuance of the Bonds. Payment or receipt of the underwriting fee or discount will be contingent on the closing of the transaction and the amount of the fee or discount may be based, in whole or in part, on a percentage of the principal amount of the Bonds. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since the underwriter may have an incentive to recommend to the District a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary.

Conflicts of Interest

The Underwriter has not identified any additional potential or actual material conflicts that require disclosure including those listed below.

Payments to or from Third Parties. There are no undisclosed payments, values, or credits to be received by the Underwriter in connection with its underwriting of this new issue from parties other than the District, and there are no undisclosed payments to be made by the Underwriter in connection with this new issue to parties other than the District (in either case including payments, values, or credits that relate



MBS CAPITAL MARKETS, LLC

directly or indirectly to collateral transactions integrally related to the issue being underwritten). In addition, there are no third-party arrangements for the marketing of the District's securities.

Profit-Sharing with Investors. There are no arrangements between the Underwriter and an investor purchasing new issue securities from the Underwriter (including purchases that are contingent upon the delivery by the District to the Underwriter of the securities) according to which profits realized from the resale by such investor of the securities are directly or indirectly split or otherwise shared with the Underwriter.

Credit Default Swaps. There will be no issuance or purchase by the Underwriter of credit default swaps for which the reference is the District for which the Underwriter is serving as underwriter, or an obligation of that District.

Retail Order Periods. For new issues in which there is a retail order period, the Underwriter will honor such agreement to provide the retail order period. No allocation of securities in a manner that is inconsistent with a District's requirements will be made without the District's consent. In addition, when the Underwriter has agreed to underwrite a transaction with a retail order period, it will take reasonable measures to ensure that retail clients are bona fide.

Dealer Payments to District Personnel. Reimbursements, if any, made to personnel of the District will be made in compliance with MSRB Rule G-20, on gifts, gratuities, and non-cash compensation, and Rule G-17, in connection with certain payments made to, and expenses reimbursed for, District personnel during the municipal bond issuance process.

Disclosures Concerning Complex Municipal Securities Financing

Since the Underwriter has not recommended a "complex municipal securities financing" to the Issuer, additional disclosures regarding the financing structure for the Bonds are not required under MSRB Rule G-17.

C.

Villages of Westport

Field Operations Report

Date of report: **October 13th, 2023**

Submitted by: **Tim Harden**

Maintenance projects completed:

- Staff replaced the broken toilet paper holder in the men's restroom at the amenity center.
- On July 27th the Health Department inspected the pool at the Villages of Westport and found that the flowmeter was not functioning properly. Staff purchased and installed a new flowmeter in order to keep the facilities in compliance with state law.
- The manway cover on one of the two sand filters was leaking. Staff hired Commercial Energy Specialists to diagnose the problem. The technician was able to repair the gasket that was split and stop the leak.
- Jax Tree Removal was hired to cut down the tree behind 12367 Cadley Circle that was leaning toward the resident's home. This vendor provided us with the lowest bid at \$850. We also received bids of \$1,250 from Forshee's Tree service and \$1,800 from Michael's Tree Service.
- Staff replaced the bulb that had gone bad in one of the lights around the pool. The new bulb is an LED and it should last longer and be more energy efficient than the old halogen bulb.
- The landscape lighting at the south end of the community was inspected and four blown bulbs were replaced. There are three fixtures that need to be replaced. These will be ordered and installed in the next 30 days.
- Yellowstone proposed irrigation repairs in the amount of \$1,067. These repairs were approved in order to maintain the landscaping within The District.

Open Maintenance projects:

- Staff requested the City of Jacksonville to replace the stop sign at Cadley Circle and Mabley Rd W. The current sign is scratched up and is an eyesore.
- The turn arrows at Braddock Rd are worn away and a request has been logged with the city of Jacksonville to have the markings repainted.
- Staff hired Bob's Backflow to test the backflow preventer at 12060 Braddock which supplies the irrigation system for the Creston and Keniston entrances. This is due for testing every August. The backflow preventer failed and the proposal to replace it is \$1,147.00.
- The lone fountain at the south end of The District has stopped working. Staff determined that this was not an electrical issue. Solitude has been notified of the problem and they will be sending someone out to inspect the equipment and recommend a solution.
- Staff solicited proposals from All Weather Contractors and Lloyd's Construction to build a dumpster corral at the amenity center. As of the writing of this report, we have not received any bids from either contractor.

If you have any comments or questions, feel free to contact me at tharden@vestapropertyservices.com.

FOURTH ORDER OF BUSINESS

**AGREEMENT FOR DISTRICT MANAGEMENT SERVICES
BETWEEN VILLAGES OF WESTPORT COMMUNITY DEVELOPMENT
DISTRICT AND GOVERNMENTAL MANAGEMENT SERVICES, L.L.C.**

Date of Agreement: 19th Day of September, 2023.

Between: Governmental Management Services, L.L.C.
475 West Town Place, Suite 114
St. Augustine, FL 32092

(Hereinafter referred to as "Manager");

And: Villages Of Westport Community Development District
475 West Town Place, Suite 114
St. Augustine, FL 32092

A unit of special purpose local government located in the City of
Jacksonville, Duval County, Florida

(Hereinafter referred to as "District").

**GENERAL MANAGEMENT, ADMINISTRATIVE, AND
ACCOUNTING SERVICES**

This engagement is for the Manager to provide District Management Services for the District. The duties and responsibilities include, but are not limited to the following:

Meetings, Hearings, Workshops, Etc.

- The Manager will organize, conduct, and provide minutes for all meetings of the District. This includes, but is not limited to, scheduling meetings, providing agenda packages and meeting materials in the form requested by the District Board of Supervisors, and publishing Board meeting, public hearing notices, and landowner election notices pursuant to Florida law.
- The Manager will consult with the District Board of Supervisors and its designated representatives, and when necessary, organize such meetings, discussions, project site visits, workshops, and hearings as may pertain to the administration and accomplishment of the various projects and services provided by the District.

Records

- The Manager will maintain "Record of Proceedings" for the District within the boundaries of the local government in which the District is located and include meeting minutes, agreements, resolutions, and other records required by law or contract and provide access to such records as necessary for proper District function or compliance with Florida's public records laws.

District Operations

- The Manager will act as the primary point of contact for District-related matters.
- The Manager will consult with and advise the District on matters related to the operation and maintenance of the District's public infrastructure.
- The Manager will make recommendations and assist in matters relating to solicitation, approval, rejection, amendment renewal and cancellation of contracts for services to the District. In advance of expiration of contracts, the Manager will advise the Board as to need for renewal or additional procurement activities and implement same.
- On or before October 1st of every year, the Manager will prepare an annual inventory of all District owned tangible personal property and equipment in accordance with all applicable rules and standards.
- The Manager will recommend and advise the Board, in consultation with the District Engineer of the appropriate amount and type of insurance and be responsible for procuring all necessary insurance.
- The Manager will ensure compliance with all statutes affecting the District by performing the following tasks (and such other tasks required by law but not specifically identified herein):
 - File name and location of the Registered Agent and Office location annually with Department of Community Affairs and the County.
 - Provide legal description and boundary map as provided by District Engineer to the Supervisor of Elections
 - Provide the regular meeting schedule of the Board to County.
 - File all required financial reports to the Department of Revenue, Auditor General, the County, and other governmental agencies with jurisdiction in compliance with Florida law
 - File request letter to the Supervisor of Election of the County for number of registered voters as of April 15, each year. Report annually the number of registered voters in the District by June 1, of each year.

- Transmit Public Facilities Report and related updates to appropriate agencies.
- Prepare and file annual public depositor report.

Accounting and Reporting

- The Manager will implement an integrated management reporting system compliant with Generally Accepted Accounting Principles (GAAP) for government and fund accounting which will allow the District to represent fairly and with full disclosure the financial position of the District. The District's accounting activities will be overseen by a degreed accountant.
- The Manager will prepare reports as appropriate under applicable law, accounting standards, and bond trust indenture requirements. The Manager will track the District's general fund and bond fund activities and provide monthly and annual financial statements (including budget to actual summary).
- The Manager will administer the processing, review and approval, and timely payment of all invoices and purchase orders.
- The Manager will oversee District's capital and general fund accounts.
- The Manager will recommend and implement investment policies and procedures pursuant to State law, and provide Cash Management services to obtain maximum earnings for District operations through investment of surplus funds to the State Board of Administration.

Audits

- The Manager will provide audit support to auditors for the required Annual Audit, and will ensure completion and submission of audit and Annual Financial Statements to the County, Auditor General, and other appropriate government entities in compliance with Florida law.

Budgeting

- The Manager will prepare and provide a proposed budget for Board approval and submission to County in compliance with state law. The Manager will prepare final budget and backup material for and present the budget at all budget meetings, hearings, and workshops. The Manager will ensure that all budget meetings, hearings, and workshops are properly noticed.
- The Manager will administer the adopted budget and prepare budget amendments on an ongoing basis as necessary.

Capital Program Administration

- The Manager will maintain proper capital fund and project fund accounting procedures and records.
- The Manager will coordinate with District staff to provide for appropriate bid and or proposal/qualification processes for Capital Project Construction.
- The Manager will oversee and implement bond issue related compliance, i.e., coordination of annual arbitrage report, transmittal of annual audit and budget to the trustee, transmittal of annual audit to bond holders and underwriters, annual/quarterly disclosure reporting, etc.
- The Manager will provide dissemination agent services related to required reporting, as referenced in Exhibit A.

