

# The Villages®

## Community Development Districts

### District 12

#### **Financial Statement Summary**

**As of March 31, 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 reached \$4,027,074, a 3% increase over the prior year's \$3,909,194. This growth is primarily attributed to the 4% adjustment in Maintenance Assessments. Given this performance, the District is well-positioned to meet or exceed its FY 2025-26 revenue projections.

- The District has collected 97.2% of budgeted maintenance assessments to date compared with 98.0% at the same point last year. This reflects a modest year-over-year decline in collection performance.
- Investment earnings of \$99,705 through March 31, 2026 were down by 1% from the \$100,466 earned as of March 31, 2025. However, earnings declined from the \$163,311 reported as of February 28, 2026. Geopolitical events negatively impacted financial markets in March and the LTIP One Month Rate of Return was negative. However, as of March 31, 2026, the realized LTP gains grew by \$16,485 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. Short-term investments 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 at an annual rate of 13.31%. We expect the market impact in March to be transitory. 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 \$2,028,085 are 1.5% less than the prior year-to-date expenses of \$2,059,279. 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 \$1,501 lower than in the same period last year. The biggest contributor to this decline was Management Fees, \$4,630 lower than last year. They are now based on a flat-rate allocation schedule. Tax Collector's Fees increased by \$3,618 due to the increase in Maintenance Assessment for FY 2025-26. 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 \$69,482 year-to-date, significantly below the prior year level of \$97,750. This variance is primarily due to increased irrigation water costs related to Hurricane Milton along with a corresponding credit that had not yet been posted as of March 2025. Current Utilities expenses are 50.7% of budget through mid-year. Based on current spending patterns, this expense category is projected to finish the fiscal year at approximately 98 – 103% of budget.

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- Building, Landscape, and Other Maintenance Expenses totaling \$1,672,958 were \$1,080 lower than the Prior Year's \$1,674,038. Notably, Irrigation Repair expenses decreased from \$41,719 last year to \$13,568 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. Landscape Maintenance – Recurring increased by \$14,999 or 3.5% to \$442,783 for the first six-months of 2025-26 due to an increase in contract pricing. There was 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 \$1,998,989, representing a \$149,074 improvement over the \$1,849,915 increase for the period ending March 31, 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:

March 2026	CFB	FLCLASS	FL PALM	FL-FIT	FLTRUST	LTIP**
Current Month Annualized Return*	3.13%	3.72%	3.73%	4.29%	3.82%	13.31%
One Month Rate of Return	0.26%	0.31%	0.31%	0.36%	0.32%	-4.60%
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 \$11,593.71 in the Community Standards Fund.

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<b>Statement of Activity</b>						
<b>For the Six Months Ending March 31, 2026 (50% of the budget year)</b>						
Original Budget	Amended Budget	Budget % used		YTD Actual	PYTD Actual	Variance
			<b>REVENUES:</b>			
\$ 4,041,202	\$ 4,041,202	97%	Maintenance and Other Special Assessments	\$ 3,927,334	\$ 3,808,716	\$ 118,617
-	-	100%	Other Income	35	12	23
<u>167,000</u>	<u>167,000</u>	<u>60%</u>	Investment Income	<u>99,705</u>	<u>100,466</u>	<u>(761)</u>
4,208,202	4,208,202	96%	<b>Total Revenues:</b>	4,027,074	3,909,194	117,880
			<b>EXPENSES:</b>			
15,096	15,096	34%	Personnel Services	5,192	5,185	7
499,634	503,134	55%	Management and Other Professional Services	274,293	275,795	(1,501)
136,830	136,830	51%	Utility Services	69,482	97,750	(28,267)
3,550,118	3,546,618	47%	Building, Landscape and Other Maintenance	1,672,958	1,674,038	(1,080)
<u>11,175</u>	<u>11,175</u>	<u>55%</u>	Other Expenses	<u>6,160</u>	<u>6,512</u>	<u>(352)</u>
4,212,853	4,212,853	48%	<b>Total Operating Expenses</b>	2,028,085	2,059,279	(31,194)
-	-	0%	Transfers out of Unrestricted Fund	-	-	-
-	-	0%	<b>Total Other Changes</b>	-	-	-
<u>4,212,853</u>	<u>4,212,853</u>	48%	<b>Total Expenses and Other Changes</b>	<u>2,028,085</u>	<u>2,059,279</u>	<u>(31,194)</u>
\$ (4,651)	\$ (4,651)		<b>Change in Unreserved Net Position</b>	\$ 1,998,989	\$ 1,849,915	\$ 149,074
			<b>Total Cash, Net of Bond Funds</b>	\$ 6,695,567	\$ 6,661,020	\$ 34,547
			<b>Fund Balance</b>			
			Unassigned	4,891,939	4,704,121	187,818
			Committed R and R General	<u>1,800,000</u>	<u>1,800,000</u>	<u>\$ -</u>
			<b>Total Fund Balance</b>	<u>\$ 6,691,939</u>	<u>\$ 6,504,121</u>	<u>\$ 187,818</u>