



**THE VILLAGES PUBLIC SAFETY DEPARTMENT DEPENDENT DISTRICT**

Basic Financial Statements

September 30, 2025

(With Independent Auditors' Report Thereon)

# VILLAGES PUBLIC SAFETY DEPARTMENT DEPENDENT DISTRICT

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Audit Photo cover taken by Pat Hall – Budget

## INDEPENDENT AUDITOR'S REPORT

Board of Supervisors  
Villages Public Safety Department Dependent District  
The Villages, Florida

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and major fund of Villages Public Safety Department Dependent District (the District) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the District as of September 30, 2025, and the respective changes in financial position and the budgetary comparison statement for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## CERTIFIED PUBLIC ACCOUNTANTS

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Members of American and Florida Institutes of Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the tables of contents, 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

Board of Supervisors  
Villages Public Safety Department Dependent District  
The Villages, Florida

### INDEPENDENT AUDITOR'S REPORT

operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Purvis Gray*

March 6, 2026  
Ocala, Florida

**VILLAGES PUBLIC SAFETY DEPARTMENT DEPENDENT DISTRICT**  
**Management's Discussion and Analysis**  
September 30, 2025

This Management Discussion and Analysis report provides the reader with a narrative overview and analysis of the financial activities of the Villages Public Safety Department Dependent District (the District) for the fiscal year ending September 30, 2025. This report is designed to (a) assist the reader in focusing on significant financial issues; (b) provide an overview of the District's financial activities; (c) identify changes in the District's financial position and its ability to address the next and subsequent year challenges (d) identify any material deviations from the financial plan (the approved budget), and (e) identify any individual fund issues and concerns. The information contained within this section should be considered in conjunction with the District's Financial Statements.

**FINANCIAL HIGHLIGHTS**

- Fiscal Year 2024-25 was the first year of operations for Villages Public Safety Department Dependent District.
- Total assets of the District for the first year of operations are \$5,266,928.
- Total liabilities of the District for the first year of operations are \$1,403,387
- The assets of the District exceeded its liabilities as of September 30, 2025, by \$3,863,541 (net position).
- At September 30, 2025, fund balance for the General Fund was \$3,863,541, or 12% of expenditures.
- The District's total revenues of \$35,510,934 exceeded expenses of \$31,647,393.
- The District does not own any capital assets and therefore did not incur any depreciation expense
- The District had no outstanding long-term debt as of September 30, 2025.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three sections:

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

This report also contains other supplemental information in addition to the basic financial statements themselves.

# VILLAGES PUBLIC SAFETY DEPARTMENT DEPENDENT DISTRICT

## Management's Discussion and Analysis

September 30, 2025

### Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the District's assets (and deferred outflows) and liabilities (and deferred inflows), with the difference reported as *net position*. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Changes in Net Position*, also referred to as the *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected assessments).

The government-wide financial statements are provided on pages 11-12 of this report.

### Fund Financial Statements

The fund financial statements provide more detailed information about the District's major funds individually. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The single fund of the District is considered a governmental fund. There are no proprietary or fiduciary funds maintained by the District. The fund financial statements present information in more detail than the government-wide financial statements.

### Governmental funds

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

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

**VILLAGES PUBLIC SAFETY DEPARTMENT DEPENDENT DISTRICT  
Management's Discussion and Analysis**

September 30, 2025

The District maintains one governmental fund, the General fund. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the fund, which is considered to be a major fund.

A budgetary comparison statement is provided for the general fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 13-17 of this report.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are presented beginning on page 18.

**VILLAGES PUBLIC SAFETY DEPARTMENT DEPENDENT DISTRICT**  
**Management's Discussion and Analysis**  
September 30, 2025

**Statement of Net Position**

A comparison of the *Statement of Net Position* for the current and prior year is presented below.

**Statement of Net Position**

	<b>Governmental Activities</b>	
	<b>September 30,</b>	
	<b>2025</b>	<b>2024</b>
<b>Assets:</b>		
Current and other assets	\$ 5,266,928	-
Total assets	5,266,928	-
<b>Liabilities:</b>		
Current and other liabilities	1,403,388	-
Total liabilities	1,403,388	-
<b>Net position</b>		
Restricted	3,863,541	-
Total net position	\$ 3,863,541	-

As noted earlier, Fiscal year 2024-25 was the first of operations for the District and therefore all prior year activity is zero. Net position calculation serves as a useful indicator of a government's financial position over time. Net position was a surplus of \$3,863,541 at year ending September 30, 2025.

**VILLAGES PUBLIC SAFETY DEPARTMENT DEPENDENT DISTRICT**  
**Management's Discussion and Analysis**  
September 30, 2025

**Statement of Changes in Net Position**

	<b>Governmental Activities</b>	
	<b>September 30,</b>	
	<b>2025</b>	<b>2024</b>
<b>Revenues:</b>		
Charges for Services	\$ 35,087,277	-
Other revenues	23	-
Investment income (loss)	423,634	-
Total revenues	35,510,934	-
<b>Expenses:</b>		
General government services	471,003	-
Public safety	31,176,390	-
Total expenses	31,647,393	-
Changes in net position	\$ 3,863,541	-

Statement of Changes in Net Position presents information showing how the District's net position changed during the most recent fiscal year.

