The Villages®
Community Development Districts
District 1

Preliminary Financial Statement Summary
As of September 30, 2025
Note: Routine analysis of year-end accruals are still in process and will be finalized with the audit report.

Revenues

Year-to-Date (YTD) Revenues of $1,544,000 are greater than the prior year-to-date (PYTD) revenues of $1,427,000 and are 100% 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 $167,000 ($88,000 realized gains, and $79,000 unrealized gains) are less than the prior year-to-date earnings, however exceeding budget expectation and at 140% of budget. Investment earnings: 85% of the portfolio is Short-term Fixed income securities which are earning approximately 1% less than this time last year. Fixed income securities are expected to continue to decline based on the additional rate cuts expected from the Federal Reserve. The Long term (15%) portion of the portfolio has regained most of the early losses and is performing well at an annual rate of 11.53%. Current rate of investment earnings ends the fiscal year at $167,000 for the year compared to budget earnings of $120,000. Fiscal Year 2025-26 budgeted Investment earnings is $102,000.

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 September 30, 100% of the year has lapsed.*

Expenses and Other Changes

Year-to-Date Operating Expenses of $1,161,000 are greater than the prior year-to-date expenses of $1,100,000. Year to date spending is 81% of the amended budgeted expenses of $1,434,000. Overall expenditure target percentage is 100% for this time of year, 12 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 98% compared to last year. Legal services budget increased from original budget by $4,000. Additional legal expenses were for legal services regarding Hickory Hills Hammock stormwater ownership review and towing enforcement.
- Utility Services include Electricity and Irrigation Water expenses. Year to date spending is 89% of the amended budgeted expenses of $122,000, or $109,000 in actual expense. This is a 21% increase from the prior year. The majority of Utility expense is SECO Energy, being 97% of amended budgeted expenses due to the pole rental increase. The increase in electricity is offset by a 6.6% decrease in irrigation water usage.
- Building, Landscape and Other Maintenance Expenses of $824,000 are greater than the prior year-to-date expenses and are at 79% of the annual amended budget totaling $1,040,000. 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. The Landscape Maintenance – recurring budgeted line item has expended almost 100% of its budget, approximately $471,000, which is greater this year than the previous year due to a pine straw removal expense. Irrigation repair expense is lower than expected, expending 38% of budget. In addition, water resource expense for pump repairs and general maintenance is running lower than expected.

- Other Expenses include insurance expense and other miscellaneous expenses are lower than prior year levels and are at 81% of the amended budget. 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 $330,000 is greater than the prior year to date increase of $159,000. Based on anticipated revenue and expenditures for the year, the change in Net Position is expected to be positive and greater than the amended budget reduction in Unreserved Net Position of ($148,000).

District 1 is expected to meet its Reserve Requirement for the year.

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

September 2025	CFB	FLCLASS	FL PALM	FL-FIT	FLTRUST	LTIP
Current Month Annualized Return*	3.77%	4.30%	4.34%	4.55%	3.98%	11.53%
One Month Rate of Return	0.31%	0.36%	0.36%	0.38%	0.33%	2.57%
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 Twelve Months Ending September 30, 2025 (100% of the budget year)						
			PRELIMINARY			
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	579	380
120,000	120,000	140%	Investment Income	167,433	230,059	(62,626)
1,489,664	1,536,454	100%	**Total Revenues**	1,543,640	1,426,650	116,989
			EXPENSES:			
15,096	15,096	74%	Personnel Services	11,184	11,850	(666)
241,912	245,246	84%	Management and Other Professional Services	206,909	265,947	(59,038)
104,466	121,877	89%	Utility Services	108,724	89,503	19,220
1,014,923	1,039,618	79%	Building, Landscape and Other Maintenance	824,443	720,129	104,315
10,902	12,252	81%	Other Expenses	9,953	12,789	(2,836)
1,387,299	1,434,089	81%	**Total Operating Expenses**	1,161,213	1,100,218	60,995
200,000	200,000	3%	Capital Outlay - Infrastructure and FFE	6,394	92,781	(86,387)
50,000	50,000	92%	Transfers out of Unrestricted Fund	45,834	75,000	(29,166)
250,000	250,000	21%	**Total Other Changes**	52,228	167,781	(115,553)
1,637,299	1,684,089	72%	**Total Expenses and Other Changes**	1,213,441	1,267,999	(54,558)
$ (147,635)	$ (147,635)		**Change in Unreserved Net Position**	$ 330,199	$ 158,651	$ 171,547
			Total Cash, Net of Bond Funds	$ 2,674,529	$ 2,323,363	$ 351,166
			Fund Balance			
			Unassigned	1,525,759	1,195,560	
			Committed R and R General	545,404	499,570	
			Committed R and R Villa Roads	561,534	561,534	
			Total Fund Balance	$ 2,632,697	$ 2,256,664	$ 376,033