

FOR THE FISCAL
YEAR ENDED
SEPTEMBER 30,
2025

A photograph of a large, single-story building with a green horizontal-slat exterior and a brown shingled roof. A small square tower with a brown roof and a white door is centered on the roofline. The building is surrounded by palm trees and a low stone wall in the foreground. The sky is clear and blue.

May All Your *Dreams* Come True....
The Villages®

ANNUAL FINANCIAL REPORT

(WITH INDEPENDENT AUDITORS' REPORT THEREON)

WILDWOOD UTILITY DEPENDENT DISTRICT

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Audit Photo Cover taken by Katie Evans- Clerk's Office



Financial Section

Annual Financial Report

PURVIS GRAY

INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
Wildwood Utility Dependent District
The Villages, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and major fund of Wildwood Utility 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 business-type activities and major fund of the District as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof 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.

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Board of Supervisors
Wildwood Utility Dependent District
The Villages, Florida

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 table 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

Board of Supervisors
Wildwood Utility Dependent District
The Villages, Florida

INDEPENDENT AUDITOR'S REPORT

an essential part of financial reporting for placing the basic financial statements in an appropriate 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 2, 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 2, 2026
Ocala, Florida

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 Wildwood Utility Dependent 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 individual fund issues and concerns. The information contained within this section should be considered in conjunction with the District's Financial Statements.

Financial Highlights

- Wildwood Utility Dependent District (WUDD) owns and operates South Sumter Utility.
- Total assets of the District decreased by \$6,062,030 to the amount of \$315,121,589; and the deferred outflows of the resources of the District are \$0 for the fiscal year ending September 30, 2025.
- Total liabilities of the District decreased by \$3,593,434 to the amount of \$331,320,531; and the deferred inflows of the resources of the District are \$0 for the fiscal year ending September 30, 2025.
- The liabilities and deferred inflows of the District exceeded its assets and deferred outflows by \$16,198,942 (net position) as of September 30, 2025. Of this amount, \$16,579,222 is unrestricted and can be used at the discretion of the Board of Supervisors.
- The District's total expenses of \$29,097,481 exceeded the revenues of \$26,628,885, providing a \$2,468,596 decrease in total net position.
- Depreciation expenses on existing capital assets for the current fiscal year amounted to \$3,055,388 to reflect the gradual need for replacement of these assets over time. Amortization expense totaled \$6,922,224 for the current year ending 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 two sections:

- Fund financial statements
- Notes to the financial statements.

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

Fund Financial Statements

The fund financial statements provide detailed information about the District's major fund. 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 District maintains one proprietary fund. There are no government or fiduciary funds maintained by the District. The fund financial statements present information in more detail than the government-wide financial statements.

Proprietary funds

Proprietary funds are used to report business-type activities. Enterprise funds, a category of proprietary funds, are included as business-type activities in the government-wide financial statements.

The District maintains the following proprietary fund:

- **South Sumter Utility (SSU):** The SSU (South Sumter Utility) Fund is owned by Wildwood Utility Dependent District. South Sumter Utility provides water, wastewater, reclaimed water services and non-potable irrigation water services to customers located in the Village Community Development District Nos. 12, 13 and a portion of District 14.

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 *Statement of Cash Flow* presents the impact on the District of the cash flows from operations, capital and financing activities and investing activities.

Government-wide financial statements are not required to be reported because the District has no governmental activities. The District is a special purpose government with one proprietary fund. The business-type activities of the District include water and sewer utilities. The District has no component units, as all functions are performed by the primary government.

The proprietary fund financial statements are provided on pages 14 - 16 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 17.

Business-Type Activities Financial Statements and Analysis

Statement of Net Position

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

	September 30,	
	2025	2024
Assets		
Current assets	\$ 19,455,377	16,246,543
Restricted assets	16,712,534	23,188,532
Capital assets (net of accumulated depreciation)	88,999,733	84,831,156
Bond insurance costs (net of accumulated amortization)	1,415,568	1,467,596
Intangible assets (net of accumulated amortization)	188,538,377	195,449,792
Total assets	315,121,589	321,183,619
Liabilities		
Current liabilities	9,860,677	11,706,628
Long term debt:		
Due in one year	205,000	-
Due in more than one year	321,254,854	323,207,337
Total liabilities	331,320,531	334,913,965
Net position		
Net investment in capital assets	(36,097,506)	(27,499,125)
Restricted for:		
Debt service	2,736,114	1,734,007
Renewal and replacement	583,228	510,335
Unrestricted	16,579,222	11,524,437
Total net position	\$ (16,198,942)	(13,730,346)

As noted earlier, net position may serve over time as a useful indicator of a government's financial position.