**Revenues** include Fire Assessment revenue levied by the District, EMS transport readiness revenue collected from Sumter County's General Fund and interest income. Charges for Services include Fire Assessment revenue in the amount of \$23,143,343 and EMS transport readiness of \$11,943,934. In addition, interest income earned was \$423,634.

**Expenses** include General government services of \$471,003, comprising of board member salaries, tax collector fees, auditing services and legal services. Public Safety expenses are charges for services provided by the Villages Public Safety Department (VPSD) within the Village Center Community Development District. Charges cover operational expenses such as public safety employee salaries, public safety employee training, fire station utilities, public safety vehicle maintenance and transportation costs. Total Public Safety expenses amounted to \$31,176,390.

The General Fund reimburses VPSD, within the Village Center Community Development District, for actual services and the means to provide those services.

The General Fund reimbursed VPSD a total of \$31,066,680 which is approximately 45% of VPSD's actual expenses for fiscal year 2024-25. VPSD had a total of 225 full-time employees and 1 part-time employee at the end of September 30, 2025.

**VILLAGES PUBLIC SAFETY DEPARTMENT DEPENDENT DISTRICT**  
**Management's Discussion and Analysis**  
September 30, 2025

**FINANCIAL ANALYSIS OF THE GOVERNMENT FUND**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Following is a discussion of the financial statements on a fund accounting level.

**Governmental Fund**

As of September 30, 2025, the District's governmental fund reported a fund balance of \$3,863,541. Fiscal year 2024-2025 was the first year of operations. Of the total fund balance, the unassigned fund balance of \$3,863,541 is available for spending for the purposes of public safety, fire-related, emergency rescue and EMS transport services within the VPSDDD boundaries.

**PUBLIC SAFETY FUND BUDGETARY HIGHLIGHTS**

The Budget to actual comparison statement outlines the original budget, amended budget, actual amounts and any variance between the final budget and actual amounts. Budget amendments are approved throughout the year. Budgets are revised for a variety of reasons, such as unforeseen expenditures. Below are notable variances between the original to final budget and final budget to actual.

- During fiscal year 2025, the final Public Safety Fund revenue budget was amended compared to the original budgeted revenues by \$1,514,752. The increase in budgeted revenue was to account for additional homes on the roll after budget process and new homes completed within the year. In addition, the budget increased by investment earnings in the amount of \$423,634. The budget adjustment included a classification change to distinguish the two revenue types.
- The total expenditure budget showed an increase of \$1,674,984 compared to the original budget, the increase was due to increases in the VPSD budget for capital expenditures and personnel costs.
- Actual revenues were over final budget by \$140,716 for the year.
- Total expenses ended the year slightly under budget year by \$24,319

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The District did not own capital assets as of September 30, 2025 and there are no current plans to purchase any capital assets.

**Long-Term Debt**

As of September 30, 2025, the District has no long-term debt.

**VILLAGES PUBLIC SAFETY DEPARTMENT DEPENDENT DISTRICT**  
**Management's Discussion and Analysis**  
September 30, 2025

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

Local, state and national economic factors influence the District's budget in a variety of ways. These factors were considered in preparing the District's General Fund budget for the 2026 fiscal year.

- The unemployment rate in Sumter County where the District is located was 7.8% in September 2025, an increase from 5.4% a year ago. The County's average unemployment rate was above the State's average unemployment rate of 4.2% which was below the national average rate of 4.3%.
- Inflationary trends in the area are comparable to national indices. The national Consumer Price Index (CPI) annual change for all urban consumers increased from 2.4% in September 2024 to 3.0% in September 2025.

In fiscal year 2026, the total revenues are projected to increase by \$502,631 compared to the fiscal year 2025 actuals. The main reason for the increase is the addition of ambulance service and an increase in Sumter County's service area percentage. The fire assessment rates for fiscal year 2025-26 will remain consistent with prior year. The Public Safety expenditure budget is projected to increase by \$2,828,921, when compared to the fiscal year 2025 actuals. The increase is due to the increase in VPSP's fiscal year budget which increased due to an increase in service area responsibilities and additional capital equipment needs.

**TO OBTAIN FURTHER INFORMATION**

The District's financial statements are designed to provide a general overview of the District's finances and to demonstrate the District's accountability. If you have any questions about the report or would like additional financial information, contact the Village Community Development Districts, Finance Office at:

3571 Kiessel Rd  
The Villages, FL 32163  
Telephone (352) 753-0421

It is also suggested you visit our website at [www.districtgov.org](http://www.districtgov.org) for general information and additional financial information about the District.

