

The Villages®

Community Development Districts

District 4

Financial Statement Summary **As of March 31, 2026**

Summary

The District should meet its budgeted revenues for FY 2025-26 and expenses are trending below budget. This performance positions the District for a stronger year-end working capital outcome.

Revenues

Year-to-date Revenues were \$3,982,707, exceeding prior-year revenues of \$3,904,320 by 2.0%. The Maintenance Assessment increased by 3% this year but Investment Income declined during the first six months of 2026. The District is on track to meet its FY 2025-26 revenue budget.

- The District has collected 95.5% of the budgeted maintenance assessments. At the same point last year, collections were 97.1% of the annual maintenance assessment. This reflects a modest year-over-year decline in collection performance. All payments were due March 31, 2026.
- Investment earnings of \$66,891 through March 31, 2026 were 9.3% lower than the \$73,734 earned through March 31, 2025. They declined further from the \$92,341 reported through February 28, 2026. Geopolitical Events negatively impacted financial markets in March, particularly the long-term portion of the investment portfolio which had a negative One Month Rate of Return. Despite this, the realized LTP gains grew by \$9,058 or 89.6% to \$19,129.
- 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% portion of the portfolio, which is Long-term, is performing at an annualized rate of 13.31%. Fiscal Year 2025-26 budgeted Investment earnings are \$158,000. As we view the current market disruption as transitory, the District is on track to meet those investment earnings in FY 2025-26.

Expenses and Other Changes

Year-to-Date Operating Expenses of \$1,437,268 were 6.7% lower than the prior year-to-date expenses of \$1,541,259. 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 currently projected to be 95-99% of the amended budget. Capital Projects scheduled for FY 2025-26 total \$1,288,109 and are projected at 100% of the budget.

- Management and Other Professional services include Management fees, Deed Compliance fees, Tax Collection fees, Legal fees, and Technology Service fees. Combined, these expenses were \$9,992 lower than last fiscal year. Management Fees and Engineering Services were down by a combined \$15,064. Tax Collector Fees increased by \$1,779 due to higher Maintenance Assessment Fees. Other Professional Services increased by \$3,136 or 19.6% due to costs associated with Arlington Loop. This category is currently projected to finish the fiscal year at approximately 94 - 98% of budget.

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- Utility Services include Electricity and Irrigation Water expenses. Year-to-Date spending at \$297,596 is \$59,822 higher or 25.2% than the Prior Year at \$237,774. No payment was posted in March of last year, so the expense percentage change looks higher than actual. Electricity use is at 47% of budget halfway through the fiscal year. This expense category is currently projected to be approximately 96 – 100% of budget at fiscal year-end.
- Building, Landscape, and Other Maintenance Expenses totaling \$877,400 are down 14.9% or \$153,324 from \$1,030,725 last year. Landscape Maintenance: Non-Recurring saw the biggest expense increase up by \$36,615 to \$77,255. This was driven by increased plant replacement and tree trimming activity compared to the same period in the prior fiscal year. Irrigation Repairs increased by \$8,319 due to the hard freeze this winter. These increases were offset by a \$70,182 decline in Other Maintenance from last year (Kittredge & McLawren), Water Resources Other Maintenance expense reduction of \$9,396 (Soulliere Villa Retention Area) and Water Resources Building/Structure Maintenance expense reduction of \$18,408 (Pump Station Repairs). Overall, this expense category is currently projected to be approximately 95-98% of budget at fiscal year-end.

Change in Unreserved Net Position

Year-to-Date increase in Unreserved Net Position of \$1,939,940 is a \$105,852 improvement over the \$1,834,088 increase for the same period ending March 31, 2025.

The Amended 2025-26 Budget includes the use of \$144,000 from General R&R and \$1,110,000 from Roads R&R for specific capital projects and requires \$15,000 in Working Capital to balance. Based on current projections, the District is expected to add approximately \$50,000 to \$140,000 to Working Capital at fiscal year-end. This represents an improvement between \$65,000 and \$155,000.

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 \$7,504.78 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:						
\$ 4,055,691	\$ 4,055,691	96%	Maintenance and Other Special Assessments	\$ 3,873,222	\$ 3,788,625	\$ 84,597
86,364	86,364	49%	Other Income	42,594	41,961	633
<u>158,000</u>	<u>158,000</u>	42%	Investment Income	<u>66,891</u>	<u>73,734</u>	<u>(6,842)</u>
4,300,055	4,300,055	93%	Total Revenues:	3,982,707	3,904,320	78,387
EXPENSES:						
16,173	16,173	40%	Personnel Services	6,484	6,692	(208)
464,121	466,996	53%	Management and Other Professional Services	249,341	259,333	(9,992)
631,484	631,484	47%	Utility Services	297,596	237,774	59,822
2,091,282	2,300,069	38%	Building, Landscape and Other Maintenance	877,400	1,030,725	(153,325)
<u>10,475</u>	<u>10,475</u>	62%	Other Expenses	<u>6,446</u>	<u>6,734</u>	<u>(289)</u>
3,213,535	3,425,197	42%	Total Operating Expenses	1,437,268	1,541,259	(103,991)
1,109,677	1,288,109	14%	Capital Outlay - Infrastructure and FFE	178,000	103,965	74,035
<u>855,000</u>	<u>855,000</u>	50%	Transfers out of Unrestricted Fund	<u>427,500</u>	<u>425,008</u>	<u>2,492</u>
<u>1,964,677</u>	<u>2,143,109</u>	28%	Total Other Changes	<u>605,500</u>	<u>528,973</u>	<u>76,527</u>
<u>5,178,212</u>	<u>5,568,306</u>	37%	Total Expenses and Other Changes:	<u>2,042,768</u>	<u>2,070,232</u>	<u>(27,464)</u>
<u>\$ (878,157)</u>	<u>\$ (1,268,251)</u>		Change in Unreserved Net Position	<u>\$ 1,939,940</u>	<u>\$ 1,834,088</u>	<u>\$ 105,852</u>
			Total Cash, Net of Bond Funds	<u>\$ 5,250,597</u>	<u>\$ 5,127,119</u>	<u>\$ 123,478</u>
Fund Balance						
			Unassigned	3,469,788	3,346,304	
			Restricted - Capital Project, Phase I	-	-	
			Restricted - Capital Project, Phase II	-	-	
			Committed R and R General	37,500	25,004	
			Committed R and R Villa Roads	1,319,991	1,215,153	
			Committed R and R Ph III	<u>305,011</u>	<u>337,206</u>	
			Total Fund Balance	<u>\$ 5,132,290</u>	<u>\$ 4,923,667</u>	<u>\$ 208,623</u>