

The Villages®

Community Development Districts

District 12

Financial Statement Summary **As of February 28, 2026**

Summary

The District is projected to achieve its budgeted revenues for FY 2025-26, while expenditures continue to trend below plan. This performance positions the District for a stronger year-end working capital outcome.

Revenues

Year-to-date revenues totaled \$4,056,172, exceeding prior-year revenues of \$3,890,010 by 4.3%. The increase is primarily driven by the 4% rise in the Maintenance Assessment and significantly higher Investment Income. Based on current performance, the District is on track to meet or surpass its FY 2025-26 revenue budget.

- The District has collected 96.3% of budgeted maintenance assessments to date compared with 97.3% at the same point last year. This reflects a modest year-over-year decline in collection performance.
- Investment earnings of \$163,311 through February 28, 2026 were 52.3% higher than the \$107,259 earned through February 28, 2025. In late 2024 and into early 2025, market volatility negatively impacted the District's investments in the form of unrealized losses, particularly the long-term portion of the investment portfolio. However, as of February 28, 2026, the realized LTP gains grew by \$15,899 or 65.7% to \$40,082.
- 83% of the portfolio is Short-term Fixed income securities where the rate of return has been decreasing due to the Federal Fund rate cut. However, they are currently earning an estimated annual rate of return of 3.13% to 4.29%. The 17% of the portfolio, which is Long-term, is performing well at an annual rate of 15.71%. Fiscal Year 2025-26 budgeted Investment earnings are \$167,000. The District is on pace to exceed those investment earnings in FY 2025-26.

Expenses and Other Changes

Year-to-Date Operating Expenses of \$1,772,205 are 2.5% less than the prior year-to-date expenses of \$1,818,183. There has been no significant expense that would alter the District's ability to operate within the approved FY 2025-26 budget. Operating Expenses are projected to be 96-99% of the amended budget. There are no Capital Projects scheduled for FY 2025-26.

- Management and Other Professional services include Management fees, Deed Compliance fees, Tax Collection fees, Legal fees, and Technology Service fees. Combined, these expenses were \$4,971 lower than in the same period last year. The biggest contributor to this decline was Auditing Services, \$4,894 lower than last year. The annual bill for FY 23-24 was paid in February 2025. This bill for the FY 24-25 audit has not been paid as of February 2026 and will be paid later in the fiscal year. This appropriations category is projected to be approximately 94 – 98% of budget at fiscal year-end.
- Utility Services, which include Electricity and Irrigation Water, total \$62,751 year-to-date, significantly below the prior year level of \$91,195. This variance is primarily due to increased irrigation water costs related to Hurricane Milton in the prior fiscal year, along with a corresponding credit that had not yet been posted as of February 2025. Based on current spending patterns, this expense category is projected to finish the fiscal year at approximately 96 – 100% of budget.

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- Building, Landscape, and Other Maintenance Expenses totaling \$1,464,377 were 0.8% lower than the Prior Year's \$1,476,365. Notably, Irrigation Repair expenses decreased from \$36,992 last year to \$11,095 this year. This reduction is primarily due to higher repair activity for clogged irrigation heads in the prior fiscal year. In the current year, irrigation head replacements have declined thanks to additional cleaning and reduced sand buildup in the irrigation system. There is no change in Project Wide fees this fiscal year. Overall, this expense category is projected at approximately 96-99% of budget at fiscal year-end.

Change in Unreserved Net Position

The year-to-date increase in Unreserved Net Position totals \$2,283,840, representing a \$212,013 improvement over the \$2,071,826 increase for the period ending February 28, 2025. The Amended 2025-26 Budget provides for a \$75,000 addition to Working Capital. Based on current projections, the District is expected to add approximately \$80,000 and \$150,000 to Working Capital at year-end, a \$5,000 to \$75,000 improvement.

Year-to-Date Earnings by Investment Category:

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

February 2026	CFB	FLCLASS	FL PALM	FL-FIT	FLTRUST	LTIP**
Current Month Annualized Return*	3.13%	3.75%	3.77%	4.29%	3.88%	15.71%
One Month Rate of Return	0.26%	0.31%	0.31%	0.36%	0.32%	1.35%
Prior FY 2024-25	3.95%	4.49%	4.76%	4.61%	4.56%	11.59%
*Current Month Annualized Return is an annualized return based on the past 30 day performance						
**LTIP Annualized Return represents the actual return achieved over the previous 12 months						

Deed Compliance Reserve Balance

The current deed compliance reserve balance as of this month end is \$27,145.60 in the Community Standards Fund.

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Statement of Activity						
For the Five Months Ending February 28, 2026 (42% of the budget year)						
Original Budget	Amended Budget	Budget % used		YTD Actual	PYTD Actual	Variance
			REVENUES:			
\$ 4,041,202	\$ 4,041,202	96%	Maintenance and Other Special Assessments	\$ 3,892,830	\$ 3,782,744	\$ 110,086
-	-	100%	Other Income	35	7	28
<u>167,000</u>	<u>167,000</u>	<u>98%</u>	Investment Income	<u>163,311</u>	<u>107,259</u>	<u>56,052</u>
4,208,202	4,208,202	96%	Total Revenues:	4,056,176	3,890,010	166,166
			EXPENSES:			
15,096	15,096	29%	Personnel Services	4,327	4,324	3
499,634	499,634	47%	Management and Other Professional Services	234,760	239,644	(4,884)
136,830	136,830	46%	Utility Services	62,795	91,195	(28,401)
3,550,118	3,550,118	41%	Building, Landscape and Other Maintenance	1,464,377	1,476,365	(11,988)
<u>11,175</u>	<u>11,175</u>	<u>54%</u>	Other Expenses	<u>6,077</u>	<u>6,655</u>	<u>(577)</u>
4,212,853	4,212,853	42%	Total Operating Expenses	1,772,336	1,818,183	(45,847)
<u>4,212,853</u>	<u>4,212,853</u>	<u>42%</u>	Total Expenses and Other Changes	<u>1,772,336</u>	<u>1,818,183</u>	<u>(45,847)</u>
<u>\$ (4,651)</u>	<u>\$ (4,651)</u>		Change in Unreserved Net Position	<u>\$ 2,283,840</u>	<u>\$ 2,071,826</u>	<u>\$ 212,013</u>
			Total Cash, Net of Bond Funds	<u>\$ 7,343,588</u>	<u>\$ 7,027,991</u>	<u>\$ 315,597</u>
			Fund Balance			
			Unassigned	5,176,790	4,926,032	250,758
			Committed R and R General	<u>1,800,000</u>	<u>1,800,000</u>	<u>\$ -</u>
			Total Fund Balance	<u>\$ 6,976,790</u>	<u>\$ 6,726,032</u>	<u>\$ 250,758</u>