**VILLAGES PUBLIC SAFETY DEPARTMENT DEPENDENT DISTRICT**

Statement of Net Position

September 30, 2025

	<b>Governmental activities</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 4,109,742
Due from Sumter County	995,328
Due from other governments	161,858
Total assets	<u>5,266,928</u>
<b>Liabilities</b>	
Accounts payable	945
Due to other governments	1,402,442
Total liabilities	<u>1,403,387</u>
<b>Net position</b>	
Restricted for Public Safety	3,863,541
Total net position	<u>\$ 3,863,541</u>

See accompanying notes to basic financial statements.

**VILLAGES PUBLIC SAFETY DEPARTMENT DEPENDENT DISTRICT**

Statement of Activities

Year Ended September 30, 2025

Functions/Programs	Expenses	Program revenues			Net (expense) revenue and changes in net assets	
		Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities	Total
Governmental activities:						
General government	\$ 471,003	-	-	-	(471,003)	(471,003)
Public safety	31,176,390	35,087,277	-	-	3,910,887	3,910,887
Total governmental activities	\$ 31,647,393	35,087,277	-	-	3,439,884	3,439,884
General revenues:						
Interest earnings					423,634	423,634
Miscellaneous revenue					23	23
Total general revenues					423,657	423,657
Change in net position					3,863,541	3,863,541
Net position, beginning					-	-
Net position, ending					\$ 3,863,541	3,863,541

See accompanying notes to basic financial statements.

**VILLAGES PUBLIC SAFETY DEPARTMENT DEPENDENT DISTRICT**

Balance Sheet – Governmental Fund

September 30, 2025

	<u><b>General Fund</b></u>
<b>Assets:</b>	
Cash and cash equivalents	\$ 4,109,742
Due from Sumter County	995,328
Due from other governments	<u>161,858</u>
Total assets	<u><u>5,266,928</u></u>
<b>Liabilities:</b>	
Accounts payable	945
Due to other governments	<u>1,402,442</u>
Total liabilities	<u>1,403,387</u>
<b>Fund balances:</b>	
Restricted For Public Safety	<u>3,863,541</u>
Total fund balances	<u>3,863,541</u>
Total liabilities and fund balances	<u><u>\$ 5,266,928</u></u>

See accompanying notes to basic financial statements.

**VILLAGES PUBLIC SAFETY DEPARTMENT DEPENDENT DISTRICT**  
**Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position**  
**September 30, 2025**

Total fund balances, governmental fund	\$ 3,863,541
There are no reconciling items.	<hr/>
Net position of governmental activities	\$ <u><u>3,863,541</u></u>

See accompanying notes to basic financial statements.

**VILLAGES PUBLIC SAFETY DEPARTMENT DEPENDENT DISTRICT**  
Statement of Revenues, Expenditures and Changes in  
Fund Balances – Governmental Funds  
Year Ended September 30, 2025

	<b>General Fund</b>
Revenues:	
Fire Protection Assessments	\$ 23,143,343
EMS Transport Readiness	11,943,934
Miscellaneous revenue	23
Interest earnings	423,634
Total revenues	35,510,934
Expenditures:	
Current	
General government services	471,003
Public safety	31,176,390
Total expenditures	31,647,393
Net change in fund balances	3,863,541
Fund balances, at beginning of year	-
Fund balances, at end of year	\$ 3,863,541

See accompanying notes to basic financial statements.

**VILLAGES PUBLIC SAFETY DEPARTMENT DEPENDENT DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in**  
**Fund Balances – Governmental Funds to the Statement of Activities**  
**Year Ended September 30, 2025**

Net change in fund balances – total governmental funds	\$ 3,863,541
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There are no reconciling items.

Change in net position of governmental activities	\$ <u>3,863,541</u>
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See accompanying notes to basic financial statements.

**VILLAGES PUBLIC SAFETY DEPARTMENT DEPENDENT DISTRICT**  
Statement of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual  
Year ended September 30, 2025

	Original Budget	Amended Budget	YTD Actual	Variance
<b>REVENUES:</b>				
Fire Protection Assessments	\$ 33,855,466	22,981,484	23,143,343	161,859
EMS Transport Readiness	-	11,965,102	11,943,934	(21,168)
Other income	-	-	23	23
Investment income (Loss)	-	423,632	423,634	2
<b>Total Revenues:</b>	<u>33,855,466</u>	<u>35,370,218</u>	<u>35,510,934</u>	<u>140,716</u>
<b>EXPENDITURES:</b>				
Personnel services	7,561	13,805	12,076	(1,729)
Management and Other Professional Services	472,209	532,209	510,166	(22,043)
Fire Protection	17,447,772	19,122,756	19,122,746	(10)
Transport Readiness	11,943,934	11,943,934	11,943,934	-
Other expenditures	125,252	59,008	58,471	(537)
<b>Total Expenditures</b>	<u>29,996,728</u>	<u>31,671,712</u>	<u>31,647,393</u>	<u>(24,319)</u>
<b>Excess (deficiency) of revenues over expenses</b>	3,858,738	3,698,506	3,863,541	165,035
Beginning fund balance	-	-	-	-
<b>Ending fund balance</b>	<u>\$ 3,858,738</u>	<u>3,698,506</u>	<u>3,863,541</u>	<u>165,035</u>

See accompanying notes to basic financial statements.