The District's liabilities (and deferred inflows) exceeded total assets (and deferred outflows) by \$16,198,942. The net position decreased \$2,468,596 from a balance of (\$13,730,346) as of September 30, 2024.

The District's net position is broken down into four categories:

- **Net investment in capital assets** in the amount of (\$36,097,506) reflects its investment in capital assets less any related outstanding debt to acquire those assets. The District uses these capital assets to provide services to its residents; therefore, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves will not be used to liquidate these liabilities.
- **Restricted for debt service** An additional \$2,736,114 of the District's net position represents resources that are subject to external restrictions on how they may be used. The District's restricted net position is restricted for the purpose of meeting its debt service obligations.
- **Restricted for renewal and replacement** The District's net position is restricted by the bond indenture to ensure capital renewal and replacement is adequately funded. The District's required Renewal and Replacement funding is \$583,228. The funding is calculated as a minimum of 2% of the prior year's revenues.
- **Unrestricted net position** The remaining portion of \$16,579,222 is unrestricted and available to meet the future needs of the district.

Statement of Changes in Net Position

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

	September 30,	
	2025	2024
Business-type activity revenues		
Charges for services	\$ 25,122,864	23,122,136
Contributions - private sources & donations	135,447	7,611
Investment income (loss)	1,370,574	1,940,526
Total revenues	<u>26,628,885</u>	<u>25,070,273</u>
Business-type activity expenses		
Utility Services	6,857,089	6,036,250
Interest expense	12,262,780	12,262,780
Depreciation expense	3,055,388	2,670,184
Amortization expense	6,922,224	6,922,224
Total expenses	<u>29,097,481</u>	<u>27,891,438</u>
Changes in net position	(2,468,596)	(2,821,165)
Total net position, beginning	<u>(13,730,346)</u>	<u>(10,909,181)</u>
Total net position, ending	<u>\$ (16,198,942)</u>	<u>(13,730,346)</u>

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

Revenues and Expenses The District's revenues for the years ended September 30, 2025, and September 30, 2024 were approximately \$26,628,885 and \$25,070,273 respectively. Total revenues increased \$1,558,612 over prior year primarily due to an increase in charges for services and contributions - private sources & donations. The District's expenses for the years ended September 30, 2025, and September 30, 2024, were \$29,097,481 and \$27,891,438 respectively.

Revenues Utility rates increased by 2.5% in fiscal year 2024-25, which contributed to the revenue increase. In addition, by April 2025 all residential homes within the service area had been sold. Contributions from the Developer in the amount of \$135,000 is related to a reduction in the service area by 8 homes and provided as an offset to the loss in revenue. Investment income decreased by \$569,952 due to the decrease in invested cash and cash equivalents. The Utility Expansion fund account decreased by 54% from prior fiscal year, contributing to the decrease in investment income. In addition, the District's investment portfolio is composed largely of short-term fixed-income securities, and earnings are directly influenced by interest rate movements. The rate cut by the Federal Reserve during the fiscal year and a weakening in economic activity contributed to the decline in investment income relative to the prior year.

Expenses Total expenses increased by \$1,206,043 primarily due to an increase in utility services and depreciation expense. The largest expense was interest on long-term debt in the amount of \$12,262,780. The Amortization expense was \$6,922,224. Utility Services was \$6,857,089. Vendor contracts, management fees and supplies were the primary contributors to the increase.

Cash Reserve Policies

In February 2025 the Board of Directors approved a Financial Management Policy. The Financial Management Policy includes Cash Reserve policies to ensure continuity of operations by ensuring sufficient levels of cash and investments to meet the Utilities operational needs and provide for funds in case of an emergency. The Cash Reserve policies outline thresholds of required cash on hand.

- The **Operating Reserve policy** requires a minimum of 120 days of budgeted operating expenses.
- The **Renewal & Replacement Reserve policy** requires a reserve amount equal to the last depreciation calculation.
- The **Debt Service Reserve** requires a minimum of 120 days of the following year's Annual Debt Service.
- **Total Unrestricted Cash Reserve Policy** equals a minimum target of 365 Days Cash on Hand. Days Cash on Hand is defined as "Current unrestricted cash and investments plus any restricted cash and investments (if available for general system purpose) divided by operating expenditures minus depreciation, divided by 365 days.

All funds met the Cash Reserve Policies for the year.

