

The Villages®

Community Development Districts

District 1

Financial Statement Summary

As of December 31, 2025

Summary

The District is projected to achieve its budgeted revenues for FY 2025-26, while expenses are trending below budget. This performance positions the District for a stronger year-end working capital outcome.

Revenues

Year-to-date revenues of \$1,199,037 are up slightly when compared to the same period of 2024. The District did not increase its Maintenance Assessment for FY 2025-26, so Revenue changes are based on collections and changes in Investment Income. The District is on track to meet or surpass FY 2025-26 revenue budget.

- The District has collected 84.9% of the budgeted maintenance assessments to date, compared with 86.9% at the same point last year. This reflects a modest year-over-year decline in collection performance. Payments are due in full by March 31, 2026.
- Investment earnings of \$36,114 through December 31, 2025 were substantially higher than the \$2,846 earned through December 31, 2024. In late 2024 and into early 2025, market volatility negatively impacted the District's investments in the form of unrealized losses, particularly the long-term portion of the investment portfolio. However, as of December 31, 2025, the realized LTP gains grew by \$2,874 to \$14,179.
- 84% of the portfolio is Short-term Fixed income securities where the rate of return has been decreasing due to the Federal Fund rate cuts. However, they are currently earning an estimated annual rate of return of 3.21% to 4.38%. The 16% of the portfolio, which is Long-term, is performing well at an annual rate of 15.17%. Fiscal Year 2025-26 budgeted Investment earnings are \$102,000. The District is on pace to exceed those investment earnings in FY 2025-26.

Expenses and Other Changes

Year-to-Date Operating Expenses of \$206,123 are less than the prior year-to-date expenses of \$234,673. There has been no significant expense that would alter the District's ability to operate within the approved FY 2025-26 budget. Operating Expenses are projected to be 93 - 97% of the amended budget & Capital Projects are projected to be 98 - 100% of budget.

- Management and Other Professional services include Management fees, Deed Compliance, Tax Collection, Technology Service and Tax Collection fees. Management fees decreased 25% from the prior year and are a result of budget methodology moving to a percentage of operating expenses. The management fees are charged at 8% of the budgeted operating expenses for fiscal year 2025-26, which is lower than the 10% figure used for the prior fiscal year. In addition, the District's deed compliance allocation decreased 56% compared to last year. A true up of actual deed compliance expenses will be completed quarterly throughout the fiscal year. Overall, this category is projected to be approximately 93 - 96% of budget at fiscal year end.

The Villages®

Community Development Districts

District 1

- Utility Services include Electricity and Irrigation Water expenses are 8% lower than the same period of 2024. This is attributed lower irrigation expense compared to prior year. This category is projected to be approximately 92% and 98% of budget at fiscal year end.
- Building, Landscape and Other Maintenance Expenses of \$107,857 are below the prior year-to-date expenses of \$117,651, an 8.3% decline. This is due to timing of Building/Structure Maintenance needs. Moreover, there have been only minor expenses incurred this fiscal year for Other Maintenance-DPM Water Resources. This category is projected to finish the fiscal year at approximately 93% - 96% of budget.
- The remaining project costs of \$189,825 for the San Marino Weir project were carried forward by Resolution 2026-04. This project should be completed in February 2026. The other capital project is a new fence at the Richard L. Murray Wildlife Preserve, budgeted for \$94,877, with a July 2026 completion date. The fence is funded with General R&R. This category is projected to use approximately 98% – 100% of budget this fiscal year.

Change in Unreserved Net Position

Year-to-date increase in Unreserved Net Position totals \$992,914, representing a \$33,010 improvement over the \$959,904 increase for the same period ending December 31, 2024. The Amended 2025-26 Budget uses \$284,281 in General R&R in fiscal 2025-26 for capital projects. The Amended Budget adds \$142,349 to Working Capital for a net change in Unreserved Net position of (\$141,932). Based on current projections, the District is expected to add approximately \$180,000 to \$250,000 in Working Capital. This represents an improvement of \$38k to \$108K to Working Capital at fiscal year end.

Year-to-Date Earnings by Investment Category:

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

December 2025	CFB	FLCLASS	FL PALM	FL-FIT	FLTRUST	LTIP**
Current Month Annualized Return*	3.21%	3.89%	3.92%	4.38%	3.89%	15.17%
One Month Rate of Return	0.27%	0.32%	0.33%	0.37%	0.32%	0.33%
Prior FY 2024-25	3.95%	4.49%	4.76%	4.61%	4.56%	11.59%
*Current Month Annualized Return is an annualized return based on the past 30-day performance						
**LTIP Annualized Return represents the actual return achieved over the previous 12 months						

Deed Compliance Reserve Balance

The current deed compliance reserve balance as of this month end is \$10,687.94 in the Community Standards Fund.

The Villages®

Community Development Districts

District 1

Statement of Activity						
For the Three Months Ending December 31, 2025 (25% of the budget year)						
Original Budget	Amended Budget	Budget % used		YTD Actual	PYTD Actual	Variance
			REVENUES:			
\$ 1,369,664	\$ 1,369,664	84.9%	Maintenance and Other Special Assessments	\$ 1,162,711	\$ 1,190,800	\$ (28,090)
-	-	0%	Other Income	212	930	(718)
<u>102,000</u>	<u>102,000</u>	35%	Investment Income	<u>36,114</u>	<u>2,846</u>	<u>33,269</u>
1,471,664	1,471,664	81%	Total Revenues	1,199,037	1,194,576	4,461
			EXPENSES:			
15,096	15,096	22%	Personnel Services	3,251	3,247	3
197,835	192,835	27%	Management and Other Professional Services	51,916	67,745	(15,829)
123,685	123,685	20%	Utility Services	24,496	26,667	(2,170)
931,524	936,524	12%	Building, Landscape and Other Maintenance	107,857	117,651	(9,794)
<u>11,175</u>	<u>11,175</u>	55%	Other Expenses	<u>6,097</u>	<u>6,856</u>	<u>(760)</u>
1,279,315	1,279,315	15%	Total Operating Expenses	193,617	222,167	(28,549)
94,456	284,281	0%	Capital Outlay - Infrastructure and FFE	-	-	-
<u>50,000</u>	<u>50,000</u>	25%	Transfers out of Unrestricted Fund	<u>12,506</u>	<u>12,506</u>	-
144,456	334,281	4%	Total Other Changes	12,506	12,506	-
<u>1,423,771</u>	<u>1,613,596</u>	13%	Total Expenses and Other Changes	<u>206,123</u>	<u>234,673</u>	<u>(28,549)</u>
<u>\$ 47,893</u>	<u>\$ (141,932)</u>		Change in Unreserved Net Position	<u>\$ 992,914</u>	<u>\$ 959,904</u>	<u>\$ 33,010</u>
			Total Cash, Net of Bond Funds	<u>\$ 3,626,200</u>	<u>\$ 3,273,773</u>	<u>\$ 352,427</u>
			*Preliminary Fund Balance - pending year-end close			
			Fund Balance			
			Unassigned	2,501,032	2,155,464	
			Committed R and R General	555,682	512,076	
			Committed R and R Villa Roads	<u>561,534</u>	<u>561,534</u>	
			Total Fund Balance	<u>\$ 3,618,248</u>	<u>\$ 3,229,074</u>	<u>\$ 389,174</u>