Maintenance Contract Administration

- The parties further understand and recognize that the scope and number of contracts to be administered under the District management fees may be limited and/ or multiple fees may be required to the extent extraordinary staff time is required. Any Maintenance Contract Administration shall be by separate agreement between the parties.
- Coordinate activities with onsite District staff for planning, developing, controlling and evaluating field maintenance contracts and programs.
- Develop and oversee the annual maintenance program as identified in the adopted budget of the District, develop policies, purchase requests and help coordinate competitive bidding, when necessary.
- Review and sign purchase orders and service contracts to facilitate District operations. Approve invoices for payment and coordinate with onsite staff for same.
- Develop and implement a capital improvement plan based on the approved District Reserve Study and Board of Supervisors approval of the plan.
- Answer questions and requests from District residents, as applicable.

- Coordinate with City and County officials regarding District issues.
- Coordinate with insurance carriers, District and non-District, for damages to District property.
- Prepare, as required, portions of the District operations budget and monitor budget line-item activity.
- Correspond as required with the District Board of Supervisors and with the public as District representative. Provide the Board of Supervisors status reports in advance of each Board meeting or as required.
- Administrate daily activities and conduct monthly on-site inspections.
- Help develop and enforce District policies and procedures including preventing, resident and non-resident, intrusion and/or damage to District property; ensure restoration is completed if necessary.

FINANCIAL SERVICES

Assessments & Revenue Collection

- The Manager will develop and administer the annual assessment roll for the District. This includes administering the tax roll for the District for assessments collected by the County and administering assessments for Off Tax Roll parcels/lots.
- The Manager will provide payoff information and pre-payment amounts as requested by property owners and collect prepayment of assessments as necessary.
- The Manager will monitor development of the District and perform Assessment True-up Analysis when appropriate.
- The Manager will issue estoppel letters as needed for property transfers.
- The Manager will maintain the District's Lien Book, in which is recorded the details of any District debt and the related debt service assessments. The Lien Book will account for all District debt and show the allocation of debt principal to assessed properties within the District.

Dissemination Agent Services

- Collect financial and other factual and relevant information noted in the duties specifically set in the CDA (“Continuing Disclosure Agreement”), and to distribute such information supplied by the District, including the audited financial statements for the District (collectively, the “Annual Report”), to the Municipal Securities Rulemaking Board (“MSRB”) through Electronic Municipal Market Access system (“EMMA”) and to any state repository established in Florida (the “State Repository”), as required by the CDA.
- Work with the District and Trustee and report any “Significant Events”, disclosed to Manager by the District, all in accordance with CDA.
- Determine, each year prior to the date for providing the Annual Report, the name and address of each National Repository and each State Repository, if any, and to file a report with the District and the Trustee certifying that the Annual Report has been provided to the National Repositories and State Repository, stating the Annual Report was provided and listing all the repositories to which it was provided (when applicable).
- Comply with the terms of the CDA as Dissemination Agent for the duration of this Agreement.

Amenity Management Services

- Onsite staffing levels consisting of seasonal facility / pool attendant employees “(Facility Attendant)” of Contractor to meet the current staffing level requirements.
- Services will be offered between March 1st and September 30th. The hours of operations between Monday and Friday will be from 4 PM to 8 PM. The hours of operations between Saturday and Sunday will be from 2 PM to 8 PM.
- Any additional services in excess of the annual adopted budget will require the Board of Supervisors’ approval.
- Contractor will provide managerial oversight of the Amenity providing on-site or on-call management services as needed both with the seasonal staff as well as to address support needs in the Amenity Center year-round.

FEES AND TERM OF SERVICES

All services will be completed on a timely basis in accordance with the District needs and statutory requirements.

The District agrees to compensate the Manager in accordance with the fee schedule set forth in the attached Exhibit A, Exhibit B, and Exhibit C. Payment shall be made in equal monthly installments at the beginning of each month, or as described on the fee schedules and may be amended annually as evidenced by the budget approved by the Board.

This Agreement shall automatically renew each Fiscal Year of the District, unless otherwise terminated by either party. The District will consider price adjustments each twelve (12) month period to compensate for market conditions and the planned workload of the District to be performed during the next twelve (12) month period. Evidence of price or fee adjustments will be approved by the Board in its adopted or amended Fiscal Year Budget.

DISTRICT RESPONSIBILITIES

The District shall provide for the timely services of its legal counsel, engineer and any other consultants, contractors, or employees, as required, for the Manager to perform the duties outlined in this Contract. Expenses incurred in providing this support shall be the sole responsibility of the District.

TERMINATION OF THIS CONTRACT

This Contract may be terminated as follows:

1. By the District for "good cause," which shall include misfeasance, malfeasance, nonfeasance, or dereliction of duties by the Manager which termination may be immediate; or
2. By the Manager or District, for any reason, upon 60 days written notice.

In the event this Contract is terminated in either manner above stated, the Manager will make all reasonable effort to provide for an orderly transfer of the books and records of the District to the District or its designee.

GENERAL TERMS AND CONDITIONS

1. All invoices are due and payable when received.
2. This Contract shall be interpreted in accordance with and shall be governed by the laws of the State of Florida.
3. In the event that any provision of this contract shall be determined to be

unenforceable or invalid by a court such unenforceability or invalidity shall not affect the remaining provisions of the Contract which shall remain in full force and effect.

4. The rights and obligations of the District as defined by this Contract shall inure to the benefit of and shall be binding upon the successors and assigns of the District. There shall be no assignment of this Contract by the Manager, without the approval of the District.
5. The District acknowledges that the Manager is not a Municipal Advisor or Securities Broker, nor is the Manager registered to provide such services as described in Section 15B of the Securities and Exchange Act of 1934, as amended. Similarly, the District acknowledges that the Manager does not provide the District with financial advisory services or offer investment advice.
6. To the extent allowable under applicable law (and only to the extent of the limitations of liability set forth in Section 768.28, Florida Statutes), except to the extent caused by the negligence, reckless, and/or willful misconduct of the Manager, the District agrees to indemnify, defend, and hold harmless the Manager and its officers, supervisors, staff, and employees from and against any and all liability, claims, actions, suits, demands, assessments or judgments asserted and any and all losses, liabilities, damages, costs, court costs, and expenses, including attorney's fees, that Manager may hereafter incur, become responsible for, or be caused to pay out arising out of or relating to the grossly negligent or intentionally wrongful acts or omissions of the District. The indemnification provided for herein shall not be deemed exclusive of any other rights to which the Manager may be entitled and shall continue after the Manager has ceased to be engaged under this Contract.

The Manager agrees to indemnify, defend, and hold harmless the District and its officers, supervisors, staff, and employees from and against any and all liability, claims, actions, suits, demands, assessments or judgments asserted and any and all losses, liabilities, damages, costs, court costs, and expenses, including attorney's fees, that the Manager may hereafter incur, become responsible for, or be caused to pay out arising out of or relating to the failure to perform under this Contract or at law, or grossly negligent, reckless, and/or intentionally wrongful acts or omissions of the Manager. The indemnification provided for herein shall not be deemed exclusive of any other rights to which the District may be entitled and shall continue after the Manager has ceased to be engaged under this Contract. In addition to any other conditions and/or limitations set forth herein, the District shall be obligated to indemnify Manager only if such indemnification obligation is covered by the District's insurance.

7. Nothing herein shall be construed as a waiver of the District's sovereign

immunity or any waiver of the limitations of liability as provided in Section 768.28 Florida Statutes, or other applicable law. Nothing in this Contract shall inure to the benefit of any third party for the purpose of allowing any claim which would otherwise be barred under the Doctrine of Sovereign Immunity or by operation of law.

8. Any amendment or change to this Contract shall be in writing and executed by all parties.
9. The Manager, on behalf of itself and its subcontractors, hereby warrants compliance with all federal immigration laws and regulations applicable to their employees. The Manager further agrees that the District is a public employer subject to the E-Verify requirements provided in Section 448.095, Florida Statutes, and such provisions of said statute are applicable to this Agreement, including, but not limited to registration with and use of the E-Verify system. The Manager agrees to utilize the E-Verify system to verify work authorization status of all newly hired employees. The Manager shall provide sufficient evidence that it is registered with the E-Verify system before commencement of performance under this Agreement. If the District has a good faith belief that the Manager is in violation of Section 448.09(1), Florida Statutes, or has knowingly hired, recruited, or referred an alien that is not duly authorized to work by the federal immigration laws or the Attorney General of the United States for employment under this Agreement, the District shall terminate this Agreement. The Manager shall require an affidavit from each subcontractor providing that the subcontractor does not employ, contract with, or subcontract with an unauthorized alien. The Manager shall retain a copy of each such affidavit for the term of this Agreement and all renewals thereof. If the District has a good faith belief that a subcontractor of the Manager performing work under this Agreement is in violation of Section 448.09(1), Florida Statutes, or has knowingly hired, recruited, or referred an alien that is not duly authorized to work by the federal immigration laws or the Attorney General of the United States for employment under this Agreement, the District promptly notify the Manager and order the Manager to immediately terminate its subcontract with the subcontractor. The Manager shall be liable for any additional costs incurred by the District as a result of the termination of any contract, including this Agreement, based on Manager's failure to comply with the E-Verify requirements referenced in this subsection.
10. The Manager shall maintain throughout the term of this Agreement the following insurance:
 - Workers' Compensation Insurance in accordance with the laws of the State of Florida.
 - Commercial General Liability Insurance covering the Contractor's legal liability for bodily injuries, with limits of not less than \$1,000,000 combined single limit bodily injury and property damage liability, and covering at least the following hazards:
 - Independent Contractors Coverage for bodily injury and property damage in

- connection with any subcontractors' operation.
- Employer's Liability Coverage with limits of at least \$1,000,000 (one million dollars) per accident or disease.
- Automobile Liability Insurance for bodily injuries in limits of not less than \$1,000,000 combined single limit bodily injury and for property damage, providing coverage for any accident arising out of or resulting from the operation, maintenance, or use by the Contractor of any owned, non-owned, or hired automobiles, trailers, or other equipment required to be licensed.