Capital Assets and Debt Administration

Capital Assets

The District's capital assets as of September 30, 2025 amounts to \$88,999,733. Capital assets include land and infrastructure. Depreciation expenses totaled \$3,055,388. Capital assets acquired in fiscal year 2024-25 were paid to the Developer through the Utility Expansion Fund for infrastructure assets. The Utility Expansion funds represent a portion of the bond proceeds designated to pay for future capital assets placed into service after the Utility was purchased. Additional information regarding the District's capital assets can be found in Note 4 of the Notes to Basic Financial Statements.

Long-Term Debt

As of September 30, 2025, the District had long-term principal debt outstanding of \$273,725,000. This debt is secured by a pledge of revenues under the indentures which are derived by the District from the users of the utility services.

Additional information regarding the District's long-term debt can be found in Note 7 of the Notes to Basic Financial Statements.

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 budget for the 2025 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.

South Sumter Utility Fund: In Fiscal Year 2026, the total revenues are projected to be \$26,172,093. Water, Sewer, Irrigation and Other Misc Water related revenues are expected to be \$24,587,643 or a 2% decrease in usage from Fiscal Year 2024-25 actuals. Utility rates are scheduled to increase 2.5% in 2025-26 as per the Board approved rate schedule. Investment earnings are budgeted at \$1,584,450 a decrease of \$213,876. The expected decrease is due to additional federal rate cuts expected during the year. The Fiscal Year 2026 expenditure budget is at \$22,893,417, a 5% increase compared to Fiscal Year 2024-25 actuals. Increases include an increase in miscellaneous contractual services, repairs & maintenance and capital outlay.

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 Road

The Villages, FL 32163

Telephone (352) 753-0421

It is also suggested you visit our website at www.districtgov.org for general information and additional financial information about the District.

**Statement of Net Position
Proprietary Funds
September 30, 2025**

	Wildwood Utility Dependent District
Assets	
Current assets:	
Cash and cash equivalents	\$ 15,136,477
Restricted cash and cash equivalents	8,219,150
Receivables, net	3,014,355
Investments	1,219,169
Due from other governments	31,171
Accrued interest receivable	53,044
Prepaid expenses	1,161
Total current assets	<u>27,674,527</u>
Non-current assets:	
Restricted cash and cash equivalents	8,493,384
Capital assets:	
Land	166,331
Infrastructure	96,947,708
Less accumulated depreciation	(8,114,306)
Bond insurance costs (net of accumulated amortization)	1,415,568
Intangible assets (net of accumulated amortization)	188,538,377
Total non-current assets	<u>287,447,062</u>
Total assets	<u>315,121,589</u>
Liabilities	
Current liabilities:	
Accounts payable	715,164
Accrued interest payable	6,984,522
Due to other governments	967,567
Due to developer	1,183,973
Meter deposits	9,451
Current installments of revenue bonds payable	205,000
Total current liabilities	<u>10,065,677</u>
Non-current liabilities:	
Revenue bonds payable, net	321,254,854
Total non-current liabilities	<u>321,254,854</u>
Total liabilities	<u>331,320,531</u>
Net position	
Net investment in capital assets	(36,097,506)
Restricted for:	
Debt service	2,736,114
Renewal and replacement	583,228
Unrestricted	16,579,222
Total net position	<u>\$ (16,198,942)</u>

See accompanying notes to basic financial statements.

Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
Year Ended September 30, 2025

	Wildwood Utility Dependent District
Operating revenues	
Charges for services:	
Water revenue	\$ 6,371,517
Sewer revenue	8,559,589
Irrigation revenue	10,190,039
Other Revenues	1,719
Total operating revenues	<u>25,122,864</u>
Operating expenses	
Contractual operation and maintenance services	3,590,816
Administrative services	1,370,512
Utility services	821,012
Repair and maintenance services	274,945
Insurance, casualty and liability	399,332
Meter and operating supplies	400,472
Depreciation expense	3,055,388
Amortization expense	6,922,224
Total operating expenses	<u>16,834,701</u>
Operating income	<u>8,288,163</u>
Non-operating revenue (expenses)	
Investment earnings (losses)	1,370,574
Contributions - private sources & donations	135,447
Interest expense	(12,262,780)
Total non-operating expenses	<u>(10,756,759)</u>
Change in net position	<u>(2,468,596)</u>
Total net position, beginning	<u>(13,730,346)</u>
Total net position, ending	<u><u>\$ (16,198,942)</u></u>

See accompanying notes to basic financial statements.

Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2025

	South Sumter Utility
Cash flows from operating activities:	
Receipts from customers	\$ 24,761,090
Payments to suppliers and others	(8,708,657)
Net cash provided by operating activities	<u>16,052,433</u>
Cash flows from capital and related financing activities:	
Contributions from developer - capital	135,447
Interest paid on capital debt	(13,969,044)
Acquisition of capital assets	(7,223,964)
Net cash used in capital and related financing activities	<u>(21,057,561)</u>
Cash flows from investing activities:	
Purchases of investments	(1,238,338)
Interest on investments	1,385,843
Net cash provided by investing activities	<u>147,505</u>
Net decrease in cash and cash equivalents	<u>(4,857,623)</u>
Cash and cash equivalents, beginning of year	36,706,634
Cash and cash equivalents, end of year	<u>31,849,011</u>
Reconciliation of cash and cash equivalents per Statement of cash flows to the statement of net assets:	
Cash per statement of net position:	
Unrestricted cash and cash equivalents	15,136,477
Restricted cash and cash equivalents - current	8,219,150
Restricted cash and cash equivalents - non-current	8,493,384
Cash and cash equivalents	<u>31,849,011</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:	
Operating income (loss)	8,288,163
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	3,055,388
Amortization expense	6,922,224
Change in assets and liabilities:	
(Increase) Decrease in:	
Receivables, net	(386,888)
Due from other governments	20,055
Prepaid expenses	(558)
Increase (Decrease) in:	
Accounts payable and accrued liabilities	320,718
Unearned revenue	5,062
Due to developer	(2,529,515)
Due to other governments	357,784
Net cash provided by operating activities	<u>\$ 16,052,433</u>

See accompanying notes to basic financial statements.

Notes to Financial Statements

Note 1 – Summary of Significant Accounting Policies

Financial Reporting Entity

The Wildwood Utility Dependent District (the District) was established on March 22, 2021 pursuant to Chapter 189 of Florida State Statutes and City of Wildwood Ordinance 02021-16. The District was created to provide water and wastewater utility services for approximately 8,300 acres of land located in unincorporated Sumter County, the City of Wildwood and the City of Leesburg. The District provides water, wastewater and reclaimed water service to Village properties south of State Road 44, east of 301 and north of County Road 470. The District is governed by a five-member Board of Supervisors. Current Board members were appointed by the City of Wildwood.

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. Blended component units, on the other hand, are reported in a separate column in the statement of net position to emphasize they are legally separate from the government.

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.

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 projectwide 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 original 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.
- 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 of which 10 are being used as lifestyle preview homes by the Developer.
- The Village Community Development District No. 9 boundary consists of approximately 1,309 acres in Sumter County. The development included construction of 5,480 residential units and apartment style living at the Brownwood Lofts.
- The Village Community Development District No. 10 boundary consists of approximately 1,588 acres in Sumter County. The development includes 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 includes 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.

- 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 3700 residential units in Phase II.

In order to acquire land and fund the construction costs of the District's public infrastructure, the District issued Special Assessment Revenue Bonds. The proceeds of these bonds were used to construct improvements within the District which consists of roadway improvements, landscaping, open areas, streetlights, multi-modal paths, master drainage systems and a water and waste water distribution and collection service system. The bonds are supported by assessments that are levied upon the benefiting properties. In addition to the bond assessment for construction of the infrastructure, there is an annual maintenance assessment to provide for the services and ongoing maintenance and administration.

It is anticipated that additional infrastructure improvements within The Villages will be undertaken by existing community development districts and/or a community development district yet to be created in the future, for which special assessments may be imposed on residences in The Villages and lands owned by the Developer.

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.
- The Village Public Safety Department Dependent District (VPSDDD) - VPSDDD 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." The Middleton A community allows for working professionals to support the larger Villages retirement community. Many of the residents are employed by the Villages Developer and surrounding businesses. The community offers residents their own recreation, community parks, and a charter school in addition to a town center, 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 residential units. Phase II consists of 834 planned residential units.

- Middleton Downtown Community Development District (the District) provides the maintenance of common areas and for the commercial areas within the District boundaries in Sumter County. The cost of maintenance in the commercial areas is funded through Developer Contributions until the new downtown area builds out.

Basis of Presentation

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.

Fund Financial Statements: The basic financial statements include fund financial statements. The financial reporting model focus is on the District as a whole, with only one proprietary fund. The statement of net position reports the proprietary activities of the District (a) on a government-wide basis and (b) 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 revenues, expenses and changes in fund net position - proprietary funds, reflects the revenues and expenses of the District.

The District's major funds are presented in separate columns on the fund financial statements. The definition of a major fund is one that meets the criteria set forth in GASB Statement 34. 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 is 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 proprietary fund 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.

South Sumter Utility is considered a major enterprise fund of the District and a category of proprietary fund.

