

The Villages®

Community Development Districts

District 2

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

Revenues

Year-to-Date Revenues (YTD) of \$1,443,000 are less than Prior Year-to-Date (PYTD) revenues of \$1,493,000 and at 104% of the annual amended budgeted revenue of \$1,376,000.

- The District has collected 100% 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 of 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 \$120,000 (\$81,000 realized gains and \$39,000 unrealized gains) are less than Prior Year-to-Date earnings of \$166,000 however exceeding budget expectation and at 378% of budget. Lower earnings, compared to prior year, 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. 85% of the portfolio is Short-term Fixed income securities which are earning approximately 1% less than this time last year. The Long term (15%) portion of the portfolio has regained most of the early losses and is performing well at an annual rate of 10.5%. The current rate of investment earnings projects to end the fiscal year around \$140,000 compared to budget earnings of \$32,000.
- Other income includes a budget resolution approved in March to increase the budget for anticipated FEMA reimbursement related to hurricane clean up. No FEMA reimbursements have been received to date.

The District has received 100% of the anticipated revenues through the county tax collections while the expenses will be incurred ratably over the 12 months. *As of July 31, 2025, 83% of the year has lapsed.*

Expenses and Other Changes

Year-to-Date Operating Expenses of \$1,144,000 are more than Prior Year-to-Date expenses of \$746,000. Total Year-to-Date spending is 69% of the amended budget expenses of \$1,660,000.

- Personnel Services are at 71% 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 67% of the amended budget and Year-to-Date spending includes SECO light pole review and deed compliance legal cases. A \$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 77% of the amended budgeted expenses of \$72,000, a 70% increase in utility expenses from prior year. The increase is primarily due to the SECO pole rental rate increases. A budget change of \$9,000 was processed in July to increase the electricity expense budget.
- Building, Landscape, and Other Maintenance Expenses totaling \$844,000 are more than the Prior Year-to-Date of \$445,000. The budget for Recurring Landscape Maintenance makes up

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37% of this line item and 70% of the Recurring Landscape Maintenance has been expended for the year. The increase from last year is partly due to contract increases. Other Maintenance expenses are at 69% 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. Additional Other Maintenance includes entry wall and tunnel maintenances.

- 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 83% or \$33,000 have occurred YTD.

Change in Unreserved Net Position

Year-to-Date change in Unreserved Net Position of \$266,000 is less than the Prior Year-to-Date of \$713,000. Based on anticipated revenue and expenditures for the year, the District expects to meet the amended budget reduction in the Unreserved Net Position of (\$325,000).

Investment Earnings:

The following table outlines the Current Month Annualized Return and One Month Rate of Return earnings by investment category:

	CFB	FLCLASS	FL PALM	FL-FIT	FLTRUST	LTIP
Current Month Annualized Return*	3.88%	4.35%	4.38%	4.59%	4.09%	10.50%
One Month Rate of Return	0.32%	0.36%	0.37%	0.38%	0.34%	0.47%
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 Ten Months Ending July 31, 2025 (83% of the budget year)						
Original Budget	Amended Budget	Budget % used		YTD Actual	PYTD Actual	Variance
			REVENUES:			
\$ 1,318,185	\$ 1,318,185	100%	Maintenance and Other Special Assessments	\$ 1,322,271	\$ 1,326,556	\$ (4,284)
-	25,657	4%	Other Income	973	475	498
<u>31,700</u>	<u>31,700</u>	<u>378%</u>	Investment Income	<u>119,820</u>	<u>165,934</u>	<u>(46,114)</u>
1,349,885	1,375,542	104%	Total Revenues:	1,443,064	1,492,965	(49,901)
			EXPENSES:			
15,096	15,096	71%	Personnel Services	10,783	9,267	1,516
287,243	295,495	77%	Management and Other Professional Services	226,177	251,657	(25,480)
61,420	72,420	77%	Utility Services	55,838	32,935	22,904
1,105,362	1,266,767	67%	Building, Landscape and Other Maintenance	844,328	444,720	399,608
<u>10,652</u>	<u>10,652</u>	<u>66%</u>	Other Expenses	<u>7,065</u>	<u>7,588</u>	<u>(524)</u>
1,479,773	1,660,430	69%	Total Operating Expenses	1,144,191	746,167	398,025
<u>40,000</u>	<u>40,000</u>	<u>83%</u>	Transfers out of Unrestricted Fund	<u>33,336</u>	<u>33,334</u>	<u>2</u>
40,000	40,000	83%	Total Other Changes	33,336	33,334	2
<u>1,519,773</u>	<u>1,700,430</u>	<u>69%</u>	Total Expenses and Other Changes:	<u>1,177,527</u>	<u>779,501</u>	<u>398,027</u>
<u>\$ (169,888)</u>	<u>\$ (324,888)</u>		Change in Unreserved Net Position	<u>\$ 265,537</u>	<u>\$ 713,465</u>	<u>\$ (447,927)</u>
			Total Cash, Net of Bond Funds	<u>\$ 2,771,066</u>	<u>\$ 2,589,408</u>	<u>\$ 181,658</u>
			Fund Balance			
			Unassigned	1,730,506	1,624,200	
			Restricted - Capital Project, Phase I	-	-	
			Restricted - Capital Project, Phase II	2,552	2,552	
			Committed R and R General	663,123	646,455	
			Committed R and R Villa Roads	<u>320,196</u>	<u>296,862</u>	
			Total Fund Balance	<u>\$ 2,716,377</u>	<u>\$ 2,570,068</u>	<u>\$ 146,309</u>
			% Homes Closed	100%	100%	100%