

The Villages®

Community Development Districts

District 1

Preliminary Financial Statement Summary

As of November 30, 2023

Revenues

Year-to-Date (YTD) Revenues of \$466,000 are slightly less than prior year-to-date (PYTD) revenues of \$503,000 and are at 38% of budgeted revenues of \$1,244,000.

- The District has collected 39% of the budgeted maintenance assessments. Sumter County collects the maintenance assessments on the annual tax bill and remits it to the District, net a 2% collection fee. The majority of assessments are collected from November through March. There was a decrease of 0.26% in maintenance assessments levied in FY 2024.
- Investment earnings of \$2,000 (\$9,000 realized gains and (\$7,000) unrealized losses) are less than prior year-to-date. The unrealized loss of \$7K is attributed to the Long-Term Investment Portfolio. The investment portfolio is comprised of domestic equity, international equity, and fixed income asset classes. LTIP gain or loss is booked a month in arrears.

Market Conditions (PFM)

- In October both equities (S&P 500 -2.10% and -4.13% for ACWI x US) and fixed income (Agg Bond -1.58%) were down. For the US Market (using the S&P 500 index as a proxy) only utilities posted a positive performance, while all sectors were in the red.
- Treasury Yields jumped up on the higher end of the curve, creating a drag on returns for bonds. Various economic indicators (consumer confidence, inflation, unemployment, retail sales) all showed signs of cooling which is positive, but oil prices jumped up \$7 as a result of the Gaza strip conflict creating some worries for investors. Investors were generally nervous about additional geopolitical conflict during the month.
- November was the opposite as markets roared back led by the strength of Information Technology across the board and for Domestic Markets the Magnificent Seven.

The District has received 39% of the anticipated revenues through the county tax collections. The expenses will be incurred ratably over the 12-months. *As of November 30, 17% of the year has lapsed.*

Expenses and Other Changes

Year-to-Date Operating Expenses of \$112,000 are more than prior year-to-date expenses of \$105,000. Year to date spending is 8% of the amended budgeted expenses of \$1,339,000.

- Management and Other Professional services include Management fees, Deed Compliance, Tax Collection, Technology Service and Tax Collection fees. Management fees decreased 10% from the prior year.
- Utility Services include Electricity and Irrigation Water expenses. Year to date spending is 22% of the amended budgeted expenses of \$73,000.
- Building, Landscape and Other Maintenance Expenses of \$43,000 are more than the prior year to date expenses and are at 4% of the annual amended budget totaling \$956,000.
- Other Expenses include insurance expense and legal services, and other miscellaneous expenses are at prior year levels. The annual insurance premium was paid in October.
- Capital Outlay for Mill Overlay projects in various locations and Juarez Way Pond Stabilization project are at 20% of amended budget.

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Change in Unreserved Net Position

Year-to-Date increase in Unreserved Net Position of \$252,000 is less than prior year to date increase of \$352,000. Based on anticipated revenue and expenditures for the year, the District expects to meet the amended budget reduction in Unreserved Net Position of (\$603,000).

The following table outlines the current month and year to date earnings by investment category:

	CFB	FLCLASS	FL PALM	FL-FIT	FLTRUST***	LTIP***
Current Month Annualized Return*	4.88%	5.53%	5.56%	5.03%	4.93%	3.96%
One Month Rate of Return**	0.41%	0.46%	0.46%	0.42%	0.41%	-2.46%
Prior FY 2023	4.21%	4.75%	4.76%	4.28%	4.24%	-4.18%

*Current Month Annualized Return is the annual return expected based on the past months return.

**One month rate of return is the actual rate of return over the prior month.

***Rate listed is one month in arrears.

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Statement of Activity						
For the Two Months Ending November 30, 2023 (17% of the budget year)						
Original Budget	Amended Budget	Budget % used		YTD Actual	PYTD Actual	Variance
REVENUES:						
\$ 1,191,012	\$ 1,191,012	39%	Maintenance and Other Special Assessments	\$ 463,532	\$ 484,758	\$ (21,226)
-	-	0%	Other Income	371	593	(222)
<u>53,100</u>	<u>53,100</u>	<u>4%</u>	Investment Income	<u>2,352</u>	<u>17,653</u>	<u>(15,301)</u>
1,244,112	1,244,112	37.5%	Total Revenues	466,255	503,003	(36,749)
EXPENSES:						
16,173	16,173	7%	Personnel Services	1,077	1,956	(879)
285,820	285,820	17%	Management and Other Professional Services	47,921	49,622	(1,701)
73,085	73,085	20%	Utility Services	14,328	14,510	(183)
960,061	955,602	4%	Building, Landscape and Other Maintenance	42,997	33,270	9,726
<u>8,370</u>	<u>8,370</u>	<u>70%</u>	Other Expenses	<u>5,830</u>	<u>5,653</u>	<u>177</u>
1,343,509	1,339,050	8%	Total Operating Expenses	112,152	105,012	7,140
379,418	432,877	21%	Capital Outlay - Infrastructure and FFE	89,000	8,300	80,700
<u>75,000</u>	<u>75,000</u>	<u>17%</u>	Transfers out of Unrestricted Fund	<u>12,500</u>	<u>37,500</u>	<u>(25,000)</u>
<u>454,418</u>	<u>507,877</u>	<u>20%</u>	Total Other Changes	<u>101,500</u>	<u>45,800</u>	<u>55,700</u>
<u>1,797,927</u>	<u>1,846,927</u>	<u>12%</u>	Total Expenses and Other Changes	<u>213,652</u>	<u>150,812</u>	<u>62,840</u>
<u>\$ (553,815)</u>	<u>\$ (602,815)</u>		Change in Unreserved Net Position	<u>\$ 252,602</u>	<u>\$ 352,191</u>	<u>\$ (99,589)</u>
Total Cash, Net of Bond Funds						
				<u>\$ 2,422,421</u>	<u>\$ 2,459,325</u>	<u>\$ (36,904)</u>
*Preliminary Fund Balance - pending year-end close						
Fund Balance						
			Unassigned	1,201,686	1,347,077	
			Committed R and R General	526,070	695,070	
			Committed R and R Villa Roads	<u>561,534</u>	<u>374,034</u>	
			Total Fund Balance	<u>\$ 2,289,290</u>	<u>\$ 2,416,181</u>	<u>\$ (126,891)</u>