The District, its staff, consultants, and supervisors shall be named as additional insured. The Contractor shall furnish the District with the Certificate of Insurance evidencing compliance with this requirement. No certificate shall be acceptable to the District unless it provides that any change or termination within the policy periods of the insurance coverage, as certified, shall not be effective within thirty (30) days of prior written notice to the District. Insurance coverage shall be from a reputable insurance carrier, licensed to conduct business in the State of Florida.

If the Contractor fails to have secured and maintained the required insurance, the District has the right but not the obligation to secure such required insurance in which event the Contractor shall pay the cost for that required insurance and shall furnish, upon demand, all information that may be required in connection with the District's obtaining the required insurance.

11. Manager shall, pursuant to and in accordance with Section 119.0701, Florida Statutes, comply with the public records laws of the State of Florida. Failure of the Manager to comply with Section 119.0701, Florida Statutes, may subject the Manager to penalties pursuant to Section 119.10, Florida Statutes. In the event Manager fails to comply with this section or Section 119.0701, Florida Statutes, the District shall be entitled to all remedies at law or in equity. The following statement is required to be included in this Agreement pursuant to Section 119.0701(2), Florida Statutes:

IF THE MANAGER HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE MANAGER'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT/CONTRACT, THE MANAGER MAY CONTACT THE MANAGER CUSTODIAN OF PUBLIC RECORDS FOR THE DISTRICT AT:

GOVERNMENTAL MANAGEMENT SERVICES, L.L.C.
475 WEST TOWN PLACE, SUITE 114
ST. AUGUSTINE, FLORIDA 32092
TELEPHONE: (904) 940-5850
EMAIL: INFO@GMSNF.COM

NOTICES

All notices required in this Agreement shall be sent by certified mail return receipt requested, or express mail with proof of receipt. If sent to the District, notice shall be to:

Villages Of Westport Community Development District
475 West Town Place, Suite 114
St. Augustine, FL 32092
Attn: Chairperson

With a copy to:

Villages Of Westport Community Development District
c/o Kilinski | Van Wyk PLLC
517 East College Avenue
Tallahassee, FL 32301
Attn: Jennifer Kilinski, District Counsel

If notice is sent to Manager, it shall be sent to:

Governmental Management Services, L.L.C.
475 West Town Place, Suite 114
St. Augustine, FL 32092
Attn: Jim Oliver, Managing Partner
JOLIVER@GMSNF.COM

Governmental Management Services, L.L.C.
1001 Bradford Way
Kingston, TN 37763
Attn: Darrin Mossing, President
DMOSSING@GMSTNN.COM

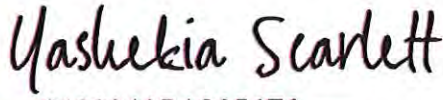
[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

This Contract shall represent the entire agreement between the Manager and the District. Both Manager and District understand and agree with the terms and conditions as set forth herein.

Approved by:

Board of Supervisors Villages Of
Westport Community
Development District

Secretary / Assistant Secretary

DocuSigned by:

By _____
Chairman
210894AB1C054EA...

Governmental Management
Services, L.L.C.



Witness

By 

Jim Oliver, Partner

EXHIBIT A**DISTRICT MANAGEMENT FEE SCHEDULE**

District Management Services	FY '24 GMS Fees
Management, Administrative, Financial & Revenue Collection, and Accounting Services <ul style="list-style-type: none"> • Annual Fee paid in equal monthly payments (plus, reimbursable expenses) • Our Agreement contemplates five (5) meetings per year 	\$38,955
Annual Assessment Administration <ul style="list-style-type: none"> • (Beginning with the first assessment to individual unit owners, direct assessment, or utilizing tax collector) 	\$5,000
Dissemination Agent Services <ul style="list-style-type: none"> • Annual Fee for 1st Bond Issuance • (\$1,000 for each additional series of Bonds) 	\$3,000
Information Technology Fees & Annual Website Maintenance <ul style="list-style-type: none"> • Annual Fee paid in equal monthly payments (Does not include the cost of creation of an ADA- compliant website, if applicable. No overage fees due to the number of pages stored by GMS.) 	\$3,000
Fee Holiday <ul style="list-style-type: none"> • GMS will offer the first two (2) months of Management, Administrative, and Accounting Services without monthly invoicing during Fiscal Year '24 	\$-6,493
Totals	\$ 43,462

EXHIBIT B**MISCELLANEOUS FEES SCHEDULE**

Item	Cost
Agenda Package Hardcopy (if Applicable)	\$2.50 per regular Agenda Mtg.
Copy	\$0.15 / black and white page
Binders, Envelopes, Storage Boxes, and other Office Supplies	Actual Cost
USPS / FedEx / UPS	Actual Cost
Conference Calls	Actual Cost
Offsite Physical Records Storage & Archival	\$50.00 A Month
Additional Service Available:	Cost
Other Services ** <ul style="list-style-type: none"> • New Bond Issuance Cost (per bond issue) • Refinance Bond Issuance Cost (per bond issue) • Debt Service Assessment Methodology Preparation • SERC Preparation & Assistance w/ Petition • Prepaid Estoppel Letter – One Lot • Prepaid Estoppel Letter – Multiple Lots • Prepaid Estoppel Letter – Partial Payoffs • Annual Construction Accounting Fee (while active) • Annual Fee for 1st Bond Issuance (\$1,000 for each additional series of Bonds) 	\$ 25,000 \$ 15,000 \$ 20,000 \$ 5,000 \$ 100 \$ 250 \$ 500 \$ 2,500 \$ 3,000
One-Time Conversion Fee: <ul style="list-style-type: none"> ■ To recreate historical Accounting and Administrative Records Need For The Transition. 	Included
Extended or Extra Board Meetings: <ul style="list-style-type: none"> ■ Our agreement includes five (5) meetings in the management fee. Extra meetings are available at a \$2,000 fee per meeting. Any meeting duration exceeding the noted 3-hour duration may be charged a meeting overage fee. 	\$2,000 / Mtg. \$250.00 / Hour
Facility Maintenance and Repair Services: <ul style="list-style-type: none"> • The Maintenance Technician is an onsite part-time position. Including general handyman services, pressure washing, basic non-licensed electrical repairs, basic non-licensed plumbing repairs, Painting, cleaning, trash removal, etcetera. • The Agreement is based upon \$40.00/Hour excluding the daily charge for mobilization and usage of tools for assignments. We will itemize all reimbursable pass-through expenses. 	\$40.00 / Hour

Miscellaneous Fees are reviewed by GMS annually; itemization of all miscellaneous fees and units consumed are included in the monthly invoice and presented to the Board of Supervisors for their approval as part of the Agenda packages. GMS strives to work with the District to minimize reimbursable expenses by utilizing electronic agendas and similar approaches.

EXHIBIT C**AMENITY MANAGEMENT FEE SCHEDULE**

Property/Amenity Management Services	FY '24 GMS Fees
Seasonal Facility / Pool Attendant: <ul style="list-style-type: none"> The Facility Attendant position is an on-site part-time position Services are offered between March 1st to September 30th <ul style="list-style-type: none"> Monday – Friday from 4 PM to 8 PM Saturday – Sunday from 2 PM to 8 PM Amounts in excess of the annual adopted budget will require the Board of Supervisors' approval. 	980 Hours @ \$30/Hour \$29,400
Annual Amenity Management Services: <ul style="list-style-type: none"> Services include a monthly fee, in equal parts, to provide managerial oversight of the Amenity providing on-site or on-call management services as needed both with the seasonal staff as well as to address support needs in the Amenity Center year-round. 	\$12,000
Janitorial Services: <ul style="list-style-type: none"> The Janitorial Technician is an onsite part-time position The hours and days of service will be scheduled at the direction of the Property/Amenity Manager. Schedule to include three (3) days a week in the summer and two (2) days a week in the winter Excludes Supply expenses 	Not Contracted But Available
Pool Maintenance: <ul style="list-style-type: none"> The Pool Maintenance Technician is an onsite part-time position The hours and days of service will be scheduled at the direction of the Property/Amenity Manager. Schedule to include three (3) days a week in the summer and two (2) days a week in the winter Excludes Pool Chemical expenses 	Not Contracted But Available
Field Operations Management <ul style="list-style-type: none"> Annual Fee paid in equal monthly payments On-Site a minimum of Two (2) times a month doing inspections and/or coordinating with vendors. 	Not Contracted But Available
Additional Services: <ul style="list-style-type: none"> All other requested items not specifically denoted in Exhibits "A", "B", or "C" will be subject to either a flat rate proposal or an hourly rate proposal to the District. GMS will be subcontracting to Riverside Management Services, Inc. for the Services outlined in Exhibit "C." 	
Totals	\$41,400

FIFTH ORDER OF BUSINESS

RESOLUTION 2024-01

**A RESOLUTION DESIGNATING OFFICERS OF THE
VILLAGES OF WESTPORT COMMUNITY DEVELOPMENT
DISTRICT**

WHEREAS, the Board of Supervisors of the Villages of Westport Community Development District at a regular business meeting held on October 23, 2023 desires to elect the below recited persons to the offices specified.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF
SUPERVISORS OF THE VILLAGES OF WESTPORT
COMMUNITY DEVELOPMENT DISTRICT:**

1. The following persons were elected to the offices shown, to wit:

<u>Yashekia Scarlett</u>	Chairman
<u>Samuel Cooper Smith</u>	Vice-Chairman
<u>Howard McGaffney</u>	Secretary
<u>Patti Powers</u>	Treasurer
<u>Howard McGaffney</u>	Assistant Treasurer
<u>James Oliver</u>	Assistant Treasurer
<u>Darrin Mossing</u>	Assistant Treasurer
<u>Daniel Laughlin</u>	Assistant Secretary
<u>James Oliver</u>	Assistant Secretary
<u>Darrin Mossing</u>	Assistant Secretary
<u>Rich Hans</u>	Assistant Secretary
<u>Marilee Giles</u>	Assistant Secretary
<u>Melissa Ritter</u>	Assistant Secretary
<u>Jalonda Shanice Dexter</u>	Assistant Secretary
<u>Alice Sanford</u>	Assistant Secretary

PASSED AND ADOPTED THIS 23RD DAY OF OCTOBER, 2023.