South Sumter Utility (SSU): The SSU Fund collects charges for water, wastewater and non-potable irrigation services. This fund is used to account for all costs of providing services on a continuing basis to customers located in the Village Community Development District Nos. 12, 13, and 14.

There are no non-major funds within the District.

The District uses enterprise funds, a type of proprietary fund, to account for the operations and maintenance of potable water, wastewater utility and non-potable irrigation systems that are financed and operated in a manner similar to private business enterprises, where the costs of providing services on a continuing basis are financed through user charges.

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the District enterprise funds are charges to customers for services. Operating expenses for enterprise funds include the cost of services, administrative expenses, depreciation of capital assets, and amortization of intangible assets. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Budgetary Information

The annual budget is formally adopted by the Board of Supervisors. Annual budgets are then approved by the City of Wildwood City Council 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 79, 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".

Restricted Assets Certain proceeds of revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants. Restricted assets in the form of cash and cash equivalents that will be used to pay current liabilities are classified as current assets in the accompanying statement of net position.

The resolutions authorizing the utility revenue bonds require that the District establish sinking fund and reserve accounts in amounts that equal the Reserve Account Requirements, which are defined in the Bond Trust Indentures. In addition, the utility bond resolution requires that a renewal and replacement reserve be established. The renewal and replacement reserve deposits are maintained as restricted assets until such time as needed to fund those necessary water and sewer system renewals and replacements. The purchase and sale agreement provides that all utility system development charges remain the property of the seller. These funds are therefore collected directly by the seller.

Deferred Outflows/Inflows of Resources In addition to assets, the Statement of Net position may report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net position may report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The District has no deferred inflows of resources.

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 acquisition value of the item at the date of its donation.

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.

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

Intangible Assets Intangible assets represent the discounted value of future utilities service fees to amortize the difference between the recorded value of the capital assets and the purchase price of the utility and are capitalized at cost at the date of acquisition. Intangible assets are amortized on a straight-line basis over an estimated useful life of 30 years.

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.

Note 2 – Cash, Cash Equivalents and Investments

The District maintains an approved Investment Policy and Long-Term Portfolio 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.

The primary objective of the District's future Long-term Portfolio Investment policy is to achieve a long-term (five years or longer) level of return commensurate with the contemporary economic conditions and equal to or exceeding the then prevailing investment environment.

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 a portion of its operating cash in a Qualified Public Depository that meets 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.

Additionally the District's Trust accounts, funds held for bond debt service, are also invested in First American Government money market fund. The money market fund seeks to provide maximum current income and daily liquidity by purchasing U.S. government securities and repurchase agreements collateralized by such obligations.

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

Cash and Cash Equivalents	Fair Value	Weighted Ave Maturity (Days)	Credit Rating
Citizens First Bank demand deposits	\$ 738,904	1.0	n/a
FI Cooperative Liquid Assets Securities System, FLCLASS	13,529,724	42.3	AAAm
FI Public Assets for Liquidity Management (FL PALM)	867,849	42.0	AAAm
US Bank - Florida Fixed Income Trust - Cash Pool (FLFIT)	9,518,131	85.0	AAAf
US Bank - First American Government MMF	7,194,403	1.9	AAAm
Total Fair Value	<u>\$ 31,849,011</u>		
Portfolio Weighted Average Maturity (WAM)		45.0	

The District invests excess funds pursuant to the guidelines established in Section 218.415, Florida Statutes. The authorized investments consist of:

- The Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Inter-local Cooperation Act as provided in Section 163.01, Florida Statutes.
- Securities and Exchange Commission registered money market mutual funds with the highest credit quality rating from a nationally recognized rating agency.
- Interest-bearing time deposits or savings accounts in qualified public depositories as defined in Section 280.02, Florida Statutes.
- Direct obligations of the United States Treasury.
- Federal agencies and instrumentalities.
- Repurchase agreements with financial institutions approved as public depositories, provided that the underlying collateral consists of obligations of the United States Government, its agencies and instrumentalities. The repurchase agreement shall be collateralized equal to at least 102 percent of the value of the District's investment.

