

# The Villages®

## Community Development Districts

### District 3

#### **Financial Statement Summary**

**As of February 28, 2026**

#### **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 \$1,345,179 are up 2.2% 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 94.8% of the budgeted maintenance assessments to date, compared with 95.1% at the same point last year. This reflects a modest year-over-year decline in collection performance. Payments are due in full by March 31, 2026.
- Other revenue mainly consists of Utility refunds related to a over payment and leak credit adjustments.
- Investment earnings of \$78,731 through February 28, 2026 were substantially higher than the \$47,235 earned through February 28, 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 February 28, 2026, the realized LTP gains were \$19,661 versus \$12,759 last year, up 54.1%
- 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 4.29%. The 17% of the portfolio, which is Long-term, is performing well at an annual rate of 15.71%. 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 \$415,807 are 4.9% lower than the prior year-to-date expenses of \$437,007. 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 35.1% from the prior year and are a result of budget methodology moving to a percentage of operating expenses. In addition, the District's Legal Services expense decreased 52.2% compared to last year. Also, Auditing Services costs of \$4,893.50 were posted in February 2025, while no Audit Services expense has been posted this fiscal 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 15.7% higher than in the same period of 2025. The Weaton CT over billing refund has been issued, but in general, water usage is running a little higher than last year due to lack of rain. A fund transfer was approved in January which added \$7,000 to the Irrigation Water Budget. Electricity costs are tracking right on budget. This category is currently projected to finish the fiscal year at approximately 96 – 99% of the amended budget.
- Building, Landscape and Other Maintenance Expenses of \$292,469 are up 2.4% when compared to the prior year-to-date expenses of \$285,577. This is partially attributed to higher aquatic weed control costs and additional plant replacement costs. 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 \$887,696, representing a \$50,153 improvement over the \$837,543 increase for the same period ending February 28, 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:

February 2026	CFB	FLCLASS	FL PALM	FL-FIT	FLTRUST	LTIP**
Current Month Annualized Return*	3.13%	3.75%	3.77%	4.29%	3.88%	15.71%
One Month Rate of Return	0.26%	0.31%	0.31%	0.36%	0.32%	1.35%
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 Five Months Ending February 28, 2026 (42% of the budget year)**

Original Budget	Amended Budget	Budget % used		YTD Actual	PYTD Actual	Variance
<b>REVENUES:</b>						
\$ 1,331,353	\$ 1,331,353	95%	Maintenance and Other Special Assessments	\$ 1,261,711	\$ 1,266,673	\$ (4,962)
500	500	947%	Other Income	4,737	2,317	2,420
<u>83,000</u>	<u>83,000</u>	95%	Investment Income	<u>78,731</u>	<u>47,235</u>	<u>31,496</u>
<b>\$ 1,414,853</b>	<b>\$ 1,414,853</b>	95%	<b>Total Revenues</b>	<b>\$ 1,345,179</b>	<b>\$ 1,316,226</b>	<b>\$ 28,954</b>
<b>EXPENSES:</b>						
15,096	15,096	34%	Personnel Services	5,188	6,046	(858)
207,892	212,957	38%	Management and Other Professional Services	80,422	111,907	(31,485)
84,670	91,670	34%	Utility Services	31,321	27,077	4,244
1,090,765	1,078,700	27%	Building, Landscape and Other Maintenance	292,469	285,577	6,892
<u>11,475</u>	<u>11,475</u>	56%	Other Expenses	<u>6,408</u>	<u>6,399</u>	<u>8</u>
1,409,898	1,409,898	29%	<b>Total Operating Expenses</b>	415,807	437,007	(21,200)
<u>100,000</u>	<u>100,000</u>	42%	Transfers out of Unrestricted Fund	<u>41,676</u>	<u>41,676</u>	<u>-</u>
100,000	100,000	42%	<b>Total Other Changes</b>	41,676	41,676	-
<b>\$ 1,509,898</b>	<b>\$ 1,509,898</b>	30%	<b>Total Expenses and Other Changes</b>	<b>\$ 457,483</b>	<b>\$ 478,683</b>	<b>\$ (21,200)</b>
<u>\$ (95,045)</u>	<u>\$ (95,045)</u>		<b>Change in Unreserved Net Position</b>	<u>\$ 887,696</u>	<u>\$ 837,543</u>	<u>\$ 50,153</u>
<b>Total Cash, Net of Bond Funds</b>						
				<u>\$ 3,440,088</u>	<u>\$ 3,309,619</u>	<u>\$ 130,469</u>
<b>Fund Balance</b>						
			Unassigned	2,641,634	2,490,662	
			Committed R and R General	506,843	526,627	
			Committed R and R Cart Paths & Villa Roads	273,505	218,505	
			<b>Total Fund Balance</b>	<u>\$ 3,421,983</u>	<u>\$ 3,235,795</u>	<u>\$ 186,188</u>