

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 (YTD) Revenues of \$1,286,872 are 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 are based on collections and changes in Investment Income. The District is on track to meet or exceed its Revenue Budget for FY 2025-26.

- The District has collected 92.4% of the budgeted maintenance assessments to date, compared with 92.2% at the same point last year. This reflects a modest year-over-year improvement in collection performance.
- Investment earnings of \$56,190 through January 31, 2026 were substantially higher than the \$29,850 earned through January 31, 2025. 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 January 31, 2026, the realized LTP gains were \$15,593 versus \$12,012 last year up 29.83%
- 83% 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 3.13% to 4.26%. The 17% of the portfolio, which is Long-term, is performing well at an annual rate of 14.68%. Fiscal Year 2025-26 budgeted Investment earnings are \$83,000. The District is on pace to exceed those investment earnings in FY 2025-26.

Expenses and Other Changes

Year-to-Date Operating Expenses of \$326,150 are 0.9% higher than the prior year-to-date expenses of \$323,374. 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. Additionally, no Capital Projects are scheduled for FY 2025-26.

- Management and Other Professional services include Management fees, Deed Compliance, 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 Legal Services expense decreased 62.4% compared to last year. Overall, this category is currently projected to be approximately 92 - 96% of budget at fiscal year-end.

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- Utility Services include Electricity and Irrigation Water expenses are 53.2% higher than the same period of 2025. 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 \$216,330 are up 7.7% when compared to the prior year-to-date expenses of \$200,813. There were pump replacement and painting costs incurred during the first four months of this year that did not occur in the same period of prior fiscal year. 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 \$927,378, representing a \$26,212 improvement over the \$901,166 increase for the same period ending January 31, 2025. The Amended 2025-26 Budget uses \$95,000 in 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 using \$90,000 to adding \$5,000. This represents an improvement between \$5,000 and \$100,000.

Year-to-Date Earnings by Investment Category:

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

January 2026	CFB	FLCLASS	FL PALM	FL-FIT	FLTRUST	LTIP**
Current Month Annualized Return*	3.13%	3.81%	3.81%	4.26%	3.77%	14.68%
One Month Rate of Return	0.26%	0.32%	0.32%	0.36%	0.31%	1.96%
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 Four Months Ending January 31, 2026 (33% of the budget year)

Original Budget	Amended Budget	Budget % used		YTD Actual	PYTD Actual	Variance
REVENUES:						
\$ 1,331,353	\$ 1,331,353	92%	Maintenance and Other Special Assessments	\$ 1,230,342	\$ 1,227,575	\$ 2,767
500	500	68%	Other Income	340	459	(118)
<u>83,000</u>	<u>83,000</u>	68%	Investment Income	<u>56,190</u>	<u>29,850</u>	<u>26,340</u>
\$ 1,414,853	\$ 1,414,853	91%	Total Revenues	\$ 1,286,872	\$ 1,257,884	\$ 28,988
EXPENSES:						
15,096	15,096	27%	Personnel Services	4,112	4,970	(858)
207,892	207,892	32%	Management and Other Professional Services	67,126	90,191	(23,065)
84,670	91,670	35%	Utility Services	32,339	21,106	11,233
1,090,765	1,083,765	20%	Building, Landscape and Other Maintenance	216,330	200,813	15,517
<u>11,475</u>	<u>11,475</u>	54%	Other Expenses	<u>6,243</u>	<u>6,294</u>	<u>(51)</u>
1,409,898	1,409,898	23%	Total Operating Expenses	326,150	323,374	2,776
<u>100,000</u>	<u>100,000</u>	33%	Transfers out of Unrestricted Fund	<u>33,344</u>	<u>33,344</u>	-
100,000	100,000	33%	Total Other Changes	33,344	33,344	-
\$ 1,509,898	\$ 1,509,898	24%	Total Expenses and Other Changes	\$ 359,494	\$ 356,718	\$ 2,776
<u>\$ (95,045)</u>	<u>\$ (95,045)</u>		Change in Unreserved Net Position	<u>\$ 927,378</u>	<u>\$ 901,166</u>	<u>\$ 26,212</u>
Total Cash, Net of Bond Funds						
				<u>\$ 3,463,953</u>	<u>\$ 3,336,886</u>	<u>\$ 127,066</u>
Fund Balance						
			Unassigned	2,681,316	2,554,285	
			Committed R and R General	503,093	522,877	
			Committed R and R Cart Paths & Villa Roads	268,923	213,923	
			Total Fund Balance	<u>\$ 3,453,332</u>	<u>\$ 3,291,085</u>	<u>\$ 162,247</u>