

# The Villages®

## Community Development Districts

### District 1

#### **Financial Statement Summary**

**As of January 31, 2026**

#### **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 (YTD) Revenues of \$1,305,193 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 pace to meet or exceed its Revenue Budget for FY 2025-26.

- The District has collected 91.1% of the budgeted maintenance assessments to date, compared with 91.2% at the same point last year. This reflects essentially no change in year-over-year collection performance. Payments are due in full by March 31, 2026.
- Investment earnings of \$57,163 through January 31, 2026 were substantially higher than the \$27,661 earned through January 31, 2025. 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 January 31, 2026, the realized LTP gains grew by \$3,040 to \$15,079.
- 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 3.13% to 4.26%. The 16% of the portfolio, which is Long-term, is performing well at an annual rate of 14.68%. 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 \$278,807 are less than the prior year-to-date expenses of \$345,794. 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 92 - 96% 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 Other Professional Services expenses decreased by 55% compared to last year. This was attributed to a \$2,500 charge for Road Inspections last year that did not recur this fiscal year. Overall, this category is projected to be approximately 93 - 96% of budget at fiscal year-end.
- Utility Services include Electricity and Irrigation Water expenses were 6.6% lower than the same period of 2025. This is attributed to some electric bills which covered a period from early September to early October being paid effective 9/30/2025. This category is projected to be approximately 92% and 98% of budget at fiscal year-end.
- Building, Landscape and Other Maintenance Expenses of \$169,132 are below the prior year-to-date expenses of \$218,069, a 22.4% decline. This is due to a timing issue of the Recurring Landscape Maintenance contract payment this year. Additionally, there was Plant Replacement last year that have not repeated this year. This category is projected to finish the fiscal year at approximately 93% - 96% of budget.

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- 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. Overall, we are anticipating 98% – 100% of this budget will be utilized this fiscal year.

**Change in Unreserved Net Position**

Year-to-Date increase in Unreserved Net Position totals \$1,005,544, representing a \$91,622 improvement over the \$913,922 increase for the same period ending January 31, 2025. The Amended 2025-26 Budget uses \$284,000 in General R&R in fiscal 2025-26 for capital projects while adding \$142,000 to Working Capital. 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 end of the fiscal year.

**Year-to-Date Earnings by Investment Category:**

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

January 2026	CFB	FLCLASS	FL PALM	FL-FIT	FLTRUST	LTIP**
Current Month Annualized Return*	3.13%	3.81%	3.81%	4.26%	3.77%	14.68%
One Month Rate of Return	0.26%	0.32%	0.32%	0.36%	0.31%	1.96%
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 \$18,880.50 in the Community Standards Fund.

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Statement of Activity							
For the Four Months Ending January 31, 2026 (33% of the budget year)							
Original Budget	Amended Budget	Budget % used		YTD Actual	PYTD Actual	Variance	
<b>REVENUES:</b>							
\$ 1,369,664	\$ 1,369,664	91.1%	Maintenance and Other Special Assessments	\$ 1,247,818	\$ 1,248,971	\$ (1,154)	
-	-	0%	Other Income	212	930	(718)	
<u>102,000</u>	<u>102,000</u>	<u>56%</u>	Investment Income	<u>57,163</u>	<u>27,661</u>	<u>29,502</u>	
1,471,664	1,471,664	89%	<b>Total Revenues</b>	1,305,193	1,277,562	27,630	
<b>EXPENSES:</b>							
15,096	15,096	29%	Personnel Services	4,327	4,324	3	
197,835	192,835	34%	Management and Other Professional Services	65,163	79,868	(14,705)	
123,685	123,685	27%	Utility Services	33,992	36,398	(2,406)	
931,524	936,524	18%	Building, Landscape and Other Maintenance	169,132	218,069	(48,937)	
<u>11,175</u>	<u>11,175</u>	<u>55%</u>	Other Expenses	<u>6,193</u>	<u>7,135</u>	<u>(943)</u>	
1,279,315	1,279,315	22%	<b>Total Operating Expenses</b>	278,807	345,794	(66,987)	
94,456	284,281	1%	Capital Outlay - Infrastructure and FFE	4,170	1,174	2,996	
<u>50,000</u>	<u>50,000</u>	<u>33%</u>	Transfers out of Unrestricted Fund	<u>16,672</u>	<u>16,672</u>	<u>-</u>	
144,456	334,281	6%	<b>Total Other Changes</b>	20,842	17,846	2,996	
<u>1,423,771</u>	<u>1,613,596</u>	<u>19%</u>	<b>Total Expenses and Other Changes</b>	<u>299,649</u>	<u>363,641</u>	<u>(63,991)</u>	
\$ 47,893	\$ (141,932)		<b>Change in Unreserved Net Position</b>	\$ 1,005,544	\$ 913,922	\$ 91,622	
				<b>Total Cash, Net of Bond Funds</b>	<u>\$ 3,641,181</u>	<u>\$ 3,243,899</u>	<u>\$ 397,282</u>
*Preliminary Fund Balance - pending year-end close							
<b>Fund Balance</b>							
				Unassigned	2,513,662	2,109,482	
				Committed R and R General	559,848	516,242	
				Committed R and R Villa Roads	<u>561,534</u>	<u>561,534</u>	
				<b>Total Fund Balance</b>	<u>\$ 3,635,044</u>	<u>\$ 3,187,258</u>	<u>\$ 447,786</u>