Chairman / Vice Chairman

Secretary / Assistant Secretary

SIXTH ORDER OF BUSINESS

RESOLUTION 2024-02

A RESOLUTION OF THE BOARD OF SUPERVISORS OF VILLAGES OF WESTPORT COMMUNITY DEVELOPMENT DISTRICT DESIGNATING A REGISTERED AGENT AND REGISTERED OFFICE OF THE DISTRICT, AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Villages of Westport Community Development District (the “District”) is a local unit of special-purpose government created and existing pursuant to Chapter 190, *Florida Statutes*; and

WHEREAS, the District is statutorily required to designate a registered agent and a registered office location for the purposes of accepting any process, notice, or demand required or permitted by law to be served upon the District in accordance with Section 189.014(1), *Florida Statutes*.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF VILLAGES OF WESTPORT COMMUNITY DEVELOPMENT DISTRICT:

SECTION 1. Howard McGaffney is hereby designated as the Registered Agent for the Villages of Westport Community Development District.

SECTION 2. The District’s Registered Office shall be located at 475 West Town Place, Suite 114, St. Augustine, Florida 32092.

SECTION 3. In accordance with Section 189.014, *Florida Statutes*, the District’s Secretary is hereby directed to file certified copies of this Resolution with the City of Jacksonville, Duval County and the Florida Department of Economic Opportunity.

SECTION 4. This Resolution shall become effective immediately upon adoption.

PASSED AND ADOPTED this 23rd day of October, 2023.

**ATTEST:
DEVELOPMENT**

**VILLAGES OF WESTPORT COMMUNITY
DISTRICT**

Secretary/Assistant Secretary

Vice Chairman, Board of Supervisors

SEVENTH ORDER OF BUSINESS

RESOLUTION 2024-03

A RESOLUTION BY THE BOARD OF SUPERVISORS OF THE VILLAGES OF WESTPORT COMMUNITY DEVELOPMENT DISTRICT DESIGNATING THE PRIMARY ADMINISTRATIVE OFFICE AND PRINCIPAL HEADQUARTERS OF THE DISTRICT; DESIGNATING THE LOCATION OF THE LOCAL DISTRICT RECORDS OFFICE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Villages of Westport Community Development District (the “District”) is a local unit of special-purpose government created and existing pursuant to Chapter 190, *Florida Statutes*, being situated entirely within the City of Jacksonville and Duval County, Florida; and

WHEREAS, the District desires to designate its primary administrative office as the location where the District’s public records are routinely created, sent, received, maintained, and requested, for the purposes of prominently posting the contact information of the District’s Record’s Custodian in order to provide citizens with the ability to access the District’s records and ensure that the public is informed of the activities of the District in accordance with Chapter 119, *Florida Statutes*; and

WHEREAS, the District also desires to specify the location of the District’s principal headquarters for the purpose of establishing proper venue under the common law home venue privilege applicable to the District; and

WHEREAS, the District is statutorily required to designate a local district records office location for the purposes of affording citizens the ability to access the District’s records, promoting the disclosure of matters undertaken by the District, and ensuring that the public is informed of the activities of the District in accordance with Chapter 119 and Section 190.006(7), *Florida Statutes*.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE VILLAGES OF WESTPORT COMMUNITY DEVELOPMENT DISTRICT:

SECTION 1. The District’s primary administrative office for purposes of Chapter 119, *Florida Statutes*, shall be located at 475 West Town Place, Suite 114, St. Augustine, Florida 32092.

SECTION 2. The District’s principal headquarters for purposes of establishing proper venue shall be located Duval County, Florida.

SECTION 3. The District’s local records office shall be located at 9655 Florida Mining Boulevard, West, Bldg. 300, Suite 305, Jacksonville, Florida 32257.

SECTION 4. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED this 23rd day of October, 2023.

ATTEST:

**VILLAGES OF WESTPORT COMMUNITY
DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

Vice Chairman, Board of Supervisors

EIGHTH ORDER OF BUSINESS

**Villages of Westport
Community Development District**

ANNUAL FINANCIAL REPORT

September 30, 2022

Villages of Westport Community Development District

ANNUAL FINANCIAL REPORT

September 30, 2022

TABLE OF CONTENTS

FINANCIAL SECTION	<u>Page Number</u>
REPORT OF INDEPENDENT AUDITORS	1-3
MANAGEMENT’S DISCUSSION AND ANALYSIS	4-8
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements:	
Balance Sheet – Governmental Funds	11
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	12
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	14
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	15
Notes to Financial Statements	16-27
INDEPENDENT AUDITORS’ REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	28-29
MANAGEMENT LETTER	30-33
INDEPENDENT ACCOUNTANTS’ REPORT/COMPLIANCE WITH SECTION 218.415 FLORIDA STATUTES	34



Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue
Suite 200
Fort Pierce, Florida 34950

772/461-6120 // 461-1155
FAX: 772/468-9278

REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors
Villages of Westport Community Development District
Duval County, Florida

Report on Audit of the Financial Statements

Opinion

We have audited the financial statements of the governmental activities and each major fund of Villages of Westport Community Development District (the "District"), as of and for the year ended September 30, 2022, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Villages of Westport Community Development District as of September 30, 2022, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Fort Pierce / Stuart



To the Board of Supervisors
Villages of Westport Community Development District

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Exercise professional judgement 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 judgement, 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.



To the Board of Supervisors
Villages of Westport Community Development District

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis 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 obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated August 31, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts.

The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Villages of Westport Community Development District's internal control over financial reporting and compliance.

*Berger Toombs Elam
Gaines & Frank*

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

August 31, 2023

**Villages of Westport Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2022**

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

**Villages of Westport Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2022**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

Financial Highlights

The following are the highlights of financial activity for the year ended September 30, 2022.

- ◆ The District's assets were exceeded by liabilities by \$(520,127) (net position).
- ◆ Governmental activities revenues totaled \$1,108,306, while governmental activities expenses totaled \$996,173.

**Villages of Westport Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2022**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District

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

Net Position

	Governmental Activities	
	2022	2021
Current assets	\$ 263,119	\$ 303,331
Restricted assets	1,334,992	1,322,010
Capital assets	5,352,427	5,588,521
Total Assets	<u>6,950,538</u>	<u>7,213,862</u>
Current liabilities	595,665	581,122
Non-current liabilities	6,875,000	7,265,000
Total Liabilities	<u>7,470,665</u>	<u>7,846,122</u>
Net Position		
Net investment in capital assets	(974,261)	(1,552,039)
Restricted net position	325,116	749,428
Unrestricted	<u>129,018</u>	<u>170,351</u>
Total Net Position	<u>\$ (520,127)</u>	<u>\$ (632,260)</u>

The decrease in current assets is related to expenditures exceeding revenues at the fund level in the current year.

The decrease in capital assets is related to depreciation in the current year.

The decrease in non-current liabilities is related to the principal payment made in the current year.

**Villages of Westport Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2022**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District (Continued)

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

Change In Net Position

	Governmental Activities	
	<u>2022</u>	<u>2021</u>
Program Revenues		
Charges for services	\$ 1,095,659	\$ 3,666,640
General Revenues		
Miscellaneous revenues	1,085	-
Investment income	11,562	2,230
Total Revenues	<u>1,108,306</u>	<u>3,668,870</u>
Expenses		
General government	104,353	80,803
Physical environment	278,867	428,596
Culture/recreation	141,189	-
Transportation	45,523	-
Interest and other charges	426,241	529,886
Total Expenses	<u>996,173</u>	<u>1,039,285</u>
Change in Net Position	112,133	2,629,585
Net Position - Beginning of Year	<u>(632,260)</u>	<u>(3,261,845)</u>
Net Position - End of Year	<u><u>\$ (520,127)</u></u>	<u><u>\$ (632,260)</u></u>

The decrease in charges for services is related to the decrease in debt service special assessments in the current year.

The decrease in interest and other charges is related to the reduction in bonds outstanding.

**Villages of Westport Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2022**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Capital Assets Activity

The following schedule provides a summary of the District's capital assets as of September 30, 2022 and 2021.

	Governmental Activities	
	2022	2021
Land and improvements	\$ 2,020,928	\$ 2,020,928
Buildings and improvements	2,823,789	2,823,789
Infrastructure	2,144,996	2,144,996
Accumulated depreciation	(1,637,286)	(1,401,192)
Total Capital Assets, net	<u>\$ 5,352,427</u>	<u>\$ 5,588,521</u>

During the year, depreciation was \$236,094.

