

The Villages®

Community Development Districts

District 8

Financial Statement Summary

As of February 28, 2026

Summary

The District is projected to achieve its budgeted revenues for FY 2025-26, while expenditures are trending below plan. This performance positions the District for a stronger year-end working capital outcome.

Revenues

Year-to-date revenues total \$3,081,329 exceeded prior-year results of \$2,998,548, a 2.8% increase. 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 collected 96.4% of the budgeted maintenance assessments to date, compared with 97.2% at the same point last year. This reflects a modest year-over-year decline in collection performance. Payments are due March 31, 2026.
- Investment earnings of \$338,976 through February 28, 2026 were substantially higher than the \$233,592 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 grew by \$28,852 or 59.5% to \$77,351.
- 83.5% of the portfolio is Short-term Fixed income securities where the rate of return has been decreasing due to the Federal Fund rate cuts. However, they are currently earning an estimated annual rate of return of 3.13% to 4.29%. The 16.5% 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 \$170,000. The District is on track to more than double those investment earnings in FY 2025-26.

Expenses and Other Changes

Year-to-Date Operating Expenses of \$1,299,529 were down \$18,390 or 1.4% from the prior year-to-date expenses of \$1,317,919. Fiscal year 2025-26 expenses are projected to be 97 – 99% of budget.

- Management and Other Professional services include Management fees, Deed Compliance, Technology Service and Tax Collection fees. As a category, these expenses were up \$2,883 from last year or 1.5%. The biggest contributor to the increase was Deed Violation Implementation Costs which should now be final. Deed Compliance Services were down during the first five months of FY 2025-26. As a group, these expenses are currently projected to be approximately 96 – 99% of budget at fiscal year-end.
- Utility Services include Electricity and Irrigation Water expenses. This expenses category is running higher than last year due to rate increases. Barring any anomalies, the category is currently projected to be at 95 – 99% of budget at year-end.
- Building, Landscape and Other Maintenance expenses. This expense category decreased by 4% during the first five months of FY 2025–26, primarily due to one-time Hurricane Milton tree trimming and clean-up costs incurred in 2024 that did not recur in 2025. Current projections indicate that approximately 97–99% of the category's budget will be expended by fiscal year-end.
- Other Expenses. This includes casualty and liability insurance and legal advertising. The annual insurance premium was paid in October. Other miscellaneous expenses, such as postage, printing and binding costs, and operating supplies are expended on an as-needed basis. This category is currently projected to be at approximately 86 - 95% of budget at fiscal year-end.

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Change in Unreserved Net Position

Year-to-Date increase in Unreserved Net Position of \$1,573,462 is a \$101,172 improvement over the \$1,472,291 increase for the same period ending February 28, 2025. The Amended 2025-26 Budget uses \$870,000 of Working Capital to meet the fiscal year budget. Based on the projected year-end results, Working Capital usage will be reduced to between \$820,000 and \$670,000. This represents an improvement between \$50k and \$200k.

Investment Earnings

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 \$14,493.00 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 |
| REVENUES: | | | | | | |
| \$ 2,844,240 | \$ 2,844,240 | 96% | Maintenance and Other Special Assessments | \$ 2,741,976 | \$ 2,764,520 | \$ (22,544) |
| - | - | 0% | Other Income | 377 | 436 | (59) |
| <u>170,000</u> | <u>170,000</u> | <u>199%</u> | Investment Income | <u>338,976</u> | <u>233,592</u> | <u>105,385</u> |
| 3,014,240 | 3,014,240 | 102% | Total Revenues: | 3,081,329 | 2,998,548 | 82,781 |
| - | - | 0% | Transfer In - Debt Service | - | - | - |
| <u>3,014,240</u> | <u>3,014,240</u> | <u>102%</u> | Total Available Resources: | <u>3,081,329</u> | <u>2,998,548</u> | <u>82,781</u> |
| EXPENSES: | | | | | | |
| 15,096 | 15,096 | 27% | Personnel Services | 4,112 | 3,032 | 1,080 |
| 349,474 | 373,273 | 52% | Management and Other Professional Services | 192,552 | 189,670 | 2,883 |
| 574,385 | 566,375 | 35% | Utility Services | 197,554 | 182,645 | 14,909 |
| 2,405,243 | 2,405,243 | 37% | Building, Landscape and Other Maintenance | 899,087 | 936,113 | (37,026) |
| <u>9,875</u> | <u>9,875</u> | <u>63%</u> | Other Expenses | <u>6,224</u> | <u>6,460</u> | <u>(236)</u> |
| 3,354,073 | 3,369,862 | 39% | Total Operating Expenses | 1,299,529 | 1,317,919 | (18,390) |
| <u>530,000</u> | <u>530,000</u> | <u>39%</u> | Transfers out of Unrestricted Fund | <u>208,338</u> | <u>208,338</u> | <u>-</u> |
| <u>530,000</u> | <u>530,000</u> | <u>39%</u> | Total Other Changes | <u>208,338</u> | <u>208,338</u> | <u>-</u> |
| <u>3,884,073</u> | <u>3,899,862</u> | <u>39%</u> | Total Expenses and Other Changes: | <u>1,507,867</u> | <u>1,526,257</u> | <u>(18,390)</u> |
| <u>\$ (869,833)</u> | <u>\$ (885,622)</u> | | Change in Unreserved Net Position | <u>\$ 1,573,462</u> | <u>\$ 1,472,291</u> | <u>\$ 101,172</u> |
| Total Cash, Net of Bond Funds | | | | <u>\$ 14,640,890</u> | <u>\$ 14,321,480</u> | <u>\$ 319,410</u> |
| Fund Balance | | | | | | |
| Unassigned | | | | 5,304,165 | 5,519,614 | |
| Restricted - Capital Project, Phase I | | | | 1,149,211 | 1,149,211 | |
| Restricted - Capital Project, Phase II | | | | 234,000 | 234,000 | |
| Restricted - Capital Project, Phase III | | | | 218,000 | 218,000 | |
| Committed R and R General | | | | 2,550,840 | 2,300,840 | |
| Committed R and R Villa Roads | | | | <u>5,018,567</u> | <u>4,768,567</u> | |
| Total Fund Balance | | | | <u>\$ 14,474,783</u> | <u>\$ 14,190,232</u> | <u>\$ 284,551</u> |