
The Villages®
Community Development Districts
District 3

Financial Statement Summary

As of July 31, 2026

Summary

The District has achieved its revenue budget for Fiscal Year 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 \$1,457,602 were down \$2,226 or 0.2% when compared to the same period of 2025. The District did not increase its Maintenance Assessment for Fiscal Year 2025-26, so Revenue changes were based on collections and changes in Investment Income. The District's revenue was 103% of the annual budget as of July 31.

- The District has collected 100% of the budgeted maintenance assessments to date.
- Investment earnings of \$117,183 through July 31, 2026 were \$4,745 or 3.9% lower than the \$121,927 earned through July 31, 2025. The realized LTP gain as of July 31, 2026 was \$27,873 versus \$18,683 last year, up 49%.
- 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 3.15% to 4.27%. The 22% of the portfolio, which is Long-term, is performing at an annual rate of 13.54%. Fiscal Year 2025-26 budgeted Investment earnings are \$83,000. The District Investment Income was 141% of its Fiscal Year 2025-26 budget as of July 31.
- Other income includes a one-time water utility refund in the amount of \$4,400.

Expenses and Other Changes

Year-to-date Operating Expenses totaled \$994,693, an increase of 11.6% compared to \$891,332 for the same period in the prior year. Despite the year-over-year increase, only 71% of the budgeted expense allocations had been utilized as of July 31, 2026, with 83% of the fiscal year elapsed. No significant expenditures have occurred that are 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. Management fees decreased \$47,075 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 Legal Services expenses decreased \$520 or 9% and Deed Compliance Services fee dropped by \$555 or 25% when compared to last year. Other Professional Services increased by \$8,868 or 117% when compared to last year due to scheduled Tunnel Inspections (B4, B7 and B8). Overall, this category is currently projected to be approximately 94 - 99% of budget at fiscal year-end.

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- Utility Services include Electricity and Irrigation Water. Expenses were 17.0% 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 91% of the amended budget as of July 31, 2026 (83% of the fiscal year). Electricity expense was 69% of the annual budget as of July 31, 2026. This category is currently projected to finish the fiscal year at approximately 90 – 98% of the amended budget.
- Building, Landscape, and Other Maintenance Expenses totaled \$749,208, an increase of 21.1% compared to \$618,761 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 July 31, 2026, this expense category was at 70% of budget, with 83% of the fiscal year elapsed, and is projected to end the fiscal year at approximately 90% to 95% of budget.

Change in Unreserved Net Position

The year-to-date increase in Unreserved Net Position totals \$379,572, representing a \$105,587 decline from the \$485,159 increase for the same period ending July 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 Working Capital requirement will fall somewhere between a \$30,000 usage and \$20,000 addition. This represents an improvement between \$65,000 and \$115,000 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:

July 2026	Seacoast	FLCLASS	FL PALM	FL-FIT	FLTRUST	LTIP**
Current Month Annualized Return*	3.15%	3.73%	3.74%	4.25%	4.27%	13.54%
One Month Rate of Return	0.26%	0.31%	0.31%	0.35%	0.36%	-0.96%
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 was \$30,219.24 in the Community Standards Fund.

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Statement of Activity						
For the Ten Months Ending July 31, 2026 (83% 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	\$ 1,335,669	\$ 1,335,569	\$ 99
500	500	950%	Other Income	4,750	2,330	2,420
<u>83,000</u>	<u>83,000</u>	141%	Investment Income	<u>117,183</u>	<u>121,927</u>	<u>(4,745)</u>
\$ 1,414,853	\$ 1,414,853	103%	Total Revenues	\$ 1,457,602	\$ 1,459,827	\$ (2,226)
			EXPENSES:			
15,096	15,096	74%	Personnel Services	11,220	11,429	(208)
207,892	215,957	75%	Management and Other Professional Services	162,325	198,830	(36,504)
84,670	91,670	70%	Utility Services	64,593	55,198	9,395
1,090,765	1,075,700	70%	Building, Landscape and Other Maintenance	749,208	618,761	130,447
<u>11,475</u>	<u>11,475</u>	64%	Other Expenses	<u>7,347</u>	<u>7,115</u>	<u>232</u>
1,409,898	1,409,898	71%	Total Operating Expenses	994,693	891,332	103,361
<u>100,000</u>	<u>100,000</u>	83%	Transfers out of Unrestricted Fund	<u>83,336</u>	<u>83,336</u>	<u>-</u>
100,000	100,000	83%	Total Other Changes	83,336	83,336	-
\$ 1,509,898	\$ 1,509,898	71%	Total Expenses and Other Changes	\$ 1,078,029	\$ 974,668	\$ 103,361
\$ (95,045)	\$ (95,045)		Change in Unreserved Net Position	\$ 379,572	\$ 485,159	\$ (105,587)
			Total Cash, Net of Bond Funds	\$ 2,987,731	\$ 2,975,408	\$ 12,323
			Fund Balance			
			Unassigned	2,133,510	2,138,278	
			Committed R and R General	525,593	545,377	
			Committed R and R Cart Paths & Villa Roads	296,415	241,415	
			Total Fund Balance	\$ 2,955,519	\$ 2,925,071	\$ 30,448