General Fund Budgetary Highlights

Actual expenditures were less than the final budget because there were lower field management and pool maintenance expenditures than anticipated.

The September 30, 2022 budget was amended for legal, pool maintenance and engineering expenditures that were higher than originally anticipated.

Debt Management

Governmental Activities debt includes the following:

In February 2005, the District issued \$16,950,000 Series 2005A Capital Improvement Revenue Bonds. These bonds were issued to finance a portion of the cost of acquisition and construction of the 2005A Project. As of September 30, 2022, the balance outstanding was \$7,265,000.

Economic Factors and Next Year's Budget

Villages of Westport Community Development District does not expect any economic factors to have any significant effect on the financial position or results of operations of the District in fiscal year 2023.

Request for Information

The financial report is designed to provide a general overview of Villages of Westport Community Development District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Villages of Westport Community Development District, PFM Group Consulting, LLC, 3501 Quadrangle Boulevard, Suite 270, Orlando, Florida 32817.

Villages of Wesport Community Development District
STATEMENT OF NET POSITION
September 30, 2022

	Governmental Activities
Assets	
Current Assets	
Cash	\$ 144,564
Investments	5,085
Assessments receivable	98,071
Interest receivable	2,909
Prepaid expenses	12,490
Total Current Assets	<u>263,119</u>
Non-Current Assets	
Restricted	
Investments	1,334,992
Capital assets, not being depreciated	
Land and improvements	2,020,928
Capital assets, being depreciated	
Buildings and improvements	2,823,789
Infrastructure	2,144,996
Accumulated depreciation	<u>(1,637,286)</u>
Total Non-Current Assets	<u>6,687,419</u>
Total Assets	<u>6,950,538</u>
Liabilities	
Current Liabilities	
Accounts payable and accrued expenses	33,121
Bonds payable	390,000
Accrued interest	172,544
Total Current Liabilities	<u>595,665</u>
Non-Current Liabilities	
Bonds payable	<u>6,875,000</u>
Total Liabilities	<u>7,470,665</u>
Net Position	
Net investment in capital assets	(974,261)
Restricted for debt service	264,859
Restricted for capital project	60,257
Unrestricted net position	129,018
Total Net Position	<u>\$ (520,127)</u>

See accompanying notes to financial statements.

Villages of Westport Community Development District
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2022

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expenses) Revenues and Changes in Net Position Governmental Activities
Governmental Activities			
General government	\$ (104,353)	\$ 91,066	\$ (13,287)
Physical environment	(278,867)	200,266	(78,601)
Culture/recreation	(141,189)	-	(141,189)
Transportation	(45,523)	-	(45,523)
Interest and other charges	(426,241)	804,327	378,086
Total Governmental Activities	<u>\$ (996,173)</u>	<u>\$ 1,095,659</u>	<u>99,486</u>
General Revenues			
			1,085
Miscellaneous revenues			11,562
Investment income			<u>12,647</u>
Total General Revenues			
Changes in Net Position			112,133
Net Position - October 1, 2021			<u>(632,260)</u>
Net Position - September 30, 2022			<u>\$ (520,127)</u>

See accompanying notes to financial statements.

Villages of Westport Community Development District
BALANCE SHEET –
GOVERNMENTAL FUNDS
September 30, 2022

	General	Debt Service	Capital Projects	Total Govrnmental Funds
Assets				
Cash and cash equivalents	\$ 144,564	\$ -	\$ -	\$ 144,564
Investments	5,085	-	-	5,085
Assessments receivable	-	98,071	-	98,071
Interest receivable	-	1,804	1,105	2,909
Prepaid expenses	12,490	-	-	12,490
Restricted Assets				
Investments	-	839,728	495,264	1,334,992
Total Assets	<u>\$ 162,139</u>	<u>\$ 939,603</u>	<u>\$ 496,369</u>	<u>\$ 1,598,111</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable and accrued expenses	<u>\$ 33,121</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,121</u>
Fund Balances				
Nonspendable - prepaid expenses	12,490	-	-	12,490
Restricted:				
Debt service	-	939,603	-	939,603
Capital projects	-	-	496,369	496,369
Unassigned	116,528	-	-	116,528
Total Fund Balances	<u>129,018</u>	<u>939,603</u>	<u>496,369</u>	<u>1,564,990</u>
 Total Liabilities and Fund Balances	 <u>\$ 162,139</u>	 <u>\$ 939,603</u>	 <u>\$ 496,369</u>	 <u>\$ 1,598,111</u>

See accompanying notes to financial statements.

Villages of Westport Community Development District
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2022

Total Governmental Fund Balances	\$ 1,564,990
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets, land and improvements, \$2,020,928, buildings and improvements, \$2,823,789, and infrastructure, \$2,144,996, net of accumulated depreciation, \$(1,637,286), used in governmental activities are not current financial resources, and therefore, are not reported at the fund level.	5,352,427
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported at the fund level.	(7,265,000)
Accrued interest for long-term debt is not a current financial use and therefore, is not reported at the fund level.	<u>(172,544)</u>
Net Position of Governmental Activities	<u><u>\$ (520,127)</u></u>

See accompanying notes to financial statements.

Villages of Westport Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
For the Year Ended September 30, 2022

	General	Debt Service	Capital Projects	Total Governmental Funds
Revenues				
Special assessments	\$ 291,332	\$ 804,327	\$ -	\$ 1,095,659
Miscellaneous revenues	1,085	-	-	1,085
Investment income	88	7,257	4,217	11,562
Total Revenues	<u>292,505</u>	<u>811,584</u>	<u>4,217</u>	<u>1,108,306</u>
Expenditures				
Current				
General government	104,353	-	-	104,353
Physical environment	229,485	-	-	229,485
Debt Service				
Principal	-	365,000	-	365,000
Interest	-	434,910	-	434,910
Total Expenditures	<u>333,838</u>	<u>799,910</u>	<u>-</u>	<u>1,133,748</u>
Excess of revenues over/(under) expenditures	<u>(41,333)</u>	<u>11,674</u>	<u>4,217</u>	<u>(25,442)</u>
Other Financing Sources/(Uses)				
Transfers in	-	-	2,712	2,712
Transfers out	-	(2,712)	-	(2,712)
Total Other Financing Sources/(Uses)	<u>-</u>	<u>(2,712)</u>	<u>2,712</u>	<u>-</u>
Net Change in Fund Balances	(41,333)	8,962	6,929	(25,442)
Fund Balances - October 1, 2021	<u>170,351</u>	<u>930,641</u>	<u>489,440</u>	<u>1,590,432</u>
Fund Balances - September 30, 2022	<u>\$ 129,018</u>	<u>\$ 939,603</u>	<u>\$ 496,369</u>	<u>\$ 1,564,990</u>

See accompanying notes to financial statements.

Villages of Westport Community Development District
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2022

Net Change in Fund Balances - Total Governmental Funds	\$ (25,442)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation. This is the amount of depreciation in the current period.	(236,094)
The payment of bond principal is recognized as an expenditure at the fund level, however, the payment reduces liabilities at the government-wide level.	365,000
In the Statement of Activities, interest is accrued on outstanding bonds; whereas in governmental funds, interest expenditures are reported when due. This is the net amount between the prior year and current year accruals.	<u>8,669</u>
Change in Net Position of Governmental Activities	<u><u>\$ 112,133</u></u>

See accompanying notes to financial statements.

Villages of Westport Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND
For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Special assessments	\$ 290,425	\$ 290,425	\$ 291,332	\$ 907
Miscellaneous revenues	-	-	1,085	1,085
Investment income	-	-	88	88
Total Revenues	<u>290,425</u>	<u>290,425</u>	<u>292,505</u>	<u>2,080</u>
Expenditures				
Current				
General government	84,595	102,980	104,353	(1,373)
Physical environment	<u>245,830</u>	<u>245,400</u>	<u>229,485</u>	<u>15,915</u>
Total Expenditures	<u>330,425</u>	<u>348,380</u>	<u>333,838</u>	<u>14,542</u>
Net Change in Fund Balances	(40,000)	(57,955)	(41,333)	16,622
Fund Balances - October 1, 2021	<u>40,000</u>	<u>57,955</u>	<u>170,351</u>	<u>112,396</u>
Fund Balances - September 30, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 129,018</u>	<u>\$ 129,018</u>

See accompanying notes to financial statements.

Villages of Westport Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Reporting Entity

The District was established on June 14, 2004, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), and Rules 42QQ-1.001, et seq., Florida Administrative Code, adopted by the Florida Land & Water Adjudicatory Commission ("FLWAC") as a Community Development District. FLWAC Amended rule 42QQ-1.002 amended the boundaries of the District effective July 13, 2021, contracting 1058.56 acres and adding 3.63 acres. The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of the infrastructure necessary for community development within its jurisdiction. The District is authorized to issue bonds for the purpose, among others, of financing, funding, planning, establishing, acquiring, constructing district roads, landscaping, and other basic infrastructure projects within or outside the boundaries of the Villages of Westport Community Development District. The District is governed by a five member Board of Supervisors, elected on an at large basis by qualified electors within the District. The District operates within the criteria established by Chapter 190, Florida Statutes.

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

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

2. Measurement Focus and Basis of Accounting

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

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

Villages of Westport Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

a. Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Government-wide financial statements report all non-fiduciary information about the reporting government as a whole. These statements include all the governmental activities of the primary government. The effect of interfund activity has been removed from these statements.

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

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

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

b. Fund Financial Statements

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

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

Villages of Westport Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds

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

The District has various policies governing the fund balance classifications.

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

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

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

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

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

Villages of Westport Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collected within the current period or soon thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

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

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

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

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

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

Debt service expenditures are recorded only when payment is due.