In the future, the District will further segregate a portion of its investment into a long-term investment portfolio with investment guidelines. The investment objectives are based on a long-term investment horizon of five years or longer. The District will develop a long-term investment horizon such that the risk and duration of investment losses are carefully weighed against the long-term potential for asset growth. A large portion of the assets will be invested in longer-term investments and will be diversified with the intent to minimize risk loss. In order to best balance risk and return for optimal diversification, the following asset allocation has been identified:

As of September 30, 2025, the District's Investments consisted of:

Investments	Fair Value	Weighted Ave Maturity (Years)	Credit Rating
Florida Fixed Income Trust, FLFIT	\$ 610,076	1.07	AAAf1/S1
Florida Government Investment Trust, FLGIT	609,093	1.89	AAAf1/S1
Total Investments	<u>\$ 1,219,169</u>		
Portfolio Weighted Average Maturity (WAM)		1.48	

The District participates in the following external investment pools:

- **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.
- **Florida Public Assets for Liquid Management (FLPALM)** has daily liquidity with unlimited investments and redemptions. The fund has investments in Negotiable Certificates of Deposit, Commercial Paper, Repurchase Agreements, Bank Deposits, Bank Notes, Corporate Notes, Money Market Funds, Federal Agency Bonds/Notes, and US Treasury Notes. The investment advisor, on behalf of the fund, determines the net asset value of the shares at the close of each business day and monitors the difference between the amortized cost and fair market value. The Trustees of the fund can suspend the right of withdrawal or postpone the date of payment if the Trustees determine that there is an emergency that makes the sale of a Portfolio's securities or determination of its net asset value not reasonably practical. The District's investment in FLPALM meets the requirement of GASB No. 79 and is valued at amortized cost.
- **Florida Fixed Income Trust (FLFIT)** Enhanced Cash Pool is a Series Trust designed to provide liquid solutions to local governments of Florida. The funds objective is to provide liquidity and preservation of capital while providing current income consistent with low volatility of net asset value. The fund does not meet the requirements of GASB Statement No. 79 and is measured at variable NAV, which approximates fair value.
- **Florida Local Government Investment Trust (FLGIT)** is administered by a Board of Trustees appointed by the Florida Association of Court Clerks and County Comptroller, and the Florida Association of Counties, Inc. The Trust was created to provide a means for public entities to pool surplus funds to maximize net earnings certificates of deposit. The District's investment in the Trust Short-Term Bond Fund does not meet the requirements of GASB Statement No. 79 and is valued at variable Net Asset Value (NAV), which approximates fair value.

Management of the following investment risks are addressed below:

- Custodial credit risk is the risk that a government will not be able to recover deposits or the value of an investment that's 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.
- Concentration of investment risk is the increasing probability of loss arising from heavily lopsided exposure to an asset class, issuer, structure or maturity. The District's investment policy stipulates guidelines for diversification of investments by limiting investments to avoid over-concentration in securities from a specific issuer or business sector; limiting investments in securities with higher credit risk; investments in securities with varying maturities; and continuously investing a portion of the portfolio in readily available funds to ensure that appropriate liquidity is maintained to meet ongoing obligations.

- Interest rate risk is the risk that a security's value will decrease with a rise in interest rates. To manage interest rate risk, the District plans to maintain a formal investment policy that limits investment maturities not to exceed five (5) years. The District maintains and reports interest rate risk using the Weighted Average Maturity (WAM) method. A weighted average takes into account both the timing and the amounts of the maturities. The District manages its exposure to decline in fair values by limiting the WAM of its investment portfolio to less than three (3) years.
- Foreign currency risk is the risk of loss from a reduction in value affected by changes in the rate of exchange. The District's investment policies do not allow for direct investments in foreign currency.

Note 3 - Receivables and Payables

Receivables

Accounts Receivable Accounts receivable in the South Sumter Utility fund consists of amounts due for charges for water, wastewater and irrigation service, net of an allowance for doubtful accounts. For uncollectible accounts receivable, the allowance method is used. Total Accounts Receivable, net of the allowance for doubtful accounts as of September 30, 2025 was \$3,014,356.

The accounts receivable is shown net of the allowance for doubtful accounts totaling \$36,657 as of September 30, 2025.

Due from other Governments As of September 30, 2025, a total \$31,171 is 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.

Payables

Accounts Payable As of September 30, 2025, a total \$715,164 is 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 As of September 30, 2025, a total \$967,567 is 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. The balance at September 30, 2025 is expected to be repaid shortly after year-end from available current assets and next year funding.

