The Villages®
Community Development Districts
District 1

Financial Statement Summary
As of May 31, 2026

Summary

The District has achieved its budgeted revenues for FY 2025-26 as of May 31st, 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 $1,476,377 were up 2.3%, 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 collected 99.3% of the budgeted maintenance assessments as of May 31, 2026, compared with 99.5% at the same point last year.

- Investment earnings of $116,373 through May 31, 2026 were 46.8% higher than the $79,261 earned through May 31, 2025. As of May 31st, the Realized LTP gains had grown by $8,013 to $24,960 or 47.3%.

- 81.6% of the portfolio is Short-term Fixed income securities. The rate of return has been decreasing due to the Federal Fund rate cuts, however fewer cuts are expected and a stable outlook is more likely. Short-term Investments are currently earning an estimated annual rate of return of 3.13% to 4.24%. The 18.4% of the portfolio, which is Long-term, is performing at an annualized rate of 19.06%. Fiscal Year 2025-26 budgeted Investment earnings are $102,000. The current Investment Income is 114% of the budget with 33% of the fiscal year remaining.

Expenses and Other Changes

Year-to-Date Operating Expenses of $673,565 were 3.4% lower than the prior year-to-date expenses of $697,106. 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, Technology Service and Tax Collection fees. This category was down by 14.5% when compared to the same period ending May 31, 2025. Management fees decreased 25.3% from the prior year and were a result of budget methodology moving to a percentage of operating expenses. In addition, the District's Legal Services expenses decreased by $2,454 or 46.8%. Other Professional Services increased by 18.3% or $1,288 due to Tunnel M2 and Stormwater Inspections. Overall, this category is currently projected to be approximately 94 - 98% of budget at fiscal year-end.

- Utility Services, which includes Electricity and Irrigation Water expenses, were 2.1% lower than the same period of 2025. This was attributed to lower water usage due to imposed water restrictions. Water expenses are at 45% of budget, while Electricity utilized 63% of its budget. We are 67% through the fiscal year. This expense category is currently projected to be approximately 85% and 95% of budget at fiscal year-end.

- Building, Landscape, and Maintenance expenses totaled $463,365, down 3.4% when compared to the $697,106 recorded during the same period last year. Non-recurring Landscape Maintenance has been deferred due to the water restrictions. Additionally, the clean-up costs from Hurricane Milton were posted last May. These two categories accounted for most of the expense reduction through eight months of the fiscal year. While this expense category is currently at 50% of the amended budget, it is projected to finish the fiscal year between 90% and 95% 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 $161,533 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 $94,456, with a July 2026 estimated completion date. The fence is funded with General R&R. Overall, we are anticipating 95% – 100% of this budget will be utilized this fiscal year.

Change in Unreserved Net Position

Year-to-Date increase in Unreserved Net Position totaled $607,943, representing a $73,014 decline from the $707,314 increase for the same period ending May 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 $192,000 to $342,000 in Working Capital. This represents an improvement of $50k to $200K 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:

May 2026	CFB	FLCLASS	FL PALM	FL-FIT	FLTRUST	LTIP**
Current Month Annualized Return*	3.13%	3.70%	3.71%	4.24%	3.96%	19.06%
One Month Rate of Return	0.26%	0.31%	0.31%	0.35%	0.33%	2.91%
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 was $9,233.64 in the Community Standards Fund.

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Statement of Activity						
For the Eight Months Ending May 31, 2026 (67% of the budget year)						
Original Budget	Amended Budget	Budget % used		YTD Actual	PYTD Actual	Variance
			REVENUES:			
$ 1,369,664	$ 1,369,664	99.3%	Maintenance and Other Special Assessments	$ 1,359,782	$ 1,362,306	$ (2,525)
-	-	0%	Other Income	222	940	(718)
102,000	102,000	114%	Investment Income	116,373	79,261	37,112
1,471,664	1,471,664	100%	**Total Revenues**	1,476,377	1,442,507	33,870
			EXPENSES:			
15,096	15,096	55%	Personnel Services	8,268	7,953	315
197,835	195,265	65%	Management and Other Professional Services	126,569	148,113	(21,544)
123,685	123,685	56%	Utility Services	68,786	70,254	(1,468)
931,524	934,169	50%	Building, Landscape and Other Maintenance	463,365	463,174	191
11,175	11,100	59%	Other Expenses	6,577	7,611	(1,034)
1,279,315	1,279,315	53%	**Total Operating Expenses**	673,565	697,106	(23,541)
94,456	284,281	57%	Capital Outlay - Infrastructure and FFE	161,533	4,752	156,782
50,000	50,000	67%	Transfers out of Unrestricted Fund	33,336	33,336	-
144,456	334,281	58%	**Total Other Changes**	194,869	38,088	156,782
1,423,771	1,613,596	54%	**Total Expenses and Other Changes**	868,434	735,194	133,240
$ 47,893	$ (141,932)		**Change in Unreserved Net Position**	$ 607,943	$ 707,314	$ (99,371)
			Total Cash, Net of Bond Funds	$ 3,295,718	$ 3,041,221	$ 254,497
			Fund Balance			
			Unassigned	2,116,062	1,902,874	
			Committed R and R General	576,512	532,906	
			Committed R and R Villa Roads	561,534	561,534	
			Total Fund Balance	$ 3,254,108	$ 2,997,314	$ 256,794