3. Basis of Presentation

a. Governmental Major Funds

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

Villages of Westport Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Basis of Presentation (Continued)

a. Governmental Major Funds (Continued)

Debt Service Fund – Accounts for debt service requirements to retire the capital improvement bonds which were used to finance the construction of District infrastructure improvements.

Capital Projects Fund – Accounts for financial resources to be used in the acquisition and construction of infrastructure improvements within the boundaries of the District.

b. Non-current Governmental Assets/Liabilities

GASB Statement 34 requires that non-current governmental assets, such as land and improvements, and non-current governmental liabilities, such as general obligation bonds and due to developer be reported in the governmental activities column in the government-wide Statement of Net Position.

4. Assets, Liabilities, and Net Position or Equity

a. Cash and Investments

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

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

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

Villages of Westport Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

a. Cash and Investments (Continued)

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

b. Budgets

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

c. Capital Assets

Capital assets, which include land and improvements, buildings and improvements, and infrastructure are reported in the governmental activities column.

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

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

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

Depreciation of capital assets is computed and recorded by utilizing the straight-line method.

Depreciation of capital assets is computed and recorded by utilizing the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows:

Roadways and other	20 years
Storm water system	25 years
Amenity facilities	20 years

Villages of Westport Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

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

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

“Total fund balances” of the District’s governmental funds, \$1,564,990, differs from “Net Position” of governmental activities, \$(520,127), reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the current financial resources focus of the governmental fund balance sheet. The effect of the differences is illustrated below.

Capital related items

When capital assets (land, buildings and improvements and infrastructure that are to be used in governmental activities) are purchased or constructed, the cost of those assets is reported as expenditures in governmental funds. However, the Statement of Net Position included those capital assets among the assets of the District as a whole.

Land and improvements	\$ 2,020,928
Buildings and improvements	2,823,789
Infrastructure	2,144,996
Less: accumulated depreciation	<u>(1,637,286)</u>
Total	<u>\$ 5,352,427</u>

Long-term debt transactions

Governmental Activities long-term liabilities are not due and payable in the current period and are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the Statement of Net Position. Balances at September 30, 2022 were:

Bonds payable	<u>\$ (7,265,000)</u>
---------------	-----------------------

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

Accrued interest	<u>\$ (172,544)</u>
------------------	---------------------

Villages of Westport Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

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

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

The “net change in fund balances” for government funds, \$(25,442), differs from the “change in net position” for governmental activities, \$112,133, reported in the Statement of Activities. The differences arise primarily from the long-term economic focus of the Statement of Activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated as follows.

Capital related items

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the Statement of Activities, the costs of those assets are capitalized and the cost is allocated over their estimated useful lives as depreciation. This is the current year depreciation.

Depreciation	\$ <u>(236,094)</u>
--------------	---------------------

Long-term debt transactions

Payments made on long-term debt are recognized as expenditures at the fund level and decrease long-term debt at the government-wide level.

Principal payments	\$ <u>365,000</u>
--------------------	-------------------

Accrued interest

Interest is reported at the fund level when paid, however at the government-wide level interest is reported as incurred. This is the change in accrued interest in the current year.

Accrued interest	\$ <u>8,669</u>
------------------	-----------------

NOTE C – CASH AND INVESTMENTS

All deposits are held in qualified public depositories and are included on the accompanying balance sheet as cash and investments. The District did not have investment balances.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk, however, they follow the provisions of Chapter 280, Florida Statutes regarding deposits and investments. As of September 30, 2022, the District's bank balance was \$177,220 and the carrying value was \$144,564. Exposure to custodial credit risk was as follows. The District maintains all deposits in a qualified public depository in accordance with the provisions of Chapter 280, Florida Statutes, which means that all deposits are fully insured by Federal Depositors Insurance or collateralized under Chapter 280, Florida Statutes.

Villages of Westport Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE C – CASH AND INVESTMENTS (CONTINUED)

Investments

As of September 30, 2022, the District had the following investments and maturities:

<u>Description</u>	<u>Maturities</u>	<u>Fair Value</u>
Florida PRIME	21 days*	<u>\$ 1,340,077</u>

*Weighted Average Maturity

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

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

Based on the criteria in the preceding paragraph, the investment listed above is not subject to the fair value hierarchy.

The District's investment policy allows management to invest funds in investments permitted under Section 218.415, Florida Statutes. The investment in Florida PRIME is measured at amortized cost. Florida PRIME has established policies and guidelines regarding participant transactions and the authority to limit or restrict withdrawals or impose a penalty for an early withdrawal. As of September 30, 2022, there were no redemption fees, maximum transaction amounts, or any other requirement that would limit daily access to 100 percent of the account value.

Villages of Westport Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE C – CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk

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

Credit Risk

The District's investments are limited by state statutory requirements and bond compliance. The District has no investment policy that would further limit its investment choices. As of September 30, 2022, the District's investment in Florida PRIME was rated AAAM by Standard & Poor's.

Concentration of Credit Risk

The District places no limit on the amount it may invest in any one fund. The investments in Florida PRIME is 100% of the District's total investments.

The types of deposits and investments and their level of risk exposure as of September 30, 2022 were typical of these items during the fiscal year then ended. The District considers any decline in fair value for certain investments to be temporary.

NOTE D – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2022 was as follows:

	Balance October 1, 2021	Additions	Deletions	Balance September 30, 2022
<u>Governmental activities:</u>				
Capital assets				
Land and improvements	\$ 2,020,928	\$ -	\$ -	\$ 2,020,928
Buildings and improvements	2,823,789	-	-	2,823,789
Infrastructure	2,144,996	-	-	2,144,996
Accumulated depreciation	(1,401,192)	(236,094)	-	(1,637,286)
Total Capital Assets, net	<u>\$ 5,588,521</u>	<u>\$ (236,094)</u>	<u>\$ -</u>	<u>\$ 5,352,427</u>

Depreciation was charged to physical environment, \$49,382, transportation, \$45,523, and culture/recreation, \$141,189.

Villages of Westport Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE E – LONG-TERM DEBT

The following is a summary of debt activity for the District for the period ended September 30, 2022:

Bonds payable at October 1, 2021	\$ 7,630,000
Principal payments	<u>(365,000)</u>
Bonds payable at September 30, 2022	<u>\$ 7,265,000</u>

District debt is comprised of the following at September 30, 2022:

Capital Improvement Revenue Bonds

\$16,950,000 Series 2005A Capital Improvement Revenue Bonds maturing on May 1, 2035, at an interest rate of 5.7%, payable May 1 and November 1. Current portion is \$390,000 \$ 7,265,000

The annual requirements to amortize the principal and interest of bonded debt outstanding as of September 30, 2022 are as follows:

Year Ending September 30,	Principal	Interest	Total
2023	\$ 390,000	\$ 414,105	\$ 804,105
2024	410,000	391,875	801,875
2025	435,000	368,505	803,505
2026	460,000	343,710	803,710
2027	490,000	317,490	807,490
2028-2032	2,900,000	1,136,295	4,036,295
2033-2035	2,180,000	253,365	2,433,365
Totals	<u>\$ 7,265,000</u>	<u>\$ 3,225,345</u>	<u>\$ 10,490,345</u>

The Series 2005A Bonds are subject to redemption at the option of the District prior to their maturity, in whole or in part, at any time after May 1, 2013, at a price equal to the par amount of the Series 2005A Bonds thereof, together with accrued interest to the date of redemption. The Series 2005A Bonds are subject to mandatory redemption prior to maturity in the manner outlined in the Trust Indenture.

The Trust Indenture established certain amounts be maintained in a reserve account. In addition, the Trust Indenture has certain restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements.

Villages of Westport Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE E – LONG-TERM DEBT (CONTINUED)

Summary of Significant Bonds Resolution Terms and Covenants

Depository Funds

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

Reserve Funds – The Series 2005A Reserve Account was funded from the proceeds of the Series 2005A Bonds in an amount equal to the maximum annual debt service required for Series 2005A Bonds at the date of issue until the Reserve Account Release Conditions have been satisfied as established in the Trust Indenture. Once the Release Conditions have been satisfied as established in the Trust Indenture the Reserve Account shall be reduced to an amount equal to the 2005A Reserve Account Percentage (6.9126%) times the deemed outstanding principal amount of the Series 2005A Bonds, as of the time of any such calculation. Monies held in the reserve accounts will be used only for the purposes established in the Trust Indenture.

The following is a schedule of required reserve balances as of September 30, 2022:

	Reserve Balance	Reserve Requirement
Capital Improvement Revenue Bonds, Series 2005A	\$ 528,023	\$ 502,200

NOTE F – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The District has not filed any claims under this commercial coverage.

NOTE G – ECONOMIC DEPENDENCY

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, the loss of which could have a material adverse effect on the District's operations.



Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue
Suite 200
Fort Pierce, Florida 34950

772/461-6120 // 461-1155
FAX: 772/468-9278

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Supervisors
Villages of Westport Community Development District
Duval 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, as listed in the table of contents, of Villages of Westport Community Development District, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the basic financial statements and have issued our report thereon dated August 31, 2023.