Note 4 - Capital Assets

Capital asset activity for the year ended September 30, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Assets not being depreciated:				
Land	\$ 166,331	-	-	166,331
Assets being depreciated:				
Infrastructure	89,723,744	7,223,964	-	96,947,708
Total assets	89,890,075	7,223,964	-	97,114,039
Less accumulated depreciation for:				
Infrastructure	(5,058,919)	(3,055,387)	-	(8,114,306)
Total Capital Assets, net	\$ 84,831,156	4,168,577	-	88,999,733

Note 5 - Intangible Assets

Intangible asset activity for the year ending September 30, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
WUDD				
Discounted value purchase	\$ 212,726,155	-	-	212,726,155
Less accumulated amortization	(17,276,363)	(6,911,416)	-	(24,187,779)
Intangible assets, net	\$ 195,449,792	(6,911,416)	-	188,538,376

Note 6 - Long-Term Debt

Long-term debt consists of the following Revenue bonds as of September 30, 2025:

Wildwood Utility Dependent District

\$154,925,000 Utility Revenue Bonds, Series 2021 due in annual principal installments ranging from \$1,025,000 to \$10,355,000 through October 2052 in accordance with the redemption schedule. Interest is due semi-annually on April 1 and October 1 of each year until redemption or maturity. Interest rate is 5.000%.	\$ 154,925,000
\$19,820,000 Subordinate Utility Revenue Bonds, Series 2021 due in annual principal installments ranging from \$95,000 to \$1,290,000 through October 2052 in accordance with the redemption schedule. Interest is due semi-annually on April 1 and October 1 of each year until redemption or maturity. Interest rate is 5.000%.	19,820,000
\$89,075,000 Utility Revenue Bond Series 2023 due in annual principal ranging from \$110,000 to \$6,155,000 through October 2053 in accordance with the redemption schedule. Interest is due semi-annually April 1 and October 1 of each year until redemption. Interest rate ranges from 3.0% to 5.5%.	89,075,000
\$10,110,000 Subordinate Utility Revenue Bond Series 2023 due in annual principal ranging from \$190,000 to \$690,000 through October 2053 in accordance with the redemption schedule. Interest is due semi-annually April 1 and October 1 of each year until redemption. Interest rate ranges from 3.0% to 5.5%.	<u>10,110,000</u>
Total revenue bonds payable	273,930,000
Less current installment of bonds payable	(205,000)
Plus unamortized bond premium	<u>47,529,854</u>
Revenue bonds payable including bond premium	<u>\$ 321,254,854</u>

The annual requirements to amortize the principal and interest of all revenue bonds payable as of September 30, 2025, are as follows:

Fiscal year ending September 30:		Principal	Interest	Total
	2026	\$ 205,000	13,965,020	14,170,020
	2027	1,515,000	13,924,270	15,439,270
	2028	2,790,000	13,819,720	16,609,720
	2029	3,460,000	13,665,395	17,125,395
	2030	5,040,000	13,452,894	18,492,894
	2031-2035	33,485,000	62,649,184	96,134,184
	2036-2040	43,150,000	53,017,231	96,167,231
	2041-2045	55,040,000	40,838,968	95,878,968
	2046-2050	70,625,000	24,796,764	95,421,764
	2051-2054	58,620,000	5,429,338	64,049,338
	Total	<u>\$ 273,930,000</u>	<u>255,558,784</u>	<u>529,488,784</u>

The following is a summary of changes in long-term debt:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
Bonds payable					
Senior bonds	\$ 244,000,000	-	-	244,000,000	110,000
Subordinate bonds	29,930,000	-	-	29,930,000	95,000
Plus unamortized bond premium	49,277,337	-	(1,747,483)	47,529,854	-
Total bonds payable	<u>323,207,337</u>	<u>-</u>	<u>(1,747,483)</u>	<u>321,459,854</u>	<u>205,000</u>
Total business-type activities long-term liabilities	<u>323,207,337</u>	<u>-</u>	<u>(1,747,483)</u>	<u>321,459,854</u>	<u>205,000</u>
Total debt	<u>\$ 323,207,337</u>	<u>-</u>	<u>(1,747,483)</u>	<u>321,459,854</u>	<u>205,000</u>

Description of Debt	Revenue Source	Pledge Revenues	Interest Paid	Estimated Percent Pledged	Outstanding Principal and Interest	Pledged Through
Utility Revenue Bonds - Senior Bond 2021	Water, Sewer & Irrigation	\$ 19,771,795	7,746,250	54.83%	292,719,875	2052
Utility Revenue Bonds - Subordinate Bond 2021	Water, Sewer & Irrigation	12,025,545	991,000	11.4%	37,043,250	2052
Utility Revenue Bonds - Senior Bond 2023	Water, Sewer & Irrigation	19,771,795	4,723,913	32.46%	179,715,656	2053
Utility Revenue Bonds - Subordinate Bond 2023	Water, Sewer & Irrigation	15,047,883	507,882	6.17%	26,010,013	2053

Note 7 - Related Parties

The District entered into an interlocal agreement with Sumter Landing Community Development District (SLCDD) for management services. SLCDD, in turn, obtains its management services from Village Center Community Development District (VCCDD) through an interlocal agreement. Under the agreement, management fees accrued to VCCDD by the District for such services totaled \$658,394 for the year ended September 30, 2025.