## VILLAGES PUBLIC SAFETY DEPARTMENT DEPENDENT DISTRICT

Notes to Financial Statements

September 30, 2025

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Financial Reporting Entity

The Village Public Safety Department Dependent District (the District) was established on November 28, 2023. The District serves as the funding mechanism for Sumter County to provide fire protection, rescue and EMS transport services to the property owners within the established boundaries. The District receives Fire assessments and EMS transport readiness revenues and pays its proportionate share to the Village Public Safety Department fund (VPSD) within the Village Center Community Development District budget which provides the actual services, infrastructure, equipment, and staffing. The Fire assessments are levied by the District and Transport Readiness is funded through the Sumter County General Fund. The geographic boundaries include all property within The Villages located in Sumter County and some immediately surrounding areas.

The District was created by Sumter County Commission Ordinance No. 2023-18 pursuant to the provisions of Chapter 189.002, Florida Statutes, and operates within the criteria established by Chapter 189. The District is governed by a five-member Board of Supervisors. As of September 30, 2025, three members of the Board [Supervisors of The Villages Public Safety Department Dependent District] have been appointed by Sumter County Board of County Commissioners. members whose term will end in November 2026. Two of the Board Supervisors of The Villages Public Safety Department Dependent District are “qualified electors” (registered voters) residing in the District. They are elected on a non-partisan basis on the general election ballot.

A portion of the land within the service area of the District is part of the active adult retirement community known as “The Villages”. The Villages continues to be developed by the developer, a family-owned business established for the single purpose of developing The Villages. Today, The Villages spans approximately 90 square miles across the borders of Lake, Sumter and Marion Counties, the City of Wildwood, the City of Fruitland Park, the City of Leesburg and the Town of Lady Lake, Florida, with a population of approximately 162,500. Development is currently underway in the south end of The Villages.

The financial statements of the District have been prepared in conformity with U.S. Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles. As defined by GASB, the financial reporting entity is required to include the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

There are no component units that are legally separate from the District. There are nineteen Community Development Districts in the total structure of The Villages, each being a separate government entity established pursuant to Chapter 190, Florida Statutes.

## VILLAGES PUBLIC SAFETY DEPARTMENT DEPENDENT DISTRICT

### Notes to Financial Statements

September 30, 2025

The following is a listing of these Community Development Districts:

- Village Center Community Development District provides water and sewer utility services, recreation facilities and services, security, fire protection, emergency medical first response (including transport services) and executive golf services to the residents. The cost of operations is funded by amenity and utility fees that residents pay monthly. This District also provides for the maintenance of common areas and roadways for the commercial areas within the District boundaries. The cost of maintenance in the commercial areas is funded through commercial maintenance assessments. Lastly, the District provides administrative services, including human resources, payroll, accounting, property management, recreation, leadership and community standard services to the Community Development Districts.
- Sumter Landing Community Development District provides recreation facilities and services, security, fire protection, emergency medical first response (non-transport) and executive golf services to the residents. The cost of operations is funded by amenity fees that residents pay monthly. This District also provides for the maintenance of common areas and roadways for the commercial areas within the CDD boundaries in Sumter County. The cost of maintenance in the commercial areas is funded through commercial maintenance assessments.
- Brownwood Community Development District provides the maintenance of common areas and roadways for the commercial areas within the District boundaries in Sumter County. The cost of maintenance in the commercial areas is funded through commercial maintenance assessments.
- Eastport Community Development District provides recreation facility services, maintenance of common areas for the commercial areas, maintenance of residential common areas through the ProjectWise fund and Stormwater Management within the District boundaries in Sumter County. The cost of maintenance in the commercial areas is funded through Developer contributions as the new downtown area builds out.
- The Village Community Development District No. 1 boundary consists of approximately 993.3 acres in Sumter County. The development includes construction of 3,444 residential units.
- The Village Community Development District No. 2 boundary consists of approximately 990 acres in Sumter County. The development included construction of 3,668 residential units.
- The Village Community Development District No. 3 boundary consists of approximately 894 acres in Sumter County. The development included construction of 3,762 residential units.
- The Village Community Development District No. 4 boundary consists of approximately 1,253 acres in Marion County. The development included construction of 5,432 residential units.
- The Village Community Development District No. 5 boundary consists of approximately 1,407 acres in Sumter County. The development included construction of 6,399 residential units.
- The Village Community Development District No. 6 boundary consists of approximately 1,497 acres in Sumter County. The development included construction of 6,697 residential units.