Report on Internal Control Over Financial Reporting

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

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

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



To the Board of Supervisors
Villages of Westport Community Development District

Report on Compliance and Other Matters

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

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

August 31, 2023



Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue
Suite 200
Fort Pierce, Florida 34950

772/461-6120 // 461-1155
FAX: 772/468-9278

MANAGEMENT LETTER

To the Board of Supervisors
Villages of Westport Community Development District
Duval County, Florida

Report on the Financial Statements

We have audited the financial statements of the Villages of Westport Community Development District as of and for the year ended September 30, 2022, and have issued our report thereon dated August 31, 2023.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States; 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 Financial Statements Performed in Accordance with *Government Auditing Standards* and our Independent Auditor's Report on an examination conducted in accordance with *AICPA Professionals 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 August 31, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Financial Condition and Management

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



To the Board of Supervisors
Villages of Westport Community Development District

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for Villages of Westport Community Development District. It is management's responsibility to monitor the Villages of Westport Community Development District's financial condition; our financial condition assessment was based in part on the representations made by management and the review of the financial information provided by the same as of September 30, 2022.

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

Specific Information

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

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Villages of Westport Community Development District reported:

- 1) The total number of district employees compensated in the last pay period of the District's fiscal year: 0
- 2) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year: 10
- 3) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: \$0
- 4) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: \$160,317
- 5) Each construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1, 2021, together with the total expenditures for such project. \$0
- 6) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes: The budget was amended, see below.

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

- 1) The rate or rates of non-ad valorem special assessments imposed by the District: General Fund, \$409.35, Debt Service Fund, \$1,165.42.
- 2) The amount of special assessments collected by or on behalf of the District: Total special assessments collected was \$1,095,659.
- 3) The total amount of outstanding bonds issued by the District and the terms of such bonds. Series 2005A Bonds, \$7,265,000 maturing in May 2035.

To the Board of Supervisors
Villages of Westport Community Development District

	Original Budget	Actual	Variance with Original Budget Positive (Negative)
Revenues			
Special assessments	\$ 290,425	\$ 291,332	\$ 907
Miscellaneous revenues	-	1,085	1,085
Investment income	-	88	88
Total Revenues	<u>290,425</u>	<u>292,505</u>	<u>2,080</u>
Expenditures			
Current			
General government	84,595	104,353	(19,758)
Physical environment	<u>245,830</u>	<u>229,485</u>	<u>16,345</u>
Total Expenditures	<u>330,425</u>	<u>333,838</u>	<u>(3,413)</u>
Net changes in fund balance	<u>(40,000)</u>	<u>(41,333)</u>	<u>(1,333)</u>
Fund Balances - Beginning of year	<u>40,000</u>	<u>170,351</u>	<u>130,351</u>
Fund Balances - End of year	<u>\$ -</u>	<u>\$ 129,018</u>	<u>\$ 129,018</u>

Additional Matters

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



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

To the Board of Supervisors
Villages of Westport Community Development District

Purpose of this Letter

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

*Berger Toombs Elam
Gaines & Frank*

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

August 31, 2023



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

Certified Public Accountants PL

600 Citrus Avenue
Suite 200
Fort Pierce, Florida 34950

772/461-6120 // 461-1155
FAX: 772/468-9278

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

To the Board of Supervisors
Villages of Westport Community Development District
Duval County, Florida

We have examined Villages of Westport Community Development District's compliance with Section 218.415, Florida Statutes during the year ended September 30, 2022. Management is responsible for Villages of Westport Community Development District's compliance with those requirements. Our responsibility is to express an opinion on Villages of Westport Community Development District's compliance based on our examination.

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

In our opinion, Villages of Westport Community Development District complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2022.

*Berger Toombs Elam
Gaines & Frank*

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

August 31, 2023

THIRTEENTH ORDER OF BUSINESS

MINUTES OF MEETING

**VILLAGES OF WESTPORT
COMMUNITY DEVELOPMENT DISTRICT
BOARD OF SUPERVISORS' MEETING MINUTES
Monday, July 24, 2023, 5:30 p.m.
1826 Dunn Avenue, Jacksonville, FL 32218**

Present and constituting a quorum in person or via speakerphone:

Yashekia Scarlett	Chairperson
Samuel Smith	Vice Chairperson
Alice Sanford	Assistant Secretary
Jolanda Dexter	Assistant Secretary

Also present were:

Vivian Carvalho	District Manager – PFM Group Consulting LLC	
Kwame Jackson	ADM – PFM Group Consulting LLC	(via phone)
Amy Champagne	District Accountant – PFM Group Consulting LLC	(via phone)
Jennifer Kilinski	District Counsel - KE Law Group	
Grace Kobitter	District Counsel - KE Law Group	
Various Audience Members present		

FIRST ORDER OF BUSINESS

Organizational Matters

Call to Order and Roll Call

The meeting was called to order by Ms. Carvalho at 5:34 p.m. and roll call was initiated. Present were the following Board Members: Samuel Smith, Yashekia Scarlett, Jolanda Dexter, and Alice Sanford. Others in attendance were in person or via speaker phone.

Public Comment Period

Ms. Carvalho stated for the record that the District has not received any funds from the HOA for speedbumps. She also asked that the Board move their discussion concerning security to the top of the agenda. She reminded the public that they must remain orderly, and any disorderly conduct will not be tolerated during the meeting.

SECOND ORDER OF BUSINESS

General Business Matters

Discussion Pertaining to Security Company

Ms. Carvalho stated that this item has been discussed much within the last year and they are now receiving video surveillance services from Vector Security. She listed the options that the Board could take concerning the security. They could remove the roving and patrolling part of security from the budget in its entirety, provide a notice to the existing roving and patrolling company and seek another service provider. They could keep the current company and contract in place, or limit roving and patrolling to just the amenity center. Mr. Smith, Ms. Dexter, and Ms. Sanford all agreed to seek another service provider for roving and patrolling.

Resident asked about the bidding process for the security company and how the company was found. Resident wanted clarification between option 2 and option 4. Homeowner commented that she would like a change from the current security vendor. Homeowner asked what the process was when they decided to increase the contract amount for security services and if it's in line with other communities in the area. Homeowner asked if there could be roving and patrolling in the evening and if they could have an attendant at the pool.

Ms. Carvalho stated that about seven to eight months ago, multiple companies gave a presentation to the Board and had comparable bids to the existing company; no decision was made at that time. An RFP was drafted, and the companies were compared based on their presentations and pricing. She stated that option 2 was to send a notice to the existing roving and patrolling company and seek another service provider. She stated option 4 was to limit roving and patrolling to just the amenity center. She explained that each company provided their price range for their services and the selected company was within range of the other service provider. She explained that Ms. Dexter had reached out to management about getting pool attendant for the pool, but management did not receive a proposal for the existing field management company Vesta Properties.

Ms. Dexter, Ms. Sanford, and Mr. Smith agreed that they want to terminate the existing security provider and seek a new company without the addition of roving throughout the community.

On MOTION by Mr. Smith, seconded by Ms. Sanford, with 3 in favor and 1 opposed, the Board approved terminating the current security and seeking a new security company with no roving included throughout the community.

Ms. Kobitter explained that they will provide a 30-day termination notice to the current security company. She stated that Ms. Scarlett would have the authority to review the RFPs with staff, with a not-to-exceed amount that will be brought back before the Board for ratification at the next meeting.

On MOTION by Ms. Scarlett, seconded by Ms. Dexter, with all in favor, the Board authorized the Chair to review the RFPs with staff with a not-to-exceed amount of \$40,000 to be brought back before the Board for ratification.

**Consideration of the
Minutes of the April 24,
2023, Board of Supervisors'
Meeting**

The Board reviewed the minutes.

On MOTION by Mr. Smith, seconded by Ms. Scarlett, with all in favor, the Board approved the Minutes of the April 24, 2023, Board of Supervisors' Meeting.

**Consideration of
Addendum to Yellowstone
Landscape Agreement**

Tim reviewed this item for the Board. This item was deferred.

**Consideration of
Yellowstone Landscape
Additional Services Order**

This item was deferred.

**Consideration of
Yellowstone Irrigation
Inspection Report and
Repair Proposal**

This item was deferred.

**Consideration of
Landscape Service
Proposals**

Tim reviewed the proposals for landscaping. He stated that Yellowstone was the least expensive of the companies.

On MOTION by Ms. Scarlett, seconded by Ms. Sanford, with all in favor, the Board approved the Landscape Service Proposals with a not-to-exceed amount of \$53,222.76 annually.

**Review & Discussion of
Remaining Construction
Funds and Utilization**

Ms. Carvalho stated that the remaining construction funds have incurred interest, which is close to \$77,000, and which is to be used for projects that the Board wants to undertake for FY 2024.

**Discussion on Additional
Fountains in the Ponds**

The Board asked that this item be removed from future agendas.

**Discussion Pertaining to
Audio Visual Equipment for
Remote Meeting
Attendance**

There was some discussion about obtaining audio visual equipment for others who cannot join the meeting in person, as well as a money saving option for the district, since Counsel could attend the meetings virtually. This item was tabled.

**Public Hearing on the
Adoption of the District's
Annual Budget**

- ☐ **Public Comments
and Testimony**
- ☐ **Board Comments**
- ☐ **Consideration of
Resolution 2023-07,
Adopting the Fiscal
Year 2024 Budget
and Appropriating
Funds**

**Consideration of
Resolution 2023-08,
Levying O&M Assessments
and Certifying and
Assessment
Roll**

On MOTION by Mr. Smith, seconded by Ms. Scarlett, with all in favor, the Board opened the public hearing.

Ms. Champagne stated that security was down to \$40,000, landscape maintenance was at \$54,000, and District Counsel was moved down to \$15,000, which would make gross assessments of \$478.70. There was \$5,000 of Landscape Improvements and \$6,000 from Right of Way Lake Bank Mowing were moved to contingency repairs. The total net revenue is \$339,625.00. There were a few public comments about certain line-items in the budget, and some discussion ensued. The contingency repairs were changed to \$8,000 and the new gross assessment became \$470.14, with a new net revenue of \$333,555.00. Ms. Dexter had a question about the janitorial services and if an RFP can be sent out.