The District paid The Villages of Lake-Sumter and The Villages Land Company, \$2,650,815 and \$19,604,689, respectively, for amenity futures in FY 2025. The District paid Tri-County Sanitation, a developer owned sanitation company, \$6,542,253 for trash pick-up revenue billed and collected by SSU Fund. The District paid

The Daily Sun, a developer owned news outlet, \$1,210 for legal ads. The District paid Villages Technology Solutions Group, a developer owned IT company, \$89,983 for internet fiber fees. The District paid Gibson Place Utility Co, LLC, a developer owned utility company, \$550 for water usage related fees.

The District received \$135,446 for Developer Contributions from South Sumter Utility Company, LLC; a Developer owned company. The Contribution was paid as lost revenue as a result of a reduction in the original planned service area.

Note 8 - 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, natural disasters, cyber liability and Workers' Compensation liability. 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 coverage in any of the past three years.

Other Reports

Annual Financial Report

PURVIS GRAY

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
Wildwood Utility 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 business-type activities and major fund of Wildwood Utility 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 2, 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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Board of Supervisors
Wildwood Utility Dependent District
The Villages, Florida

**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 2, 2026
Ocala, Florida

PURVIS GRAY

MANAGEMENT LETTER

Board of Supervisors
Wildwood Utility Dependent District
The Villages, Florida

Report on the Financial Statements

We have audited the financial statements of Wildwood Utility Dependent District (the District) as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated March 2, 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 *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated March 2, 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. There were no prior year findings made in the preceding financial audit report.

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 has 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
Wildwood Utility 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 provided a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operate 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, *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 Members, 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 2, 2026
Ocala, Florida

Attachment to the Management Letter For the Year Ending September 30, 2025

Specific Information (For a dependent special district or an independent special district, or a local government entity that includes the information of a dependent special district)

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the Wildwood Utility 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 \$0 (provide list).
- 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 see attached.

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) Not Applicable

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 N/A.
- b) The total amount of ad valorem taxes collected by or on behalf of the district as N/A.
- c) The total amount of outstanding bonds issued by the district and the terms of such bonds as N/A.

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 N/A for maintenance and bond payment assessment.
- b) The total amount of special assessments collected by or on behalf of the district as \$0.

c) The total amount of outstanding bonds issued by the district and the terms of such bonds as \$321,459,854.

**Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual Wildwood Utility Dependent District Fund
Year ended September 30, 2025**

	Original Budget	Amended Budget	YTD Actual	Variance
Revenues				
WATER AND SEWER REVENUES	\$ 14,376,920	\$ 14,376,920	\$ 14,905,880	\$ 528,960
METERED IRRIGATION WATER	9,600,000	9,600,000	10,190,039	590,039
INVESTMENT INCOME	1,369,000	1,369,000	1,370,574	1,574
OTHER INCOME	25,000	25,000	162,391	137,391
Total Revenues	25,370,920	25,370,920	26,628,884	1,257,964
Expenses				
PERSONNEL SERVICES	14,020	14,020	9,062	(4,958)
MANAGEMENT AND OTHER PROFESSIONAL SERVICES	1,369,997	1,385,950	1,323,124	(62,826)
UTILITIES	965,500	903,247	820,540	(82,707)
UTILITY CONTRACT SERVICES	3,281,000	3,636,754	3,590,816	(45,938)
BUILDING, LANDSCAPE AND OTHER MAINTENANCE	368,000	320,542	275,195	(45,347)
OTHER EXPENSES	846,865	948,368	838,353	(110,015)
CAPITAL OUTLAY	228,000	171,527	-	(171,527)
TRANSFER OUT OF FUND	1,000,000	1,000,000	-	-
DEBT SERVICE	13,969,044	14,010,264	12,262,780	(1,747,484)
AMORTIZATION EXPENSE	-	-	6,922,224	6,922,224
DEPRECIATION EXPENSE	-	-	3,055,388	3,055,388
Total Expenses	22,042,426	22,390,672	29,097,480	6,706,808
Changes in Net Position	3,328,494	2,980,248	(2,468,596)	(5,448,844)
Total Net Position, beginning	(13,730,346)	(13,730,346)	(13,730,346)	-
Total Net Position, ending	\$ (10,401,852)	\$ (10,750,098)	\$ (16,198,942)	\$ (5,448,844)

PURVIS GRAY

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

Board of Supervisors
Wildwood Utility Dependent District
The Villages, Florida

We have examined Wildwood Utility Dependent District's (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 Members 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 2, 2026
Ocala, Florida

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