The Villages®
Community Development Districts
District 1

Financial Statement Summary
As of August 31, 2026

Summary

The District has achieved its budgeted revenue for FY 2025-26 as of August 31st, while expenses continue to trend below budget. This performance positions the District for a stronger year-end working capital outcome. As of August 31st, 92% of the fiscal year has elapsed.

Revenues

Year-to-Date Revenues of $1,514,721 were down 0.4%, 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 changes in Investment Income.

- The District collected 100.5% of the budgeted maintenance assessments as of August 31, 2026.

- Investment earnings of $138,090 through August 31, 2026, were 5.0% or $7,206 lower than the $145,295 earned through August 31, 2025. Despite the year-over-year decrease, Realized LTP gains grew by $6,555 to $32,590 or 25.2%.

- 80% of the portfolio is Short-term Fixed income securities where rates have stabilized over the past few months and are expected to remain stable for the near future. Short-term Investments are currently earning an estimated annual rate of return of 3.18% to 4.36%. The 20% of the portfolio, which is Long-term, is performing at an annualized rate of 13.19%. Fiscal Year 2025-26 budgeted Investment earnings are $102,000. The current Investment Income is 135% of the budget with 8% of the fiscal year remaining.

Expenses and Other Changes

Year-to-Date Operating Expenses of $895,101 were $33,765 or 3.6% lower than the prior year-to-date expenses of $928,866. There has been no significant expense that would alter the District's ability to operate within the approved FY 2025-26 budget. At 92% of the fiscal year, Operating Expenses were 70% of budget. As such, Operating Expenses are projected to be 80 - 85% of the amended budget & Capital Projects are projected to be 89% of budget at year end.

- Management and Other Professional services including Management fees, Deed Compliance, Technology Service and Tax Collectors fees used 81% of Budget through August 31, 2026. This category was down by 14.0% when compared to the same period ending August 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 $5,229 or 56.8%. Other Professional Services increased by 21.7% or $4,300 due to the Tunnel M2 inspection and Environmental Services Fees. Overall, this category is currently projected to be approximately 88 - 92% of budget by the end of the fiscal year.

- Utility Services, which includes Electricity and Irrigation Water expenses, were 5.5% lower than the same period of 2025. This was attributed to lower water usage due to imposed water restrictions. Water expenses are at 63% of budget, while Electricity utilized 85% of its budget. Combined, they are 76% of the budget while 92% through the fiscal year. This expense category is currently projected to be approximately 82% and 90% of budget at fiscal year-end.

- Building, Landscape, and Other Maintenance expenses totaled $618,888, down by $49 when compared to the $618,937 recorded during the same period last year. The largest percentage increase was Building/Structure Maintenance, which grew by 128% as a new pump motor was installed at the Morse Blvd Pump Station. Irrigation Repair expense grew by $7,236 or 73.5% to $17,082. Non-recurring Landscape Maintenance has been deferred due to the water restrictions and fell by $35,720 or 46.6%. Overall, this expense category is currently at 67% of the amended budget, it is projected to finish the fiscal year between 80% and 84% of the total budget.

- Capital expenses; 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 $159,396 billed to date. The other capital project was a new fence at the Richard L. Murray Wildlife Preserve. This was budgeted for $94,456 and completed in August. The full Fence Replacement project budget was utilized and funded with General R&R. The capital expenditures cost for FY 2025-26 totaled $247,458 or 89% of budget.

Change in Unreserved Net Position

Year-to-Date increase in Unreserved Net Position totaled $319,934, representing a $220,474 decline from the $540,408 increase for the same period ending August 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 $402,000 to $492,000 in Working Capital. This represents an improvement of $260k to $350K to Working Capital above what was budgeted 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:

August 2026	Seacoast	FLCLASS	FL PALM	FL-FIT	FLTRUST	LTIP**
Current Month Annualized Return*	3.18%	3.78%	3.76%	4.25%	4.36%	13.19%
One Month Rate of Return	0.27%	0.31%	0.31%	0.35%	0.36%	1.74%
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 $11,700.14 in the Community Standards Fund.

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Statement of Activity						
For the Eleven Months Ending August 31, 2026 (92% of the budget year)						
Original Budget	Amended Budget	Budget % used		YTD Actual	PYTD Actual	Variance
			REVENUES:			
$ 1,369,664	$ 1,369,664	100.5%	Maintenance and Other Special Assessments	$ 1,376,103	$ 1,375,248	$ 855
-	-	0%	Other Income	528	959	(431)
102,000	102,000	135%	Investment Income	138,090	145,295	(7,206)
1,471,664	1,471,664	103%	**Total Revenues**	1,514,721	1,521,502	(6,781)
			EXPENSES:			
15,096	15,096	70%	Personnel Services	10,574	10,537	37
197,835	204,621	81%	Management and Other Professional Services	166,301	193,340	(27,039)
123,685	121,579	76%	Utility Services	92,330	97,708	(5,378)
931,524	926,919	67%	Building, Landscape and Other Maintenance	618,888	618,937	(49)
11,175	11,100	63%	Other Expenses	7,008	8,344	(1,337)
1,279,315	1,279,315	70%	**Total Operating Expenses**	895,101	928,866	(33,765)
94,456	284,281	89%	Capital Outlay - Infrastructure and FFE	253,852	6,394	247,458
50,000	50,000	92%	Transfers out of Unrestricted Fund	45,834	45,834	-
144,456	334,281	90%	**Total Other Changes**	299,686	52,228	247,458
1,423,771	1,613,596	74%	**Total Expenses and Other Changes**	1,194,787	981,094	213,693
$ 47,893	$ (141,932)		**Change in Unreserved Net Position**	$ 319,934	$ 540,408	$ (220,474)
			Total Cash, Net of Bond Funds	$ 2,987,723	$ 2,862,151	$ 125,571
			Fund Balance			
			Unassigned	1,828,053	1,735,969	
			Committed R and R General	589,010	545,404	
			Committed R and R Villa Roads	561,534	561,534	
			Total Fund Balance	$ 2,978,596	$ 2,842,907	$ 135,690