

The Villages®

Community Development Districts

District 1

Financial Statement Summary

As of March 31, 2026

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 (YTD) Revenues of \$1,343,535 were down 1.1%, when compared to the same period of 2025. The District did not increase its Maintenance Assessment for FY 2025-26, so Revenue changes were 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 had collected 94.6% of the budgeted maintenance assessments as of March 31, 2026, compared with 96.0% at the same point last year. This reflects a modest decline in year-over-year collection performance. Payments were due in full March 31, 2026.
- Investment earnings of \$48,122 through March 31, 2026 were 14.6% higher than the \$42,005 earned through March 31, 2025 but well below the \$80,428 earned through February 28, 2026. Geopolitical Events negatively impacted the financial markets in March and the One Month Rate of Return for LTIP Investments was negative. Despite this, as of March 31, 2026, the Realized LTP gains grew by \$6,382 to \$19,814 or 47.5%.
- 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. Short-term Investments are currently earning an estimated annual rate of return of 3.13% to 4.29%. The 16% of the portfolio, which is Long-term, is performing at an annualized rate of 13.31%. Fiscal Year 2025-26 budgeted Investment earnings are \$102,000. We believe the market disruption is transitory and that the District remains is on pace to meet the investment earnings budget for FY 2025-26.

Expenses and Other Changes

Year-to-Date Operating Expenses of \$450,551 were 4.1% lower than the prior year-to-date expenses of \$469,710. 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. This category was down by 14.8% when compared to the same period ending March 31, 2025. Management fees decreased 25% from the prior year and were a result of budget methodology moving to a percentage of operating expenses. In addition, the District's Other Professional Services expenses decreased as a \$2,500 charge for Road Inspections last year that did not recur this fiscal year. Auditing Services expenses increased under the new agreement with Purvis Gray. Overall, this category is currently projected to be approximately 93 - 96% of budget at fiscal year-end.
- Utility Services, which includes Electricity and Irrigation Water expenses, were 2.5% lower than the same period of 2025. This was attributed to lower water usage due to imposed water restrictions. This category is currently projected to be approximately 93% and 98% of budget at fiscal year end.

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- Building, Landscape, and Maintenance expenses totaled \$286,299, remaining virtually flat compared to the \$286,261 recorded during the same period last year. Currently at 31% of the amended budget, this category is projected to finish the fiscal year between 93% and 96% of the total budget.
- The remaining project costs of \$189,825 for the San Marino Weir project were carried forward by Resolution 2026-04. This project is now complete with \$115,545 billed to date. We are awaiting the final invoice, which will be reflected in future financial statements. The other capital project is a new fence at the Richard L. Murray Wildlife Preserve, budgeted for \$94,877, with a July 2026 estimated 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 totaled \$752,434, representing a \$109,229 decline from the \$861,663 increase for the same period ending March 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 \$160,000 to \$220,000 in Working Capital. This represents an improvement of \$18k to \$78K 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:

March 2026	CFB	FLCLASS	FL PALM	FL-FIT	FLTRUST	LTIP**
Current Month Annualized Return*	3.13%	3.72%	3.73%	4.29%	3.82%	13.31%
One Month Rate of Return	0.26%	0.31%	0.31%	0.36%	0.32%	-4.60%
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 \$10,442.44 in the Community Standards Fund.

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Statement of Activity						
For the Six Months Ending March 31, 2026 (50% of the budget year)						
Original Budget	Amended Budget	Budget % used		YTD Actual	PYTD Actual	Variance
			REVENUES:			
\$ 1,369,664	\$ 1,369,664	94.6%	Maintenance and Other Special Assessments	\$ 1,295,194	\$ 1,315,227	\$ (20,034)
-	-	0%	Other Income	218	940	(722)
<u>102,000</u>	<u>102,000</u>	47%	Investment Income	<u>48,123</u>	<u>42,005</u>	<u>6,118</u>
1,471,664	1,471,664	91%	Total Revenues	1,343,535	1,358,173	(14,638)
			EXPENSES:			
15,096	15,096	42%	Personnel Services	6,268	5,831	437
197,835	195,265	51%	Management and Other Professional Services	99,441	116,716	(17,275)
123,685	123,685	42%	Utility Services	52,157	53,478	(1,320)
931,524	934,169	31%	Building, Landscape and Other Maintenance	286,299	286,261	38
<u>11,175</u>	<u>11,100</u>	58%	Other Expenses	<u>6,386</u>	<u>7,425</u>	<u>(1,039)</u>
1,279,315	1,279,315	35%	Total Operating Expenses	450,551	469,710	(19,159)
94,456	284,281	41%	Capital Outlay - Infrastructure and FFE	115,545	1,795	113,750
<u>50,000</u>	<u>50,000</u>	50%	Transfers out of Unrestricted Fund	<u>25,004</u>	<u>25,004</u>	-
144,456	334,281	42%	Total Other Changes	140,549	26,799	113,750
<u>1,423,771</u>	<u>1,613,596</u>	37%	Total Expenses and Other Changes	<u>591,100</u>	<u>496,510</u>	<u>94,591</u>
<u>\$ 47,893</u>	<u>\$ (141,932)</u>		Change in Unreserved Net Position	<u>\$ 752,434</u>	<u>\$ 861,663</u>	<u>\$ (109,229)</u>
			Total Cash, Net of Bond Funds	<u>\$ 3,535,346</u>	<u>\$ 3,154,135</u>	<u>\$ 381,210</u>
			Fund Balance			
			Unassigned	2,260,553	2,057,224	
			Committed R and R General	568,180	524,574	
			Committed R and R Villa Roads	<u>561,534</u>	<u>561,534</u>	
			Total Fund Balance	<u>\$ 3,390,267</u>	<u>\$ 3,143,332</u>	<u>\$ 246,935</u>