

# The Villages®

## Community Development Districts

### District 2

#### **Financial Statement Summary** **As of January 31, 2026**

#### **Summary**

The District is projected to achieve its budgeted revenues for FY 2025-26, while expenses are trending below budget. This performance positions the District for a stronger year-end working capital outcome.

#### **Revenues**

Year-to-Date (YTD) Revenues of \$1,260,641 are up slightly when compared to the same period of 2024. The District did not increase its Maintenance Assessment for FY 2025-26, so Revenue changes are based on collections and changes in Investment Income. The District is on track to meet or exceed its Revenue Budget for FY 2025-26.

- The District has collected 91.6% of the budgeted maintenance assessments to date, compared with 92.5% at the same point last year. This reflects a modest decline in collection performance. Payments are due March 31st.
- Investment earnings of \$53,503 through January 31, 2026 were substantially higher than the \$30,387 earned through January 31, 2025. In late 2024 and into early 2025, market volatility negatively impacted the District's investments in the form of unrealized losses, particularly the long-term portion of the investment portfolio. However, as of January 31, 2026, the realized LTP gains grew by \$3,035 to \$14,227.
- 84% of the portfolio is Short-term Fixed income securities where the rate of return has been decreasing due to the Federal Fund rate cut. However, they are currently earning an estimated annual rate of return of 3.13% to 4.26%. The 16% of the portfolio, which is Long-term, is performing well at an annual rate of 14.68%. Fiscal Year 2025-26 budgeted Investment earnings are \$28,000. The District is on track to more than double those investment earnings in FY 2025-26.

#### **Expenses and Other Changes**

Year-to-Date Operating Expenses of \$244,579 were less than the prior year-to-date expenses of \$420,016. There has been no significant expense that would alter the District's ability to operate within the approved FY 2025-26 budget. Operating Expenses are projected to be 90-96% of the amended budget. There are no Capital Projects scheduled for FY 2025-26.

- Management and Other Professional services include Management fees, Deed Compliance, Tax Collection, Technology Service and Tax Collection fees. This expense category is down 36.8% compared to last year. Management fees decreased 25% from the prior year and are a result of budget methodology moving to a percentage of operating expenses. The management fees are charged at 8% of the budgeted operating expenses for fiscal year 2025-26, which is lower than the 10% figure used for the prior fiscal year. In addition, the District's Legal Services expenses were down by 91% when compared to the first four months of FY 2024-25. Overall, this category is projected to be approximately 90 - 95% of budget at fiscal year-end.
- Engineering Services budget was amended from \$12,808 to \$30,708 due to work at Basin 2-5 as well as Basin Lago Paquito. Overall, this category is currently projected to be approximately 90-100% of budget.

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- Utility Services include Electricity and Irrigation Water expenses are 20.8% higher than the same period of 2024. This is attributed to water bills consistently running higher than last year due to lack of rain. The projected Irrigation Water Cost is \$13,500 for the fiscal year and will require a funds transfer to cover the \$2,900 shortfall. Electricity costs are currently on budget and are projected to be approximately 98 – 100% of budget.
- Building, Landscape and Other Maintenance Expenses of \$144,397 are below the prior year-to-date expenses of \$285,516, an 49.4% decline. Last fiscal year included \$142k for basin repair of Basin 2-3 and related geological anomalies. Currently we are projecting that approximately 90% - 95% of this budget will be used this fiscal year.

#### **Change in Unreserved Net Position**

Year-to-date increase in Unreserved Net Position totals \$1,002,523, representing a \$185,318 improvement over the \$817,400 increase for the same period ending January 31, 2025. The Amended 2025-26 Budget adds \$90,000 to Working Capital after transferring \$20K to General R&R and \$20k to Roads. Based on the current projections, the District is expected to add approximately \$100,000 to Working Capital at fiscal year-end.

#### **Year-to-Date Earnings by Investment Category:**

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

January 2026	CFB	FLCLASS	FL PALM	FL-FIT	FLTRUST	LTIP**
Current Month Annualized Return*	3.13%	3.81%	3.81%	4.26%	3.77%	14.68%
One Month Rate of Return	0.26%	0.32%	0.32%	0.36%	0.31%	1.96%
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 is \$10,687.94 in the Community Standards Fund.

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**Statement of Activity**  
**For the Four Months Ending January 31, 2026 (33% of the budget year)**

Original Budget	Amended Budget	Budget % used		YTD Actual	PYTD Actual	Variance
<b>REVENUES:</b>						
\$ 1,318,185	\$ 1,318,185	92%	Maintenance and Other Special Assessments	\$ 1,206,911	\$ 1,219,638	\$ (12,727)
-	-	0%	Other Income	227	735	(508)
<u>28,000</u>	<u>28,000</u>	<u>191%</u>	Investment Income	<u>53,503</u>	<u>30,387</u>	<u>23,116</u>
1,346,185	1,346,185	93%	<b>Total Revenues:</b>	1,260,641	1,250,760	9,881
<b>EXPENSES:</b>						
15,096	15,096	27%	Personnel Services	4,112	6,046	(1,934)
206,980	219,880	29%	Management and Other Professional Services	63,171	99,949	(36,779)
77,509	77,509	35%	Utility Services	26,803	22,188	4,614
905,819	892,919	16%	Building, Landscape and Other Maintenance	144,397	285,516	(141,119)
<u>10,975</u>	<u>10,975</u>	<u>56%</u>	Other Expenses	<u>6,097</u>	<u>6,316</u>	<u>(219)</u>
1,216,379	1,216,379	20%	<b>Total Operating Expenses</b>	244,579	420,016	(175,436)
<u>40,000</u>	<u>40,000</u>	33%	Transfers out of Unrestricted Fund	<u>13,344</u>	<u>13,344</u>	-
40,000	40,000	33%	<b>Total Other Changes</b>	13,344	13,344	-
<u>1,256,379</u>	<u>1,256,379</u>	<u>21%</u>	<b>Total Expenses and Other Changes:</b>	<u>257,923</u>	<u>433,360</u>	<u>(175,436)</u>
<u>\$ 89,806</u>	<u>\$ 89,806</u>		<b>Change in Unreserved Net Position</b>	<u>\$ 1,002,718</u>	<u>\$ 817,400</u>	<u>\$ 185,318</u>
<b>Total Cash, Net of Bond Funds</b>						
				<u>\$ 3,435,328</u>	<u>\$ 3,404,923</u>	<u>\$ 30,405</u>
<b>Fund Balance</b>						
				2,418,347	2,282,369	
				-	-	
				2,552	2,552	
				673,127	653,127	
				<u>330,200</u>	<u>310,200</u>	
<b>Total Fund Balance</b>				<u>\$ 3,424,225</u>	<u>\$ 3,248,248</u>	<u>\$ 175,978</u>