
The Villages®

Community Development Districts

District 3

Financial Statement Summary

As of December 31, 2025

Summary

The District is projected to achieve its budgeted revenues for FY 2025-26, while expenses continue to trend below budget. This performance positions the District for a stronger year-end working capital outcome.

Revenues

Year-to-date revenues of \$1,201,517 are up 1.3% when compared to the same period of 2024. The District did not increase its Maintenance Assessment for FY 2025-26, so Revenue changes are based on collections and changes in Investment Income. The District is on track to meet or surpass its FY 2025-26 revenue budget.

- The District has collected 87.6% of the budgeted maintenance assessments to date, compared with 88.7% at the same point last year. This reflects a modest year-over-year decline in collection performance.
- Investment earnings of \$35,100 through December 31, 2025 were substantially higher than the \$4,458 earned through December 31, 2024. In late 2024 and into early 2025, market volatility negatively impacted the District's investments in the form of unrealized losses, particularly the long-term portion of the investment portfolio. However, as of December 31, 2025, the realized LTP gains were \$14,664 versus \$11,248 last year, up 30.4%.
- 82.8% of the portfolio is Short-term Fixed income securities where the rate of return has been decreasing due to the Federal Fund rate cut. However, they are currently earning an estimated annual rate of return of 3.21% to 4.38%. The 17.2% of the portfolio, which is Long-term, is performing well at an annual rate of 15.17%. Fiscal Year 2025-26 budgeted Investment earnings are \$83,000. The District is on pace to surpass those investment earnings in FY 2025-26.

Expenses and Other Changes

Year-to-Date Operating Expenses of \$216,901 are 9.3% less than the prior year-to-date expenses of \$239,143. 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 approximately 93-97% of the amended budget at fiscal year-end. No Capital Projects scheduled for FY 2025-26.

- Management and Other Professional services include Management fees, Deed Compliance, Tax Collection, Technology Service and Tax Collection fees. Management fees decreased 35% from the prior year and are a result of budget methodology moving to a percentage of operating expenses. The management fees are charged at 8% of the budgeted operating expenses for fiscal year 2025-26, which is lower than the 10% figure used for the prior fiscal year. Management Fees are exactly on budget for FY 2025-26. In addition, the District's deed compliance allocation decreased 66% compared to last year. A true up of actual deed compliance expenses will be completed quarterly throughout the fiscal year. Overall, this category is projected to be approximately 92 - 96% of budget at fiscal year-end.

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- Engineering Services expenses were down by 57.7% as of December 31, 2025 versus the same period of 2024. Last year a non-recurring \$5,000 fund for special projects was created and funded.
- Utility Services include Electricity and Irrigation Water expenses are 57.7% higher than the same period of 2024. This is attributed to one specific water bill for \$7,675 for Weaton CT when the water meter was exchanged. A refund has been issued and will be reflected in subsequent financial statements. In general, water usage is running a little higher than last year due to lack of rain. Electricity costs are tracking right on budget. This category is currently projected to finish the fiscal year at approximately 96 – 99% of budget.
- Building, Landscape and Other Maintenance Expenses of \$103,780 are below the prior year-to-date expenses of \$112,597. There were tree trimming costs in the December quarter of 2024 that did not occur in the December quarter of 2025. This category is projected to finish the fiscal year at approximately 92% - 96% of budget.

Change in Unreserved Net Position

The year-to-date increase in Unreserved Net Position totals \$984,615, representing a \$37,675 improvement over the \$946,941 increase for the same period ending December 31, 2024. The Amended 2025-26 Budget uses \$95,045 to Working Capital after transferring \$45K to General R&R, \$50k to Roads and \$5k to Cart Paths. Based on the current projections, the District's Working Capital requirement will fall somewhere between a \$90,000 usage to a \$15,000 addition. This represents an improvement between \$5,000 and \$110,000.

Year-to-Date Earnings by Investment Category:

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

December 2025	CFB	FLCLASS	FL PALM	FL-FIT	FLTRUST	LTIP**
Current Month Annualized Return*	3.21%	3.89%	3.92%	4.38%	3.89%	15.17%
One Month Rate of Return	0.27%	0.32%	0.33%	0.37%	0.32%	0.33%
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 \$28,512.24 in the Community Standards Fund.

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Statement of Activity
For the Three Months Ending December 31, 2025 (25% of the budget year)

Original Budget	Amended Budget	Budget % used		YTD Actual	PYTD Actual	Variance
			REVENUES:			
\$ 1,331,353	\$ 1,331,353	88%	Maintenance and Other Special Assessments	\$ 1,166,077	\$ 1,181,167	\$ (15,090)
500	500	68%	Other Income	340	459	(118)
<u>83,000</u>	<u>83,000</u>	42%	Investment Income	<u>35,100</u>	<u>4,458</u>	<u>30,642</u>
<u>\$ 1,414,853</u>	<u>\$ 1,414,853</u>	85%	Total Revenues	<u>\$ 1,201,517</u>	<u>\$ 1,186,084</u>	<u>\$ 15,433</u>
			EXPENSES:			
15,096	15,096	22%	Personnel Services	3,251	3,893	(642)
207,892	207,892	26%	Management and Other Professional Services	53,113	75,396	(22,284)
84,670	84,670	30%	Utility Services	25,600	16,229	9,371
1,090,765	1,090,765	10%	Building, Landscape and Other Maintenance	103,780	112,597	(8,817)
<u>11,475</u>	<u>11,475</u>	54%	Other Expenses	<u>6,146</u>	<u>6,016</u>	<u>130</u>
<u>1,409,898</u>	<u>1,409,898</u>	14%	Total Operating Expenses	<u>191,889</u>	<u>214,131</u>	<u>(22,242)</u>
<u>100,000</u>	<u>100,000</u>	25%	Transfers out of Unrestricted Fund	<u>25,012</u>	<u>25,012</u>	<u>-</u>
<u>100,000</u>	<u>100,000</u>	25%	Total Other Changes	<u>25,012</u>	<u>25,012</u>	<u>-</u>
<u>\$ 1,509,898</u>	<u>\$ 1,509,898</u>	14%	Total Expenses and Other Changes	<u>\$ 216,901</u>	<u>\$ 239,143</u>	<u>\$ (22,242)</u>
<u>\$ (95,045)</u>	<u>\$ (95,045)</u>		Change in Unreserved Net Position	<u>\$ 984,615</u>	<u>\$ 946,941</u>	<u>\$ 37,675</u>
			Total Cash, Net of Bond Funds	<u>\$ 3,512,666</u>	<u>\$ 3,351,968</u>	<u>\$ 160,698</u>
			*Preliminary Fund Balance - pending year-end close			
			Fund Balance			
			Unassigned	2,738,553	2,600,060	
			Committed R and R General	499,343	519,127	
			Committed R and R Cart Paths & Villa Roads	264,341	209,341	
			Total Fund Balance	<u>\$ 3,502,238</u>	<u>\$ 3,328,528</u>	<u>\$ 173,709</u>