## VILLAGES PUBLIC SAFETY DEPARTMENT DEPENDENT DISTRICT

### Notes to Financial Statements

September 30, 2025

- The Village Community Development District No. 7 boundary consists of approximately 976 acres in Sumter County. The development included construction of 4,765 residential units.
- The Village Community Development District No. 8 boundary consists of approximately 1,098 acres in Sumter County. The development included construction of 5,193 residential units.
- The Village Community Development District No. 9 boundary consists of approximately 1,299 acres in Sumter County. The development included construction of 5,480 residential units.
- The Village Community Development District No. 10 boundary consists of approximately 1,489 acres in Sumter County. The development included construction of 6,639 residential units.
- The Village Community Development District No. 11 boundary consists of approximately 693 acres within the city limits of Fruitland Park in Lake County. The development included construction of 2,055 residential units.
- The Village Community Development District No. 12 boundary consists of approximately 1,483 acres within the city limits of the City of Wildwood in Sumter County. Planned development included construction of 6,202 residential units.
- The Village Community Development District No. 13 boundary consists of approximately 2,232 acres within the city limits of the City of Wildwood in Sumter County. Planned development includes construction of 8,062 residential units.
- The Village Community Development District No. 14 boundary consists of approximately 1,013 acres within the city limits of the City of Leesburg in Lake County. Planned development includes construction of 3,234 residential units in Phase I.
- The Village Community Development District No. 15 boundary consists of approximately 1,378 acres within the city limits of the City of Wildwood in Sumter County. Planned development includes construction of 3,616 residential units in Phase I and 3,700 residential units in Phase II.

In addition to the above community development districts, there are three dependent districts of Sumter County in the total structure of Districts. The following Districts are separate government entities formed under Chapter 189, providing services to the area.

- North Sumter County Utility Dependent District (NSCUDD) – NSCUDD is a dependent district of Sumter County. This dependent district provides water, wastewater, and non-potable irrigation water to Village properties between C.R. 466 to S.R 44 in Sumter County. NSCUDD also provides solid waste sanitation services for Sumter County, Marion County, and portions of The Villages that are in the City of Fruitland Park and City of Wildwood.
- Wildwood Utility Dependent District (WUDD) – WUDD is a dependent district of the City of Wildwood. This dependent district provides water, wastewater and non-potable irrigation water service to certain Village properties located south of State Road 44, specifically Village Community Development Districts 12, 13, and 14.

## VILLAGES PUBLIC SAFETY DEPARTMENT DEPENDENT DISTRICT

### Notes to Financial Statements

September 30, 2025

- The Village Public Safety Department Dependent District is a dependent district of Sumter County and provides funding for fire protection services, rescue, EMS transport service facilities, infrastructure, and other public facilities to the property owners within the established boundaries.

#### **Middleton, By The Villages**

During fiscal year 2023, the Developer introduced Middleton A, a family oriented or non-age restricted community known as “Middleton By The Villages.” This community offers residents their own recreation, community parks, and a charter school in addition to a town center, Middleton Downtown, with shopping, dining, and entertainment.

To provide for the necessary community wide infrastructure for this new community, two new Districts were formed. Both Districts were formed under Chapter 190.

- Middleton Community Development District A (the District) was established for the purpose of planning, financing, constructing, operating, and maintaining the community-wide infrastructure for this new community development district located entirely within Sumter County, Florida. Phase I consists of 1,008 planned residential units. Phase II consists of 834 planned residential units.
- Middleton Downtown Community Development District (the District) provides the maintenance of common areas and commercial areas within the District boundaries in Sumter County as well as the project-wide areas within both Middleton Downtown Community Development District and Middleton-A Community Development District. The cost of maintenance in the commercial areas is funded through Developer Contributions until the new downtown area builds out. The cost of the project-wide maintenance is funded through fees paid from both the residential and commercial Middleton Districts.

#### **Basis of Presentation**

**Government-wide Statements:** The financial statements include both government-wide financial statements, based on the District as a whole, and fund financial statements. The government-wide financial statements report information on all of the non-fiduciary activities of the District. The effect of any inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by assessments and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties. The District has no business-type activities.

The government-wide statement of net position reports the governmental activities of the District on a government-wide basis and on a full accrual basis, using the economic resources measurement focus, which incorporates long-term assets and receivables as well as long-term debt and obligations. The statement of net position also addresses deferred inflows and deferred outflows. The statement of activities reflects the expenses of the District, which are offset by

## VILLAGES PUBLIC SAFETY DEPARTMENT DEPENDENT DISTRICT

### Notes to Financial Statements

September 30, 2025

revenues. Program revenues are defined as charges for services, operating grants and contributions, and capital grants and contributions directly associated with a given function.

**Fund Financial Statements:** Separate financial statements are provided for the governmental funds. Major individual governmental funds are presented in separate columns on the fund financial statements and all non-major funds are aggregated and displayed in a single column. The governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide and the statements of the governmental funds. The District reports the General Fund as the only major fund. The District has no non-major funds.

Program revenues in the statement of activities consist primarily of special assessment revenues. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets is intended to reflect the portion of net position which is associated with capital assets net of accumulated depreciation less outstanding capital asset related debt.

