

The Villages®

Community Development Districts

District 10

Financial Statement Summary

As of December 31, 2025

Summary

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

Revenues

Year-to-date revenues of \$4,075,082 are up 8.3% when compared to the same period of 2024. The District did increase its Maintenance Assessment for FY 2025-26 by 7.5%. The District is on track to meet its Revenue Budget for FY 2025-26.

- The District collected 91.6% of the budgeted maintenance assessments to date, compared with 92.2%. This reflects a modest year-over-year decline in collection performance.
- Investment earnings of \$83,510 through December 31, 2025 were substantially higher than the \$22,357 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, realized LTP gains grew by \$8,195 to \$32,198.
- 84.8% 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 15.2% 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 \$187,000. The District is on pace to well exceed those investment earnings in FY 2025-26.

Expenses and Other Changes

Year-to-Date Operating Expenses of \$1,094,674 are less than the prior year-to-date expenses of \$1,101,522. There has been no significant event that would alter the District's ability to operate within the approved FY 2025-26 budget. Fiscal year 2025-26 expenses are projected to be approximately 95 – 99% of budget.

- Management and Other Professional services include Management fees, Deed Compliance, Technology Service and Tax Collection fees. As a category, these expenses were up \$1,608 from last year or 1.0%. The biggest contributor to the increase were Tax Collector Fees, which were a function of the higher maintenance assessment. Other Professional Service and Legal Services were down during the first quarter. The quarterly true-up for community standard expenses will be completed in January. At fiscal year-end, this category is projected to be approximately 96 – 98% of budget.
- Utility Services include Electricity and Irrigation Water expenses. This expenses category is running higher than last year due to rate and usage increases. Barring any anomalies, this category is projected to be approximately 93 – 97% of budget.
- Building, Landscape and Other Maintenance expenses. This category of expenses was down by 2.5% during the first quarter of FY 2025-26 primarily due to a timing issue for the payment of the Recurring Landscape contract. Also 2024 had Pressure Washing costs for Walls throughout the district which did not repeat in 2025. The fiscal year end projection for this expense category is approximately 96 – 99% of budget.

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- Other Expenses. This includes casualty and liability insurance and legal advertising. The annual insurance premium was paid in October. Other miscellaneous expenses, such as postage, printing and binding costs, and operating supplies are expended on an as-needed basis. This category is projected to be at approximately 80 - 95% of budget at fiscal year-end.

Change in Unreserved Net Position

The year-to-date increase in Unreserved Net Position totals \$2,905,407, representing a \$318,855 improvement over the \$2,586,553 increase for the same period ending December 31, 2024. The Amended 2025-26 Budget uses \$347,269 of Working Capital and \$116,614 in General R&R in order to meet the fiscal year budget. Based on the current projections, the District's required Working Capital usage will be reduced to between \$98,000 and \$300,000. This represents an improvement between \$47k and \$249k. If the high end of the range is achieved, no transfer from General R&R will be required.

Investment Earnings

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 \$2,424.02 in the Community Standards Fund.

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| 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: | | | |
| \$ 4,359,199 | \$ 4,359,199 | 91.6% | Maintenance and Other Special Assessments | \$ 3,991,140 | \$ 3,740,622 | \$ 250,518 |
| - | - | 100% | Other Income | 431 | 126 | 305 |
| <u>187,000</u> | <u>187,000</u> | 45% | Investment Income | <u>83,510</u> | <u>22,357</u> | <u>61,154</u> |
| 4,546,199 | 4,546,199 | 90% | Total Revenues: | 4,075,082 | 3,763,105 | 311,977 |
| | | | EXPENSES: | | | |
| 15,096 | 15,096 | 14% | Personnel Services | 2,174 | 1,525 | 649 |
| 449,416 | 449,416 | 36% | Management and Other Professional Services | 162,138 | 160,530 | 1,607 |
| 766,934 | 766,934 | 20% | Utility Services | 155,069 | 144,039 | 11,030 |
| 3,427,920 | 3,469,261 | 22% | Building, Landscape and Other Maintenance | 769,391 | 789,439 | (20,048) |
| <u>9,375</u> | <u>9,375</u> | 63% | Other Expenses | <u>5,902</u> | <u>6,019</u> | <u>(116)</u> |
| 4,668,741 | 4,710,082 | 23% | Total Operating Expenses | 1,094,674 | 1,101,552 | (6,878) |
| - | - | 0% | Capital Outlay - Infrastructure and FFE | - | - | - |
| <u>300,000</u> | <u>300,000</u> | 25% | Transfers out of Unrestricted Fund | <u>75,000</u> | <u>75,000</u> | <u>-</u> |
| 300,000 | 300,000 | 25% | Total Other Changes | 75,000 | 75,000 | - |
| <u>4,968,741</u> | <u>5,010,082</u> | 23% | Total Expenses and Other Changes | <u>1,169,674</u> | <u>1,176,552</u> | <u>(6,878)</u> |
| <u>\$ (422,542)</u> | <u>(463,883)</u> | | Change in Unreserved Net Position | <u>\$ 2,905,407</u> | <u>\$ 2,586,553</u> | <u>\$ 318,855</u> |
| | | | Total Cash, Net of Bond Funds | <u>\$ 8,876,559</u> | <u>\$ 8,559,629</u> | <u>\$ 316,930</u> |
| | | | *Preliminary Fund Balance - pending year-end close | | | |
| | | | Fund Balance | | | |
| | | | Unassigned | 4,535,178 | 4,344,219 | |
| | | | Committed R and R General | 3,203,933 | 3,363,831 | |
| | | | Committed R and R Villa Roads & Roads | 1,075,000 | 775,000 | |
| | | | Total Fund Balance | <u>\$ 8,814,111</u> | <u>\$ 8,483,050</u> | <u>\$ 331,061</u> |