On MOTION by Ms. Scarlett, seconded by Mr. Smith, with all in favor, the Board closed the public hearing.

There was some further discussion between Ms. Carvalho and the Board concerning janitorial services.

On MOTION by Ms. Scarlett, seconded by Mr. Smith, with all in favor, the Board approved Resolution 2023-07, Adopting the Fiscal Year 2024 Budget and Appropriating Funds and Resolution 2023-08, Levying O&M Assessments and Certifying and Assessment Roll with the suggested changes.

THIRD ORDER OF BUSINESS

Continuance

Ms. Carvalho requested a motion to continue the meeting due to time constraints.

On MOTION by Mr. Smith, seconded by Ms. Dexter, with all in favor, the July 24, 2023, Board of Supervisors' Meeting of the Villages of Westport CDD was continued to August 21, 2023, at 5:30 p.m.

Secretary/Assistant Secretary

Chairperson/Vice Chairperson

MINUTES OF MEETING

**VILLAGES OF WESTPORT
COMMUNITY DEVELOPMENT DISTRICT
CONTINUED BOARD OF SUPERVISORS' MEETING MINUTES
Monday, August 21, 2023, 5:30 p.m.
Highlands Regional Library, 826 Dunn Avenue
Jacksonville, FL 32218**

Present and constituting a quorum in person or via speakerphone:

Yashekia Scarlett	Chairperson
Samuel Smith	Vice Chairperson
Jolanda Dexter	Assistant Secretary
Alice Sanford	Assistant Secretary

Also present were:

Vivian Carvalho	District Manager – PFM Group Consulting LLC	
Jennifer Walden	PFM Group Consulting LLC	
Jennifer Kilinski	District Counsel - KE Law Group	(via phone)
Grace Kobitter	District Counsel - KE Law Group	
Tim Harden	Field Manager - Vesta Properties	
Various Audience Members		

FIRST ORDER OF BUSINESS

Organizational Matters

Call to Order and Roll Call

The meeting was called to order by Ms. Carvalho at 5:31 p.m. and roll call was initiated. Present were the following Board Members: Samuel Smith, Yashekia Scarlett, Alice Sanford, and Jolanda Dexter. There were various audience members present and or via speaker phone.

Public Comment Period

There were no public comments at this time. Ms. Carvalho asked that the discussion pertaining to District Management be moved up followed by the Security discussion since they will have to go into a shade meeting. The Board was in agreement with moving the order of the agenda items.

SECOND ORDER OF BUSINESS

General Business Matters

Review and Acknowledgment of PFM Letter of Resignation for District Management Services

Ms. Carvalho mentioned that the district received a resignation letter from the PFM office. After further discussion with the District Chair and District Counsel, PFM is willing to continue service until the end of FY 2023 and or September 30, 2023, for the purpose of transitioning to a new management company.

On MOTION by Ms. Scarlett, seconded by Mr. Smith, with all in favor, the Board accepted the PFM Letter of Resignation for District Management Services with the additional 30 days of services until the end of FY 2023 and or September 30, 2023.

Consideration of Proposals for District Management Company Services

Ms. Carvalho stated there were (2) companies that submitted a proposal for review to District Counsel for District Management Services. The companies were as follows: GMS and Rizzetta & Company. Both companies were present at the meeting and provided a brief overview of their company and services. Each company stepped out of the room while the other company was presenting the proposal. There was concern that the homeowners were going to pay more money with the change of district management company. There was discussion between the two management companies as it compares to the budget that was approved for FY 2024 which also included factoring in security and a pool attendant.

On MOTION by Mr. Smith, seconded by Ms. Scarlett, with all in favor, the Board accepted the proposal from GMS not including field service and including a pool attendant to start on October 1, 2023.

District Counsel will be working with GMS in an final agreement for all services that will initiate on 10/1/2023.

**Review of Security
Company Proposals for
Patrolling the Amenity
Center**

On MOTION by Mr. Smith, seconded by Ms. Scarlett, with all in favor, the Board agreed to not proceed with security services at this time.

**Consideration of
Resolution 2023-09,
Adopting the Annual
Meeting Schedule for Fiscal
Year 2023-2024**

On MOTION by Ms. Scarlett, seconded by Mr. Smith, with all in favor, the Board approved Resolution 2023-09, Adopting the Annual Meeting Schedule for Fiscal Year 2023-2024.

**Discussion Pertaining to
Amenity Policies
a. Clarification of Age
Restriction**

On MOTION by Ms. Scarlett, seconded by Mr. Smith, with all those in favor, the Board approved the changes to the age restriction of any resident 17 years or under must be accompanied by an adult 18 years or older for the pool and gym area.

On MOTION by Ms. Scarlett, seconded by Mr. Smith, with all those in favor, the Board approved the changes to the age restriction of any resident 13 years or under must be accompanied by an adult 18 years or older for basketball courts, multipurpose area, and tot lot.

**Public Hearing on the
Adopting of Revised
Amenity Policies**

- a. Public Comments
and Testimony**
- b. Board Comments**
- c. Consideration of
Resolution 2023-10,
Adopting the
Revised Amenities
Policies**

On MOTION by Mr. Smith, seconded by Ms. Scarlett, with all those in favor, the Board opened the public hearing.

Ms. Kobitter and Ms. Carvalho reviewed the revised amenity policies for the Board. The suspension of privileges provides for the administrative reimbursement of \$500, and the property damage, as well as some of the other suspension privileges, have been restructured to streamline and to provide guidance. The age restrictions previously discussed will also be revised. The rental policies will also be updated. Ms. Carvalho presented a Facility Use Application, a Vendor Agreement, and a License Agreement for the Board to review. The Board agreed that the pool cannot be rented out, the field can be rented out for \$150, and the picnic area by the playground can also be rented out. Ms. Kobitter reviewed the Vendor Agreement and License Agreement for the Board. There were various comments from the residents concerning the enforcement of the rules once they are approved and what issues were brought forward that constituted the implementation of the rules. Ms. Scarlett mentioned that there have been issues with the pool which included vandalism and trespassing. The security deposit was agreed to be \$500 for a rental of a space. There was also mention of installing permanent trash cans at the field.

On MOTION by Ms. Scarlett, seconded by Ms. Dexter, with all those in favor, the Board approved Resolution 2023-10, Adopting the Revised Amenities Policies as discussed.

On MOTION by Ms. Scarlett, seconded by Ms. Dexter, with all those in favor, the Board closed the public hearing.

**Update on the FY 2022
Audit Report**

Ms. Carvalho stated that they have not yet received the draft of the audit report. The office is working on getting it finalized.

**Letter from the Supervisor
of Elections- Duval County**

Ms. Carvalho stated that the district has a total of 911 registered voters as of April 15, 2023.

On MOTION by Ms. Scarlett, seconded by Ms. Sanford, with all those in favor, the Board accepted the Letter from the Supervisor of Elections- Duval County.

**Ratification of Vendor
Communication &
Notification Policy**

Ms. Kobitter stated that this policy streamlines communication of the events happening within the district when a vendor discovers something on property. There is also a process for when the police need to be called.

On MOTION by Ms. Scarlett, seconded by Ms. Dexter, with all those in favor, the Board ratified the Vendor Communication & Notification Policy.

**Ratification of Treadmill
Repair**

On MOTION by Mr. Smith, seconded by Ms. Sanford, with all those in favor, the Board ratified the Treadmill Repair.

Ratification of Payment Authorizations 185 – 192

On MOTION by Ms. Scarlett, seconded by Mr. Smith, with all those in favor, the Board ratified Payment Authorizations 185 – 192.

Ms. Kobitter mentioned that Advanced Security has not yet been paid and they are awaiting documentation stating that they were allowed to work extra hours. The Board agreed to proceed with paying the final bill to Advance Security Specialist.

On MOTION by Mr. Smith, seconded by Ms. Scarlett, with all those in favor, the Board agreed to the pay the outstanding invoice to Advanced Security Specialist.

Review of District Financial Statements

The Board reviewed the District Financial Statements as of June 30, 2023.

THIRD ORDER OF BUSINESS

Other Business

Staff Reports

District Counsel – Ms. Kobitter stated that the Board members will have to complete 4 hours of ethics training starting January 1, 2024, based on the recent statutory changes with legislation

District Engineer – Not present.

District Manager – Ms. Carvalho stated that the next meeting is scheduled for October 23, 2023, at 5:30 p.m.

Field Operations Manager – Mr. Harden asked that one person be in charge of the changing of the message boards. The Board decided to have the District Manager be in

charge. He also reached out and got an estimate related to a tree that is leaning towards a property.

On MOTION by Ms. Scarlett, seconded by Mr. Smith, with all those in favor, the Board approved the proposal from Forshee Tree Service for a total of \$1,250 to remove the leaning tree near the property.

Mr. Harden also mentioned that there are a few vendors who have not been paid on time. Ms. Carvalho reviewed the process of payment of invoices.

Audience Comments and Supervisor Requests

The Board wanted to add Ms. Desiree Lonix as a potential candidate for the vacant Board seat when it becomes vacant.

FOURTH ORDER OF BUSINESS

Adjournment

Ms. Carvalho requested a motion to adjourn.

On MOTION by Mr. Smith, seconded by Ms. Scarlett, with all those in favor, the August 21, 2023, Board of Supervisors' Meeting of the Villages of Westport CDD was adjourned at 7:57 p.m.

Secretary/Assistant Secretary

Chairperson/Vice Chairperson