

The Villages®

Community Development Districts

District 3

Financial Statement Summary

As of August 31, 2026

Summary

The District has achieved its revenue budget 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 \$1,479,192 were down \$7,922 or 0.5% when compared to the same period of 2025. The District did not increase its Maintenance Assessment for FY 2025-26, so Revenue changes were based on collections and changes in Investment Income. The District's revenue was 105% of the annual budget as of August 31st.

- The District has collected 100% of the budgeted maintenance assessments to date.
- Investment earnings of \$135,209 through August 31, 2026 were \$13,996 or 9.4% lower than the \$149,204 earned through August 31, 2025. The majority of the decline was in the short-term portfolios. The realized LTP gain as of August 31, 2026 was \$28,773 versus \$19,474 last year, up 48%. The unrealized LTP gain was up by \$6,373 or 24%.
- 78% of the portfolio is Short-term Fixed income securities where rates have stabilized over the last several months. Short-term investments are currently earning an estimated annual rate of return of 3.18% to 4.36%. The 22% of the portfolio, which is Long-term, is performing at an annual rate of 13.19%. Fiscal Year 2025-26 budgeted Investment earnings are \$83,000. The District Investment Income was 163% of its FY 2025-26 budget as of August 31st.
- Other income includes a one-time water utility refund in the amount of \$4,400 and a property damage reimbursement of \$3,100 for damage to the roundabout on Buena Vista Blvd. at Glenview Rd.

Expenses and Other Changes

Year-to-date Operating Expenses totaled \$1,119,557, an increase of 15.3% compared to \$970,934 for the same period in the prior year. Despite the year-over-year increase, only 79% of the budgeted expenses had been utilized as of August 31, 2026, with 92% of the fiscal year elapsed. No significant expenditure has occurred that is expected to impact the District's ability to operate within the approved Fiscal Year 2025-26 budget. Operating Expenses are currently projected to end the fiscal year at approximately 92% to 96% of the amended budget. Additionally, no Capital Projects are scheduled for Fiscal Year 2025-26.

- Management and Other Professional services include Management fees, Deed Compliance, Technology Service and Tax Collection fees. As a sector, expenses were down by \$40,147 or 18.7% versus August 31, 2025. Management fees decreased \$51,782 or 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 Deed Compliance Services fee dropped by \$1,028 or 35% when compared to last year. Other Professional Services increased by \$10,315 or 84% when compared to last year due to scheduled Tunnel Inspections (B4, B7 and B8) and Environmental Support costs. Engineering Services also grew by \$1,548 or 21% due to Water Recourse Management charges. Overall, this category is currently projected to be approximately 90 - 94% of budget at fiscal year-end.

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- Utility Services include Electricity and Irrigation Water. Expenses were 11.9% higher than in the same period of 2025. A fund transfer was approved in January which added \$7,000 to the Irrigation Water Budget. This was prior to implementation of water restrictions. Irrigation Water costs were 78% of the amended budget as of August 31, 2026 (92% of the fiscal year). Electricity expense was 75% of the annual budget as of August 31, 2026. This category is currently projected to finish the fiscal year at approximately 80 – 85% of the amended budget.
- Building, Landscape, and Other Maintenance Expenses totaled \$855,348, an increase of 27.0% compared to \$673,715 for the same period in the prior year. The increase is partially attributable to the scheduled rejuvenator application at Villa Natchez, fence replacement at Saddlebrook, MMP concrete repairs, higher aquatic weed control costs, and painting and repairs at the Buena Vista B pump station. Additional expenditures included approximately \$29,200 for repairs to Basin D3-1 in May 2026 and phosphate removal at the Glenview entry pond. These expenditures were included in the Fiscal Year 2025-26 budget. As of August 31, 2026, this expense category was at 80% of budget, with 92% of the fiscal year elapsed. This expense category is projected to end the fiscal year at approximately 85% to 90% of budget.

Change in Unreserved Net Position

The year-to-date increase in Unreserved Net Position totals \$267,967, representing a \$156,545 decline from the \$424,512 increase for the same period ending August 31, 2025. The Amended 2025-26 Budget uses \$95,000 in Working Capital to balance the budget after transferring \$45K to General R&R, \$50k to Roads and \$5k to Cart Paths. Based on the current projections, the District's will not require Working Capital to balance the budget. District #3 is projected to add somewhere between \$155,000 and \$205,000 to Working Capital. This represents an improvement between \$250,000 and \$300,000 over what was budgeted.

Year-to-Date Earnings by Investment Category:

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

August 2026	Seacoast	FLCLASS	FL PALM	FL-FIT	FLTRUST	LTIP**
Current Month Annualized Return*	3.18%	3.78%	3.76%	4.25%	4.36%	13.19%
One Month Rate of Return	0.27%	0.31%	0.31%	0.35%	0.36%	1.74%
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 was \$29,132.89 in the Community Standards Fund.

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Statement of Activity						
For the Eleven Months Ending August 31, 2026 (92% of the budget year)						
Original Budget	Amended Budget	Budget % used		YTD Actual	PYTD Actual	Variance
			REVENUES:			
\$ 1,331,353	\$ 1,331,353	100%	Maintenance and Other Special Assessments	\$ 1,336,073	\$ 1,335,569	\$ 503
500	500	1582%	Other Income	7,911	2,340	5,571
83,000	83,000	163%	Investment Income	135,209	149,204	(13,996)
\$ 1,414,853	\$ 1,414,853	105%	Total Revenues	\$ 1,479,192	\$ 1,487,114	\$ (7,922)
			EXPENSES:			
15,096	15,096	80%	Personnel Services	12,081	12,505	(424)
207,892	215,957	81%	Management and Other Professional Services	175,090	215,237	(40,147)
84,670	91,670	76%	Utility Services	69,596	62,185	7,411
1,090,765	1,075,700	80%	Building, Landscape and Other Maintenance	855,348	673,715	181,632
11,475	11,475	65%	Other Expenses	7,442	7,292	150
1,409,898	1,409,898	79%	Total Operating Expenses	1,119,557	970,934	148,623
100,000	100,000	92%	Transfers out of Unrestricted Fund	91,668	91,668	-
100,000	100,000	92%	Total Other Changes	91,668	91,668	-
\$ 1,509,898	\$ 1,509,898	80%	Total Expenses and Other Changes	\$ 1,211,225	\$ 1,062,602	\$ 148,623
\$ (95,045)	\$ (95,045)		Change in Unreserved Net Position	\$ 267,967	\$ 424,512	\$ (156,545)
			Total Cash, Net of Bond Funds	\$ 2,900,070	\$ 2,880,670	\$ 19,400
			Fund Balance			
			Unassigned	2,021,905	2,077,631	
			Committed R and R General	529,343	549,127	
			Committed R and R Cart Paths & Villa Roads	300,997	245,997	
			Total Fund Balance	\$ 2,852,245	\$ 2,872,755	\$ (20,510)