The Villages®
Community Development Districts
District 2

Financial Statement Summary
As of August 31, 2025

Revenues

Year-to-Date Revenues (YTD) of $1,469,000 are less than Prior Year-to-Date (PYTD) revenues of $1,517,000 and at 106% 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 $146,000 ($86,000 realized gains and $60,000 unrealized gains) are less than Prior Year-to-Date earnings of $190,000 however exceeding budget expectation and at 460% 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 10.59%. The current rate of investment earnings projects to end the fiscal year around $159,000 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 August 31, 2025, 92% of the year has elapsed.*

Expenses and Other Changes

Year-to-Date Operating Expenses of $1,224,000 are more than Prior Year-to-Date expenses of $822,000. Total Year-to-Date spending is 74% of the amended budget expenses of $1,660,000.

- Personnel Services are at 76% 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 71% 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 93% of the amended budgeted expense of $72,000, an 80% 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 $895,000 are more than the Prior Year-to-Date of $500,000. The budget for Recurring Landscape Maintenance makes up 37% of this line item and 76% 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 75% 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 maintenance. As the fiscal year-end progresses invoices are expected to be received to be more in line with budget.
- 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 92% or $37,000 have occurred YTD.

Change in Unreserved Net Position

Year-to-Date change in Unreserved Net Position of $209,000 is less than the Prior Year-to-Date of $658,000. 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:

August 2025	CFB	FLCLASS	FL PALM	FL-FIT	FLTRUST	LTIP
Current Month Annualized Return*	3.88%	4.35%	4.37%	4.55%	4.02%	10.59%
One Month Rate of Return	0.32%	0.36%	0.36%	0.38%	0.34%	2.05%
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 Eleven Months Ending August 31, 2025 (92% 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	981	475	506
31,700	31,700	460%	Investment Income	145,776	189,720	(43,945)
1,349,885	1,375,542	106%	**Total Revenues:**	1,469,028	1,516,751	(47,723)
			EXPENSES:			
15,096	15,096	76%	Personnel Services	11,429	10,343	1,086
287,243	301,295	81%	Management and Other Professional Services	243,012	267,163	(24,151)
61,420	72,420	93%	Utility Services	67,174	37,373	29,801
1,105,362	1,260,967	71%	Building, Landscape and Other Maintenance	894,702	499,769	394,932
10,652	10,652	68%	Other Expenses	7,204	7,671	(467)
1,479,773	1,660,430	74%	**Total Operating Expenses**	1,223,520	822,320	401,200
40,000	40,000	92%	Transfers out of Unrestricted Fund	36,668	36,667	1
40,000	40,000	92%	**Total Other Changes**	36,668	36,667	1
1,519,773	1,700,430	74%	**Total Expenses and Other Changes:**	1,260,188	858,987	401,201
$ (169,888)	$ (324,888)		**Change in Unreserved Net Position**	$ 208,840	$ 657,764	$ (448,924)
			Total Cash, Net of Bond Funds	$ 2,718,817	$ 2,519,891	$ 198,925
			Fund Balance			
			Unassigned	1,673,808	1,568,499	
			Restricted - Capital Project, Phase I	-	-	
			Restricted - Capital Project, Phase II	2,552	2,552	
			Committed R and R General	664,789	646,455	
			Committed R and R Villa Roads	321,862	300,195	
			Total Fund Balance	$ 2,663,011	$ 2,517,700	$ 145,311
			% Homes Closed	**100%**	**100%**	**100%**