The Villages®
Community Development Districts
District 1

Financial Statement Summary
As of August 31, 2025

<u>Revenues</u>

Year-to-Date (YTD) Revenues of $1,522,000 are greater than the prior year-to-date (PYTD) revenues of $1,388,000 and are 99% of budgeted revenues of $1,536,000.

- The District has collected 100% of the budgeted maintenance assessments. Sumter County collects the maintenance assessments on the annual tax bill and remits it to the District, net a 2% collection fee. The majority of assessments are collected from November through March. There was an increase of 15% in maintenance assessments levied in FY 2025.
- Actual other Income consists of electric reimbursements and a JP Morgan rebate. In addition, a budget resolution was approved in March to increase the budget for anticipated FEMA reimbursement related to hurricane clean up. No FEMA reimbursements have been received to date.
- Investment earnings of $145,000 ($83,000 realized gains, and $62,000 unrealized gains) are less than the prior year-to-date earnings, however exceeding budget expectation and at 121% of budget. Lower earnings, compared to prior year, are attributable to the uncertainty of tariffs imposed by the Federal Government resulting in market volatility and the Federal Fund rate decreases in the past year. Investment earnings: 85% of the portfolio is Short-term Fixed income securities which are earning approximately 1% less than this time last year. The Long term (15%) portion of the portfolio has regained most of the early losses and is performing well at an annual rate of 10.59%. Current rate of investment earnings projects to end the fiscal year around $159,000 for the year compared to budget earnings of $120,000.

The District has received 100% of the anticipated revenues through the county tax collections. The expenses will be incurred ratably over the 12-months. *As of August 31, 92% of the year has lapsed.*

<u>Expenses and Other Changes</u>

Year-to-Date Operating Expenses of $929,000 are less than the prior year-to-date expenses of $954,000. Year to date spending is 65% of the amended budgeted expenses of $1,434,000. Overall expenditure target percentage is 92% for this time of year, 11 months of the fiscal year.

- Management and Other Professional services include Management fees, Deed Compliance, Tax Collection, Technology Service and Tax Collection fees. Management fees decreased 18% from the prior year. The decrease is a result of budget methodology moving to a percentage of operating expenses. The management fees are budgeted at 10% of the original budgeted operating expenses for fiscal year 2024-25 which is lower than the budget for prior fiscal year. In addition, the District deed compliance allocation decreased 87% compared to last year.
- Utility Services include Electricity and Irrigation Water expenses. Year to date spending is 83% of the amended budgeted expenses of $118,000, or $98,000 in actual expense. This is a 19% increase from the prior year. The majority of Utility expense is SECO Energy, being 91% of amended budgeted expenses due to the pole rental increase.
- Building, Landscape and Other Maintenance Expenses of $619,000 are greater than the prior year-to-date expenses and are at 59% of the annual amended budget totaling $1,043,000. Other Maintenance Budget Resolution 2025-06 was passed to increase the revenue and expense of Hurricane Milton debris monitoring and removal services by $46,790. The Landscape non-recurring budgeted line item has expended 99% of its budget, approximately $77,000, mainly due to plant replacement projects. Landscape Maintenance – recurring expenses

are less this year than the previous year, due to timing in billing of monthly landscape expense, and only one pine straw application charge has been received so far this year.

- Other Expenses include insurance expense and legal services, and other miscellaneous expenses are slightly lower than prior year levels. The annual insurance premium was paid in October.
- Capital Outlay for Mill & Overlay projects in various locations are at 3% of amended budget, $6,400 for the San Marino Weir project. The remaining project costs for the San Marino Wier project has been re-budgeted in the upcoming fiscal year.

Change in Unreserved Net Position

Year-to-Date increase in Unreserved Net Position of $540,000 is greater than the prior year to date increase of $276,000. Based on anticipated revenue and expenditures for the year, the change in Net Position is expected to be greater than the amended budget reduction in Unreserved Net Position of ($148,000).

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

August 2025	CFB	FLCLASS	FL PALM	FL-FIT	FLTRUST	LTIP
Current Month Annualized Return*	3.88%	4.35%	4.37%	4.55%	4.02%	10.59%
One Month Rate of Return	0.32%	0.36%	0.36%	0.38%	0.34%	2.05%
Prior FY 2024	4.86%	5.41%	5.44%	5.02%	4.58%	13.01%

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

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Statement of Activity

For the Eleven Months Ending August 31, 2025 (92% of the budget year)

Original Budget	Amended Budget	Budget % used		YTD Actual	PYTD Actual	Variance
			REVENUES:			
$ 1,369,664	$ 1,369,664	100.4%	Maintenance and Other Special Assessments	$ 1,375,248	$ 1,196,012	$ 179,236
-	46,790	2%	Other Income	959	482	477
120,000	120,000	121%	Investment Income	145,295	191,686	(46,391)
1,489,664	1,536,454	99%	**Total Revenues**	1,521,502	1,388,181	133,322
			EXPENSES:			
15,096	15,096	70%	Personnel Services	10,537	10,989	(452)
241,912	247,446	78%	Management and Other Professional Services	193,340	240,883	(47,543)
104,466	118,166	83%	Utility Services	97,708	82,221	15,486
1,014,923	1,043,229	59%	Building, Landscape and Other Maintenance	618,937	611,243	7,694
10,902	10,152	82%	Other Expenses	8,344	8,809	(465)
1,387,299	1,434,089	65%	**Total Operating Expenses**	928,866	954,146	(25,280)
200,000	200,000	3%	Capital Outlay - Infrastructure and FFE	6,394	89,000	(82,606)
50,000	50,000	92%	Transfers out of Unrestricted Fund	45,834	68,750	(22,916)
250,000	250,000	21%	**Total Other Changes**	52,228	157,750	(105,522)
1,637,299	1,684,089	58%	**Total Expenses and Other Changes**	981,094	1,111,896	(130,802)
$ (147,635)	$ (147,635)		**Change in Unreserved Net Position**	$ 540,408	$ 276,285	$ 264,123
			Total Cash, Net of Bond Funds	$ 2,862,151	$ 2,419,925	$ 442,227
			Fund Balance			
			Unassigned	1,735,969	1,224,194	
			Committed R and R General	545,404	582,320	
			Committed R and R Villa Roads	561,534	561,534	
			Total Fund Balance	$ 2,842,907	$ 2,368,048	$ 474,858