

The Villages®

Community Development Districts

District 3

Preliminary Financial Statement Summary

As of September 30, 2025

Note: Routine analysis of year-end accruals is still in process and will be finalized with the audit report.

Revenues and Other Available Resources

Year-to-Date (YTD) Revenues of \$1,510,000 are less than prior year-to-date (PYTD) revenues of \$1,577,000 and are 104% of budgeted revenues of \$1,458,000.

- The District has received 100% 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 2025.
- Investment earnings of \$172,000 (\$89,000 realized gains and \$83,000 unrealized gains) are less than the prior year to date earnings of \$241,000; however are at 150% of the annual budgeted earnings of \$115,000. 85% of the portfolio is Short-term Fixed income securities which are earning approximately 1% less than this time last year. Fixed Income securities interest earnings are expected to continue to decline based on additional rate cuts expected by the Federal Reserve. The Long term (15%) portion of the portfolio has regained most of the early losses and is performing well at an annual rate of 11.5%. FY 2025-26 budgeted investment earnings are \$83,000.
- A budget resolution was approved in March to increase the budget for Other Income for anticipated FEMA Claim Reimbursement in the amount of \$11,000. This is related to hurricane clean up. As of August 2025, the funds have not been received.

The District has received 100% of the budgeted revenues through the county tax collections. Expenses will be incurred ratably over the 12 months. *As of September 30th, 100% of the year has lapsed.*

Expenses and Other Changes

Year-to-Date Operating Expenses of \$1,289,000 are greater than prior year-to-date expenses of \$1,201,000. Year to date spending is 83% of the budgeted expenses of \$1,549,000.

- Management and Other Professional services include Management fees, Deed Compliance fees, Tax Collection fees and Technology Service fees. Management fees decreased 3% from prior year levels. Overall, the expenditure line items are lower than target budget and are currently at 81% of the amended budget. Engineering Services are currently under budget by approximately \$11,000, primarily due to the timing of scheduled inspections for bridges, tunnels, and other infrastructure, which are anticipated to occur once the reports are finalized. Deed Compliance Services' expenditure decreased by 106% compared to the same period last year due to the overall decreased budgeted allocation. Community Standards also has a quarterly process that reconciles budgeted amounts to actual activity and adjusts accordingly.
- Utility Services overall are more than prior year levels and at 99% of budgeted expenses of \$72,000. District 3 is serviced by Little Sumter Service Area for irrigation service. An overall eight percent (8%) rate increase became effective at the beginning of the 2024-25 fiscal year. In addition, the SECO pole rental rate increase is attributable to the rise in expenditures compared to prior year.

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- Building, Landscape and Other Maintenance Expenses totaling \$967,000 are greater than the prior year and are 83% of budgeted expenses of \$1,169,000. Non-recurring landscape maintenance includes Hurricane Milton clean up and totals \$20,000, overall expenses are within budget. Other Maintenance expenses regarding Water Resources is at 97% of budget for the year. Water Resource maintenance includes aquatic weed control, basin maintenance and aerator maintenance. Other Maintenance for property management is running under budget and is at 40% of the \$87,000 budget. Expenditures include preserve mowing, weed whipping cycles and pressure washing. Other Maintenance includes an “as needed” budget for geological anomalies, \$25,000. No funds were needed for geological anomalies this year. Year-end accruals are in progress. Additional costs are expected to be received however expenditures for Other Maintenance are expected to be under budget for the year.
- Other Expenses include Casualty & Liability Insurance in the amount of \$5,700. Other expenses such as supplies and postage are budgeted on an “as need” basis and are under budget.
- A total of \$100,000 has been transferred to Committed Renewal and Replacement.

Change in Unreserved Net Position

Year-to-Date increase in Unreserved Net Position of \$129,000 is less than the prior year of \$337,000. Unreserved change in Net Position is budgeted at (\$255,000) decrease. Based on current revenue and expenditure trends, the change in net position is expected to be a smaller decrease than budget.

Investment Earnings:

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

September 2025	CFB	FLCLASS	FL PALM	FL-FIT	FLTRUST	LTIP
Current Month Annualized Return*	3.77%	4.30%	4.34%	4.55%	3.98%	11.53%
One Month Rate of Return	0.31%	0.36%	0.36%	0.38%	0.33%	2.57%
Prior FY 2024	4.86%	5.41%	5.44%	5.02%	4.58%	13.01%

*Current Month Annualized Return is an annualized return based on the past 30 day performance
 All investment earnings are now recognized within the current month.

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Statement of Activity
For the Twelve Months Ending September 30, 2025 (100% of the budget year)-PRELIMINARY

Original Budget	Amended Budget	Budget % used		YTD Actual	PYTD Actual	Variance
			REVENUES:			
\$ 1,331,353	\$ 1,331,353	100%	Maintenance and Other Special Assessments	\$ 1,335,569	\$ 1,335,931	\$ (362)
1,000	11,917	20%	Other Income	2,340	722	1,618
<u>114,700</u>	<u>114,700</u>	150%	Investment Income	<u>171,806</u>	<u>240,795</u>	<u>(68,989)</u>
\$ 1,447,053	\$ 1,457,970	104%	Total Revenues	\$ 1,509,716	\$ 1,577,449	\$ (67,733)
			EXPENSES:			
15,096	15,096	90%	Personnel Services	13,583	13,788	(205)
277,006	281,723	81%	Management and Other Professional Services	228,500	293,791	(65,291)
69,239	72,394	99%	Utility Services	71,685	54,855	16,830
1,165,577	1,168,752	83%	Building, Landscape and Other Maintenance	967,489	829,669	137,819
<u>10,752</u>	<u>10,577</u>	74%	Other Expenses	<u>7,832</u>	<u>8,862</u>	<u>(1,031)</u>
1,537,670	1,548,542	83%	Total Operating Expenses	1,289,089	1,200,966	88,123
<u>100,000</u>	<u>100,000</u>	100%	Transfers out of Unrestricted Fund	<u>100,000</u>	<u>-</u>	<u>100,000</u>
100,000	164,784	61%	Total Other Changes	100,000	39,804	60,196
\$ 1,637,670	\$ 1,713,326	81%	Total Expenses and Other Changes	\$ 1,389,089	\$ 1,240,770	\$ 148,319
<u>\$ (190,617)</u>	<u>\$ (255,356)</u>		Change in Unreserved Net Position	<u>\$ 120,627</u>	<u>\$ 336,679</u>	<u>\$ (216,052)</u>
			Total Cash, Net of Bond Funds	<u>\$ 2,670,762</u>	<u>\$ 2,439,135</u>	<u>\$ 231,627</u>
			Fund Balance			
			Unassigned	1,782,079	1,653,120	
			Committed R and R General	549,127	507,877	
			Committed R and R Cart Paths & Villa Roads	245,997	195,579	
			Total Fund Balance	<u>\$ 2,577,203</u>	<u>\$ 2,356,576</u>	<u>\$ 220,627</u>