

The Villages®

Community Development Districts

District 7

Preliminary Financial Statement Summary

As of September 30, 2025

Note: Routine analysis of year-end accruals are still in process and will be finalized with the audit report.

Revenues

Year-to-Date (YTD) Revenues of \$2,565,000 are less than the prior year-to-date (PYTD) revenues of \$2,750,000. Annual amended budgeted revenue is \$2,864,000.

- The District has received 100% of the budgeted maintenance assessments to date. 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 not an increase in the maintenance assessments levied in FY2025.
- Actual Other Income consists of electric reimbursement and Purchase Card rebates. A budget resolution was approved in March to increase the budget for anticipated FEMA reimbursement related to hurricane clean up. No FEMA reimbursements have been received to date.
- Investment earnings of \$333,000 (\$155,000 realized gains and \$178,000 unrealized gains) are less than the prior year-to-date gains and are 93% of budgeted earnings of \$360,000. Investment earnings: 85% of the portfolio is Short-term Fixed income securities which are earning approximately 1% less than this time last year. Fixed income securities are expected to continue to decline based on the additional rate cuts expected from the Federal Reserve. The Long term (15%) portion of the portfolio has regained most of the early losses in the year and is performing well at an annual rate of 11.53%. Current rate of investment earnings ends the fiscal year at \$333,000 for the year compared to budget earnings of \$360,000. Fiscal Year 2025-26 budgeted Investment earnings is \$212,000.
- Excess revenue transfer in the amount of \$11,000 from Debt Service was completed in September. Additional analysis of this process is under review to ensure accuracy.

The District has received 100% of the anticipated revenues through the county tax collections. The expenses will be incurred ratably over the 12-months. *As of September 30, 100% of the year has lapsed.*

Expenses and Other Changes

Year-to-Date Operating Expenses of \$2,983,000 are greater than prior year-to-date expenses of \$2,622,000. Year to date spending is 99% of the amended budgeted expenses of \$3,008,000.

- Management and Other Professional services include Management fees, Deed Compliance, Technology Service and Tax Collection fees. Management fees make up 71% of this line item. There were no changes in Management Fees from last year. Deed Compliance fees are lower than last year by \$54,000 and a quarterly true-up of the current allocation for deed compliance fees has the District at actual expenditures of \$627 for the year.
- Utility Services include Electricity and Irrigation Water expenses, and year-to-date spending is greater than the prior year and at 130% of budgeted expenses of \$298,000. The majority of the expenses are due to the SECO Energy pole rental rate increase. The average rainfall as of September, in the NSCUDD service area, was 3.60 inches for the calendar year. Irrigation expense is at 98% of budget or \$24,000, which is \$2,000 more than prior year.
- Building, Landscape and Other Maintenance Expenses of \$2,223,000 are greater than the prior year to date expenses and are at 96% of the annual amended budget of \$2,325,000. The majority of the expenses incurred are due to the Project Wide allocation totaling \$1,767,000, a budgeted 8% increase over the prior year. Other Maintenance budgeted line item, which includes routine pressure washing, has actual expenses of \$76,000. In addition, Other Maintenance is higher this year due to an additional \$48,000 in emergency debris removal monitoring services for Hurricane Milton during May and June.
- Other Expenses include insurance expense, legal advertising, and other miscellaneous expenses. The annual insurance premium for property and liability has been paid. Legal advertising is running higher this year due to required ad regarding

- increased maintenance assessments for fiscal year 2025-26. Other miscellaneous expenses, such as postage, printing and binding costs, and operating supplies are expended on an as-needed basis.
- There is \$560,000 in Budgeted Capital Mill & Overlay projects for Villas planned this fiscal year, which started at the end of August, and completed in September. Accrual of invoices are being finalized. An estimated \$553,000 is expected to be accrued for year-end.

Year-to-Date decrease in Unreserved Net Position of (\$423,000) is greater than the prior year-to-date decrease of (\$174,000). Based on anticipated revenue and expenditure for the year, the District expects to exceed the negative change in Net Position of (\$704,000). A year-end resolution is expected for Fiscal Year 2024-25.

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

*Current Month Annualized Return is an annualized return based on the past 30 day performance
All investment earnings are now recognized within the current month.

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Statement of Activity						
For the Twelve Months Ending September 30, 2025 (100% of the budget year)						
Original Budget	Amended Budget	Budget % used	PRELIMINARY	YTD Actual	PYTD Actual	Variance
			REVENUES:			
\$ 2,213,510	\$ 2,213,510	100.3%	Maintenance and Other Special Assessments	\$ 2,219,098	\$ 2,220,922	\$ (1,824)
2,500	53,033	3%	Other Income	1,410	784	626
<u>360,000</u>	<u>360,000</u>	<u>93%</u>	Investment Income	<u>333,420</u>	<u>528,116</u>	<u>(194,697)</u>
2,576,010	2,626,543	97%	Total Revenues	2,553,927	2,749,822	(195,895)
<u>237,594</u>	<u>237,594</u>	<u>5%</u>	Transfer In - Debt Service	<u>11,000</u>	<u>-</u>	<u>11,000</u>
\$ 2,813,604	\$ 2,864,137	90%	Total Available Resources:	\$ 2,564,927	\$ 2,749,822	\$ (184,895)
			EXPENSES:			
15,096	15,096	87%	Personnel Services	13,153	12,711	441
355,688	353,538	97%	Management and Other Professional Services	344,221	404,454	(60,232)
293,924	297,724	130%	Utility Services	388,056	155,097	232,959
2,282,053	2,325,165	96%	Building, Landscape and Other Maintenance	2,223,371	2,041,643	181,727
<u>10,452</u>	<u>16,223</u>	<u>86%</u>	Other Expenses	<u>13,919</u>	<u>7,968</u>	<u>5,951</u>
2,957,213	3,007,746	99%	Total Operating Expenses	2,982,719	2,621,873	360,846
560,381	560,381	1%	Capital Outlay - Infrastructure and FFE	4,756.20	301,451	(296,695)
<u>-</u>	<u>-</u>	<u>0%</u>	Transfers out of Unrestricted Fund	<u>-</u>	<u>-</u>	<u>-</u>
<u>560,381</u>	<u>560,381</u>	<u>1%</u>	Total Other Changes	<u>4,756</u>	<u>301,451</u>	<u>(296,695)</u>
3,517,594	3,568,127	84%	Total Expenses and Other Changes	2,987,475	2,923,324	64,151
<u>\$ (703,990)</u>	<u>\$ (703,990)</u>		Change in Unreserved Net Position	<u>\$ (422,548)</u>	<u>\$ (173,502)</u>	<u>\$ (249,046)</u>
			Total Cash, Net of Bond Funds	\$ 4,786,046	\$ 5,194,990	\$ (408,943)
			Fund Balance			
			Unassigned	768,067	1,201,616	
			Restricted - Capital Project Ph I	1,706,093	1,695,093	
			Committed R and R General	1,337,606	1,337,606	
			Committed R and R Villa Roads	<u>900,000</u>	<u>900,000</u>	
			Total Fund Balance	<u>\$ 4,711,766</u>	<u>\$ 5,134,315</u>	<u>\$ (422,548)</u>