

The Villages®

Community Development Districts

District 3

Financial Statement Summary

As of November 30, 2023

Revenues and Other Available Resources

Year-to-Date (YTD) Revenues of \$527,000 are less than prior year-to-date (PYTD) revenues of \$562,000 and are at 34% of budgeted revenues of \$1,573,000.

- The District has received 40% of the budgeted maintenance assessments to date. Sumter County collects the maintenance assessments on the annual tax bill and remits it to the District, net a 2% collection fee. The majority of assessments are collected from November through March. There was no increase in maintenance assessments levied in FY 2024.
- Investment earnings of \$0 (\$7,000 realized gains and (\$7,000) unrealized gains) are less than the prior year to date earnings and are at 0% of the annual budgeted earnings of \$211,000. The unrealized loss of \$7,000K is attributed to the Long-Term Investment Portfolio. The investment portfolio is comprised of domestic equity, international equity, and fixed income asset classes. LTIP gain or loss is booked a month in arrears.

Market Conditions (PFM)

- In October both equities (S&P 500 -2.10% and -4.13% for ACWI x US) and fixed income (Agg Bond -1.58%) were down. For the US Market (using the S&P 500 index as a proxy) only utilities posted a positive performance, while all sectors were in the red.
- Treasury Yields jumped up on the higher end of the curve, creating a drag on returns for bonds. Various economic indicators (consumer confidence, inflation, unemployment, retail sales) all showed signs of cooling which is positive, but oil prices jumped up \$7 as a result of the Gaza strip conflict creating some worries for investors. Investors were generally nervous about additional geopolitical conflict during the month.
- November was the opposite as markets roared back led by the strength of Information Technology across the board and for Domestic Markets the Magnificent Seven.

The District has received 40% of the budgeted revenues through the county tax collections. Expenses will be incurred ratably over the 12 months. *As of November 30th, 17% of the year has lapsed.*

Expenses and Other Changes

Year-to-Date Operating Expenses of \$154,000 are less than prior year-to-date expenses of \$161,000. Year to date spending is 10% of the budgeted expenses of \$1,558,000.

- Management and Other Professional services include Management fees, Deed Compliance fees, Tax Collection fees and Technology Service fees. Management fees decreased 17% from prior year levels.
- Utility Services are more than prior year levels and at 20% of budgeted expenses of \$49,000.
- Building, Landscape and Other Maintenance Expenses totaling \$87,000 are less than the prior year and are at 7% of budgeted expenses of \$1,166,000.
- A total of \$17,000 has been transferred to Committed Renewal and Replacement, a decrease from the prior year.

Change in Unreserved Net Position

Year-to-Date increase in Unreserved Net Position of \$357,000 is less than the prior year increase of \$369,000. Based on anticipated revenue and expenditures for the year, the District expects to meet the budgeted reduction in the Unreserved Net Position of (\$85,000).

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Investment Earnings

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

	CFB	FLCLASS	FL PALM	FL-FIT	FLTRUST***	LTIP***
Current Month Annualized Return*	4.88%	5.53%	5.56%	5.03%	4.93%	3.96%
One Month Rate of Return**	0.41%	0.46%	0.46%	0.42%	0.41%	-2.46%
Prior FY 2023	4.21%	4.75%	4.76%	4.28%	4.24%	-4.18%

*Current Month Annualized Return is the annual return expected based on the past months return.

**One month rate of return is the actual rate of return over the prior month.

***Rate listed is one month in arrears.

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Statement of Activity
For the Two Months Ending November 30, 2023 (17% of the budget year)

Original Budget	Amended Budget	Budget % used		YTD Actual	PYTD Actual	Variance
			REVENUES:			
\$ 1,331,353	\$ 1,331,353	39.6%	Maintenance and Other Special Assessments	\$ 526,933	\$ 544,728	\$ (17,795)
3,000	3,000	20%	Other Income	586	925	(339)
<u>211,000</u>	<u>211,000</u>	0%	Investment Income	<u>(185)</u>	<u>16,371</u>	<u>(16,556)</u>
1,545,353	1,545,353	34%	Total Revenues	527,334	562,024	(34,690)
<u>27,980</u>	<u>27,980</u>	0%	Transfer In - Debt Service	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 1,573,333</u>	<u>\$ 1,573,333</u>	34%	Total Available Resources:	<u>\$ 527,334</u>	<u>\$ 562,024</u>	<u>\$ (34,690)</u>
			EXPENSES:			
16,173	16,173	7%	Personnel Services	1,077	1,956	(879)
317,421	317,421	16%	Management and Other Professional Services	49,619	55,870	(6,250)
49,477	49,477	20%	Utility Services	9,849	8,537	1,312
1,166,176	1,166,176	7%	Building, Landscape and Other Maintenance	87,216	89,021	(1,805)
<u>8,870</u>	<u>8,870</u>	66%	Other Expenses	<u>5,830</u>	<u>5,653</u>	<u>177</u>
1,558,117	1,558,117	10%	Total Operating Expenses	153,591	161,036	(7,446)
-	-	0%	Capital Outlay - Infrastructure and FFE	-	7,347	(7,347)
<u>100,000</u>	<u>100,000</u>	17%	Transfers out of Unrestricted Fund	<u>16,680</u>	<u>25,010</u>	<u>(8,330)</u>
<u>100,000</u>	<u>100,000</u>	17%	Total Other Changes	<u>16,680</u>	<u>32,357</u>	<u>(15,677)</u>
<u>1,658,117</u>	<u>1,658,117</u>	10%	Total Expenses and Other Changes	<u>170,271</u>	<u>193,394</u>	<u>(23,123)</u>
<u>\$ (84,784)</u>	<u>\$ (84,784)</u>		Change in Unreserved Net Position	<u>\$ 357,063</u>	<u>\$ 368,630</u>	<u>\$ (11,568)</u>
			Total Cash, Net of Bond Funds	<u>\$ 2,439,540</u>	<u>\$ 2,484,751</u>	<u>\$ (45,211)</u>
			*Preliminary Fund Balance - pending year-end close			
			Fund Balance			
			Unassigned	1,773,504	1,711,694	
			Restricted - Capital Project Ph II	-	16,084	
			Committed R and R General	470,377	425,377	
			Committed R and R Cart Paths & Villa Roads	<u>149,759</u>	<u>301,962</u>	
			Total Fund Balance	<u>\$ 2,393,640</u>	<u>\$ 2,455,117</u>	<u>\$ (61,477)</u>