Restricted net position consists of assets that have third party (statutory, bond covenant or granting agency) or enabling legislation limits on their use. The District would typically use restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use thereof to a future project or replacement equipment acquisition.

Unrestricted net position represents net position not included in net investment in capital assets or restricted net position.

### **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Assessments are recognized as revenues in the year in which the related debt is issued and the assessments established.

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

The following is the District's major governmental fund:

**Public Safety General Fund:** The General Fund is the sole operating fund of the District and is used to account for all financial resources of the general government. As a special purpose government, the responsibilities of Villages Public Safety Department Dependent District are limited in scope.

**VILLAGES PUBLIC SAFETY DEPARTMENT DEPENDENT DISTRICT**  
Notes to Financial Statements  
September 30, 2025

The District has no non-major governmental funds.

**Governmental Fund Balance Classifications**

Governmental fund balances are classified as either non-spendable or spendable. Spendable balances are further classified as restricted, committed, assigned or unassigned, based on the extent to which there are external or internal constraints on the spending of these fund balances. A discussion of each is as follows:

- **Non-spendable:** This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. "Not in spendable form" includes items that are not expected to be converted into cash (such as inventories and prepaid amounts).
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.
- **Committed:** This classification includes amounts that can only be used for specific purposes established by the highest decision making authority in the government. Committed amounts cannot be used for any other purpose unless the District removes those constraints by taking the same type action.
- **Assigned:** This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed.
- **Unassigned:** This classification includes the residual fund balance for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to a specific purpose within the General Fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

## VILLAGES PUBLIC SAFETY DEPARTMENT DEPENDENT DISTRICT

### Notes to Financial Statements

September 30, 2025

The District does not currently use non-spendable or assigned categories of fund balance. All restricted fund balances relate to external public safety restrictions. The Board of Supervisors, the highest decision making authority of the District, approves the establishment, increase and reduction in committed fund balances by budget resolutions and amendments. All other fund balances are unassigned. Restricted and Committed fund balances are always used first for the purposes for which they are designated. Changes to this practice require prior Board of Supervisors approval. A minimum fund balance amount has not been formally adopted.

#### **Budgetary Information**

The annual budget is formally adopted by the Board of Supervisors. Annual budgets are then approved by the Board of County Commissioners and serves as the legal authorization for expenditures. Legal authority and control are established in accordance with Chapter 189, Florida Statutes. The annual budget, as well as any subsequent amendment, is adopted and approved by the Board of Supervisors. Budgets are adopted on a basis consistent with GAAP. All budget amounts presented in the statements reflect the original budget and the amended final budget.

#### **Assets, Liabilities and Net Position**

**Cash, Cash Equivalents and Investments** The District's considers cash and cash equivalents to be cash on hand, demand deposits, cash with fiscal agent, and short-term investments with original maturities of three months or less from the date of acquisition.

The District's investments are recorded at fair value unless the investment qualifies as an external investment pool and follows the guidance in GASB, which allows the investment to be recorded at amortized cost under certain criteria. 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 method of measuring the fair value of investments uses the fair value hierarchy as defined by GASB.

**Receivables and Payables** The accounts receivable of the District are recorded in the government-wide and fund financial statements. Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds".

**Capital Assets** Capital assets, which may include property (land), buildings, infrastructure assets (roads, sidewalks, etc.), improvements, equipment, construction in progress and intangible assets, are reported in the government-wide financial statements.

The District has established the threshold for additions to capital assets as an asset with an acquisition cost of \$10,000 or more, and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The District values and records donated capital assets at the estimated fair value of the item at the date of its donation. **As of September 30, 2025 the District owned no capital assets.**

Routine maintenance and repairs to capital assets are not included in the reported value because they do not increase the capacity or extend the useful life of the capital asset.

# VILLAGES PUBLIC SAFETY DEPARTMENT DEPENDENT DISTRICT

## Notes to Financial Statements

September 30, 2025

Depreciation of capital assets is computed using the straight-line method and is recorded in general government expenses in the District's statement of activities. Estimated useful lives of the assets are as follows:

- Improvement other than building and structure 40 years
- Furniture and Equipment 5-10 years

### Revenue:

- **Fire Assessments:** The District has levied an assessment for the fire protection services for properties within the District's boundaries. This assessment is a part of the General Fund's annual budget. The assessment revenue is classified as charges for services at the entity wide level.

The Assessment Methodology for Fire assessments recognizes two tiers of benefits:

- 1) Readiness component – Readiness of fire protection service which is available equally without discrimination to all parcels of all types within VPSDDD by maintaining a continued state of readiness to provide fire/rescue services.
- 2) Demand component – The demand response provided by VPSD for actual calls to provide for direct suppression / rescue service to protect property, protect occupants and preserve the use and enjoyment of land.

- **Ambulance Readiness:** Through the interlocal agreement with Sumter County the District receives from the Sumter County's General Fund, revenues to support EMS transport readiness. The revenue is classified as charges for services at the entity wide level and is accounted for in this general fund.

### Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make various estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures/expenses during the reporting period. Some of these estimates include assessing the collectability of the receivables, the useful lives of capital assets and the collectability of the liabilities. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they could ultimately differ from actual results.

**VILLAGES PUBLIC SAFETY DEPARTMENT DEPENDENT DISTRICT**

Notes to Financial Statements

September 30, 2025

**NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS**

The District maintains an approved Investment Policy in compliance with guidelines established by Florida Statutes.

The primary objective of the District’s Investment policy is to assure safety and preservation of principal. The objective is to mitigate credit and interest rate risk, maintain the necessary liquidity to match expected liabilities and maximize yield.

**Cash and Cash Equivalents:** The District’s cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent and short-term investments with an original maturity of three months or less.

The District invests its operating cash solely in Qualified Public Depositories that meet the requirements of Chapter 280, Florida Statutes “Florida Security for Public Deposits Act”. In addition to protection of up to \$250,000 for its deposits with a single bank as provided by the Federal Deposit Insurance Corporation (FDIC), the District’s deposits are provided the extra level of security afforded by using a public depository that meets the requirements of Chapter 280. This includes the provision by the public depository of collateral based on the amount of public deposits maintained at the institution and the ability of the State of Florida to levy other public depositories for shortages in collateral in the event of the failure of a public depository. Citizens First Bank is a Qualified Public Depository.

May 2025 the District was notified that Citizens First Bank, the operating bank of the District, will be acquired by Seacoast National Bank. The acquisition is expected to be completed by October 2025, however full integration of the two banks is expected to be complete by July 2026. District Staff does not foresee any significant impact from this acquisition.

As of September 30, 2025, the District’s Cash and Cash Equivalents consisted of:

<b>Cash and Cash Equivalents</b>	<b>Fair Value</b>	<b>Weighted Average Maturity (Days)</b>	<b>Credit Rating</b>
Citizens First Bank demand deposits	\$ 271,124	1.0	n/a
Florida Cooperative Liquid Assets Securities System, FLCLASS	3,838,618	42.3	AAAm
Total Cash and Cash Equivalents	\$ 4,109,742		
 Portfolio Weighted Average Maturity (WAM)		 39.6	

The District participates in the following external investment pool:

- The Florida Cooperative Liquid Assets Securities System (FLCLASS) is an independent local government investment pool designed to provide a safe and competitive investment alternative for Florida governmental entities. FLCLASS does not meet the requirements of GASB Statement No. 79 and is measured at variable NAV, which approximates fair value.

## VILLAGES PUBLIC SAFETY DEPARTMENT DEPENDENT DISTRICT

### Notes to Financial Statements

September 30, 2025

As of September 30, 2025, the District did not have any investments, however certain risk factors may still apply:

- Custodial credit risk is the risk which a government will not be able to recover deposits or the value of an investment which is in the possession of a failed institution or counterparty.
  - The financial institution in which the District places its deposits is certified as a “qualified public depository” as required under the Florida Security for Public Deposits Act. Therefore, the deposits are entirely insured by Federal depository insurance and collateralized pursuant to Chapter 280, Florida Statutes.
  - At September 30, 2025, and consistent with the investment policy, the District’s investments are all registered in the name of the District by a custodian or a trustee for the District.
- Credit risk is the risk of loss from an issuer’s failure to repay principal and/or interest on a debt obligation. To manage this risk, the District’s investment policy identifies and limits investments to only top ratings issued by nationally recognized statistical rating organization.

### NOTE 3 –RECEIVABLES AND PAYABLES

#### Receivables

**Due from other Governments** The inter-government balances result from the time lag between the dates that (1) inter-government goods and services were provided or reimbursable expenditure occur, (2) transactions are recorded in the accounting system and (3) payments between governments are made. The balance Due from Sumter County of \$995,328 and Due from other governments of \$161,858 on September 30, 2025 is expected to be repaid shortly after year-end from available current assets and next year’s funding.

There is no allowance for doubtful accounts as of September 30, 2025, as management believes the accounts are fully collectible.

#### Payables

**Accounts Payable** As of September 30, 2025, a total of \$945 was due to trade vendors in the normal course of business. This balance is expected to be repaid shortly after year-end from available current assets and next year funding.

**Due to other Governments** The inter-government balances result from the time lag between the dates that (1) inter-government goods and services were provided or reimbursable expenditure occur, (2) transactions are recorded in the accounting system and (3) payments between governments are made. As of September 30, 2025, a total of \$1,402,442 was due to other governments. This balance is expected to be repaid shortly after year-end from available current assets.

**VILLAGES PUBLIC SAFETY DEPARTMENT DEPENDENT DISTRICT**  
Notes to Financial Statements  
September 30, 2025

**NOTE 4 – CAPITAL ASSETS**

The District has no Capital assets as of September 30, 2025.

**NOTE 5 – LONG- TERM DEBT**

The district has no long-term debt as of September 30, 2025.

