The Villages®
Community Development Districts
District 2

Financial Statement Summary
As of April 30, 2026

Summary

As of April 30, 2026, The District has achieved 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 $1,384,957 were up slightly, 1.1%, when compared to the same period of 2025. 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 at 102.9% its Revenue Budget as of April 30, 2026.

- The District has collected 98.5% of the budgeted maintenance assessments to date, compared with 99.1% at the same point last year. This reflects a modest decline in collection performance.

- Investment earnings of $86,524 through April 30, 2026 were up 37.1% from the $63,121 earned through April 30, 2025. Moreover, they were up substantially from the $44,883 earned through March 31, 2026. Geopolitical Event negatively impacted the financial markets in March, particularly the long-term portion of the investment portfolio. However, the markets reversed in April and the realized LTP gains grew by $6,835 to $20,174.

- 82.1% of the portfolio is Short-term Fixed income securities where the rate of return has been decreasing due to the Federal Fund rate cut. Short-term Investments are currently earning an estimated annual rate of return of 3.13% to 4.25%. The 17.9% of the portfolio, which is Long-term, is performing at an annualized rate of 19.47%. Fiscal Year 2025-26 budgeted Investment earnings are $28,000. As of April 30, 2026, Investment Earnings are at 309% of budget.

Expenses and Other Changes

Year-to-Date Operating Expenses of $515,049 were substantially less than the prior year-to-date expenses of $766,731. 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. Additionally, 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 22.7% compared to last year. Management fees decreased 42.8% from the prior year and are a result of budget methodology moving to a percentage of operating expenses. This was partially offset by Tunnel Inspections for B5 and B6 which took place in April at a cost of $5,033 and draws for Environmental Support Services by Breedlove. 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 engineering expenses associated with repairs at Basin 2-5 as well as Basin Lago Paquito. Invoices for services are just beginning to be processed. Overall, this category is currently projected to utilize approximately 90-100% of budget.

- Utility Services, which include Electricity and Irrigation Water expenses, are currently 9.0% higher than the same period in 2025. Irrigation Water costs are projected to total approximately $12,700 by fiscal year-end, resulting in an estimated $2,100 budget shortfall that will require a funds transfer. Electricity expenses are tracking in line with the fiscal year at 58% of budget utilized through 58.3% of the year, and the overall Utility Services category is projected to finish the fiscal year at approximately 98–100% of budget.

- Building, Landscape and Other Maintenance Expenses of $338,470 were down by $216,648 or 65.7% from $555,118 last year. The variance is primarily due to the $142k expense incurred last fiscal year for the repair of Basin 2-3 and related geological anomalies. This year, approximately $10,925 has been invoiced and paid for repairs at Basin 2-5 and Lago Paquito. As these repairs progress, future financial statements will be impacted. Currently we are projecting that approximately 90%–95% of this budget category will be utilized by year-end.

Change in Unreserved Net Position

Year-to-date increase in Unreserved Net Position totals $846,568, representing a $266,152 improvement over the $580,416 increase for the same period ending April 30, 2025. The Amended 2025-26 Budget (after transferring $20K to General R&R and $20k to Roads) adds $90,000 to Working Capital. Based on the current projections, the District is expected to add between $160,000 and $200,000 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:

April 2026	CFB	FLCLASS	FL PALM	FL-FIT	FLTRUST	LTIP**
Current Month Annualized Return*	3.13%	3.73%	3.74%	4.25%	4.01%	19.47%
One Month Rate of Return	0.26%	0.31%	0.31%	0.35%	0.33%	5.98%
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 ($707.52) in the Community Standards Fund.

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Statement of Activity
For the Seven Months Ending April 30, 2026 (58% of the budget year)

Original Budget	Amended Budget	Budget % used		YTD Actual	PYTD Actual	Variance
			REVENUES:			
$ 1,318,185	$ 1,318,185	98.5%	Maintenance and Other Special Assessments	$ 1,298,202	$ 1,306,403	$ (8,201)
-	-	0.0%	Other Income	231	963	(732)
28,000	28,000	309.0%	Investment Income	86,524	63,121	23,403
1,346,185	1,346,185	102.9%	**Total Revenues:**	1,384,957	1,370,487	14,470
			EXPENSES:			
15,096	15,096	45.8%	Personnel Services	6,914	8,414	(1,500)
206,980	221,840	52.7%	Management and Other Professional Services	116,980	156,889	(39,909)
77,509	77,509	59.5%	Utility Services	46,145	39,568	6,577
905,819	890,959	38.0%	Building, Landscape and Other Maintenance	338,470	555,118	(216,648)
10,975	10,975	59.6%	Other Expenses	6,541	6,742	(201)
1,216,379	1,216,379	42.3%	**Total Operating Expenses**	515,049	766,731	(251,682)
40,000	40,000	58.4%	Transfers out of Unrestricted Fund	23,340	23,340	-
40,000	40,000	58.4%	**Total Other Changes**	23,340	23,340	-
1,256,379	1,256,379	42.9%	**Total Expenses and Other Changes:**	538,389	790,071	(251,682)
$ 89,806	$ 89,806		**Change in Unreserved Net Position**	$ 846,568	$ 580,416	$ 266,152
			Total Cash, Net of Bond Funds	$ 3,310,274	$ 3,114,257	$ 196,018
			Fund Balance			
			Unassigned	2,262,197	2,045,385	
			Restricted - Capital Project, Phase I	-	-	
			Restricted - Capital Project, Phase II	2,552	2,552	
			Committed R and R General	678,125	658,125	
			Committed R and R Villa Roads	335,198	315,198	
			Total Fund Balance	$ 3,278,071	$ 3,021,259	$ 256,812