

The Villages®

Community Development Districts

District 2

Financial Statement Summary **As of May 31, 2025**

Revenues

Year-to-Date Revenues (YTD) of \$1,396,000 are less than Prior Year-to-Date (PYTD) revenues of \$1,433,000 and at 101% of the annual amended budgeted revenue of \$1,376,000.

- The District has collected 99% of the budgeted maintenance assessments of \$1,318,000. Sumter County collects the annual tax bill's maintenance assessments and remits them to the District, net a 2% collection fee. The majority of assessments are collected from November through March. There was no increase in maintenance assessments levied for FY 2025.
- Investment earnings of \$82,000 (\$68,000 realized gains and \$14,000 unrealized gains) are less than Prior Year-to-Date earnings of \$118,000. Lower earnings are attributable to the uncertainty of tariffs imposed by the Federal Government resulting in market volatility and the Federal Fund rate decreases in the past year. Markets continue to stay volatile. District 2 is holding a higher cash and cash equivalent position from the beginning of the year to maintain liquidity while waiting for the markets to stabilize.

The District has received 99% of the anticipated revenues through the county tax collections while the expenses will be incurred ratably over the 12 months. *As of May 31, 2025, 67% of the year has lapsed.*

Expenses and Other Changes

Year-to-Date Operating Expenses of \$820,000 are more than Prior Year-to-Date expenses of \$586,000. Total Year-to-Date spending is 49% of the amended budget expenses of \$1,660,000.

- Personnel Services are at 60% of the budget. An additional Town Hall meeting was held in October increasing cost but was offset by lower quorum attendance allowing expenses to stay within budget.
- Management and Other Professional Services include Management Fees, Deed Compliance Services, and Tax Collector Fees. There was a 3% decrease in Management Fees in FY 24-25 due to the change in the budget methodology moving to a percentage of operating expenses. Legal services expenses are at 59% of the amended budget and Year-to-Date spending includes SECO light pole review and deed compliance legal cases. \$10,000 budget transfer was processed in April to increase the legal services budget.
- Utility Services include Electricity and Irrigation Water expenses. Year-to-Date spending is 74% of the amended budgeted expenses of \$63,000, an 81% increase in utility expenses from prior year. The increase is primarily due to the SECO pole rental rate increases.
- Building, Landscape, and Other Maintenance Expenses totaling \$583,000 are more than the Prior Year-to-Date of \$346,000. The budget for Recurring Landscape Maintenance makes up 37% of this line item and 49% of the Recurring Landscape Maintenance has been expended for the year. Other Maintenance expenses are at 59% of the amended budget due to Basin Depression Repair, approximately \$150,000. A budget resolution was completed in March to account for debris hauling and monitoring related to Hurricane Milton.
- Other Expenses include Casualty & Liability Insurance expenses.
- Funding reserves have been budgeted for General R&R and Road R&R in the amount of \$40,000, and transfers of 67% or \$27,000 have occurred YTD.

Change in Unreserved Net Position

Year-to-Date increase in Unreserved Net Position of \$549,000 is less than the Prior Year-to-Date of \$820,000. Based on anticipated revenue and expenditures for the year, the District expects to meet the amended budgeted reduction in the Unreserved Net Position of (\$325,000).

	CFB	FLCLASS	FL PALM	FL-FIT	FLTRUST	LTIP
Current Month Annualized Return*	3.88%	4.37%	4.39%	4.60%	4.01%	10.14%
One Month Rate of Return	0.32%	0.36%	0.37%	0.38%	0.33%	3.26%
Prior FY 2024	4.86%	5.41%	5.44%	5.02%	4.58%	13.01%

*Current Month Annualized Return is an annualized return based on the past 30 day performance
All investment earnings are now recognized within the current month.

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Statement of Activity						
For the Eight Months Ending May 31, 2025 (67% of the budget year)						
Original Budget	Amended Budget	Budget % used		YTD Actual	PYTD Actual	Variance
			REVENUES:			
\$ 1,318,185	\$ 1,318,185	99%	Maintenance and Other Special Assessments	\$ 1,312,317	\$ 1,314,357	\$ (2,040)
-	25,657	4%	Other Income	963	433	530
<u>31,700</u>	<u>31,700</u>	<u>259%</u>	Investment Income	<u>82,258</u>	<u>117,946</u>	<u>(35,688)</u>
1,349,885	1,375,542	101%	Total Revenues:	1,395,537	1,432,735	(37,198)
			EXPENSES:			
15,096	15,096	60%	Personnel Services	9,060	7,114	1,947
287,243	300,495	58%	Management and Other Professional Services	174,015	200,175	(26,160)
61,420	63,420	74%	Utility Services	47,066	25,946	21,120
1,105,362	1,270,767	46%	Building, Landscape and Other Maintenance	583,244	345,941	237,303
<u>10,652</u>	<u>10,652</u>	<u>64%</u>	Other Expenses	<u>6,829</u>	<u>7,177</u>	<u>(348)</u>
1,479,773	1,660,430	49%	Total Operating Expenses	820,214	586,352	233,861
<u>40,000</u>	<u>40,000</u>	<u>67%</u>	Transfers out of Unrestricted Fund	<u>26,672</u>	<u>26,668</u>	<u>4</u>
40,000	40,000	67%	Total Other Changes	26,672	26,668	4
<u>1,519,773</u>	<u>1,700,430</u>	<u>50%</u>	Total Expenses and Other Changes:	<u>846,886</u>	<u>613,020</u>	<u>233,865</u>
<u>\$ (169,888)</u>	<u>\$ (324,888)</u>		Change in Unreserved Net Position	<u>\$ 548,652</u>	<u>\$ 819,715</u>	<u>\$ (271,063)</u>
			Total Cash, Net of Bond Funds	<u>\$ 2,998,657</u>	<u>\$ 2,717,243</u>	<u>\$ 281,415</u>
			Fund Balance			
			Unassigned	2,013,621	1,730,450	
			Restricted - Capital Project, Phase I	-	-	
			Restricted - Capital Project, Phase II	2,552	2,552	
			Committed R and R General	659,791	646,455	
			Committed R and R Villa Roads	<u>316,864</u>	<u>290,196</u>	
			Total Fund Balance	<u>\$ 2,992,827</u>	<u>\$ 2,669,652</u>	<u>\$ 323,175</u>
			% Homes Closed	100%	100%	100%