## **VILLAGES PUBLIC SAFETY DEPARTMENT DEPENDENT DISTRICT**

### **Notes to Financial Statements**

**September 30, 2025**

#### **NOTE 6 – RELATED PARTIES**

The District has no employees. For certain management, finance, technology, fire service, transport service and administrative services, the District entered into an inter-local agreement with Village Center Community Development District (Center District), a community development district created under Florida Statute 190. Under the agreement, fees paid to the Village Center Community Development District by the Dependent District for such services totaled \$19,122,746 for Fire Service Readiness, \$11,943,934 for Transport Readiness and \$119,544 for General Services for the year ended September 30, 2025.

#### **NOTE 7 – RISK MANAGEMENT**

The District is exposed to various risks of loss related to general liability, crime, auto liability, employee practice liability, theft, damage and destruction of assets, errors and omissions and natural disasters. To manage much of this risk, the District carries insurance, however, the District retains risk for certain property coverage and for losses in excess of coverage limits. Any settled claims from these risks have not exceeded commercial insurance in the first year of operations.

**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**

Board of Supervisors  
Villages Public Safety Department Dependent District  
The Villages, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Villages Public Safety Department Dependent District (the District) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated March 6, 2026.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District’s internal control over financial reporting (internal control) 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 the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

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

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

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**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***

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the financial statements. 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 non-compliance 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 District’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 District’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Purvis Gray*

March 6, 2026  
Ocala, Florida

## MANAGEMENT LETTER

Board of Supervisors  
Villages Public Safety Department Dependent District  
The Villages, Florida

### Report on the Financial Statements

We have audited the financial statements of Villages Public Safety Department Dependent District (the District) as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated March 6, 2026.

### Auditor's Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with the American Institute of Certified Public Accountants *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated March 6, 2026, 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. This is the first year of the District's audit.

### Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements (see Note 1 of the District's September 30, 2025, basic financial statements for this information). There are no component units related to the District.

### Financial Condition and Management

Sections 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 the District met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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Board of Supervisors  
Villages Public Safety Department Dependent District  
The Villages, Florida

## MANAGEMENT LETTER

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 the District. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

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.

### **Property Assessed Clean Energy (PACE) Programs**

As required by Section 10.554(1)(i)6.a., *Rules of the Auditor General*, the District stated they did not operate a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, within the District's geographical boundaries during the fiscal year under audit.

### **Special Districts**

For information required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i) 7 and 9, *Rules of the Auditor General*, please see attached information provided by management that is unaudited and, accordingly, we do not express an opinion or provide any assurance on the information.

### **Additional Matters**

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that has occurred or is likely to have occurred, that has 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.

### **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.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

*Purvis Gray*

March 6, 2026  
Ocala, Florida

**Attachment to Management Letter as of September 30, 2025**

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7., Rules of the Auditor General, the **(Villages Public Safety Department Dependent District)** reported:

- a. The total number of district employees compensated in the last pay period of the district's fiscal year as   n/a  .
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as   n/a  .
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as   n/a  .
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as   n/a  .
- e. 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 of the fiscal year being reported, together with the total expenditures for such project as   n/a  .
- f. 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, as   . ***This is discussed in the "Public Safety Fund Budgetary Highlights" section of the Management Discussion and included as a "Budget to Actual" statement in the "Basic Financial Statements."***

**Note: If the required information for a dependent special district is fulfilled by inclusion in the primary local government's audit report, a statement to that effect should be made in the dependent special district's audit report, and vice versa.**

**Specific Information (For an independent special district that imposes ad valorem taxes)**

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)8., Rules of the Auditor General, the **(name of district)** reported:

- a. The mileage rate or rates imposed by the district as   .
- b. The total amount of ad valorem taxes collected by or on behalf of the district as   .
- c. The total amount of outstanding bonds issued by the district and the terms of such bonds as   .

**Specific Information (For an independent special district that imposes non-ad valorem special assessments)**

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)9., Rules of the Auditor General, the **(name of district)** reported:

- a. The rate or rates of non-ad valorem special assessments imposed by the District as   .
- b. The total amount of special assessments collected by or on behalf of the district as   .
- c. The total amount of outstanding bonds issued by the district and the terms of such bonds as   .

**INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE WITH  
FLORIDA STATUTES, SECTION 218.415 - INVESTMENT OF PUBLIC FUNDS**

Board of Supervisors  
Villages Public Safety Department Dependent District  
The Villages, Florida

We have examined Villages Public Safety Department Dependent District (the District) compliance with Section 218.415, Florida Statutes, with regards to the District’s investments during the fiscal year ended September 30, 2025. District management is responsible for the District’s compliance with those requirements. Our responsibility is to express an opinion on the District’s compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material non-compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

Our examination does not provide a legal determination on the District’s compliance with specified requirements.

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

This report is intended solely for the information and use of the Florida Auditor General, the Board of Supervisors of the District, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Purvis Gray*

March 6, 2026  
Ocala, Florida

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