

Sudden Valley Community Association

Sudden Valley Community Association
Balance Sheet
August 31, 2025 and December 31, 2024

	Unaudited** Aug 31, 2025	Unaudited** Dec 31, 2024	Inc / (Dec)
OPERATIONS			
Current Assets			
Operating Cash	\$ 429,848	\$ 579,484	\$ (149,636)
Building Completion Deposit Fund	859,890	749,910	109,980
Member Receivables - Operations*	-	53,456	(53,456)
Other Receivables	3,250	3,350	(100)
Prepaid Expenses	161,991	82,148	79,843
Operating Lease ROU Assets	25,254	29,554	(4,300)
Inventory	7,148	5,824	1,324
Total Current Assets	1,487,381	1,503,726	(16,345)
Current Liabilities			
Accounts Payable	(110,391)	(159,772)	49,381
Accrued Vacation Liability	(90,632)	(76,335)	(14,297)
Accrued Payroll	-	(115,575)	115,575
Prepaid Assessments	(246,071)	(241,080)	(4,991)
Building Completion Deposits	(859,890)	(749,910)	(109,980)
Other Refundable Deposits	(11,046)	(9,956)	(1,090)
Operating Lease Liability	(25,254)	(29,554)	4,300
Prepaid Golf Memberships	-	(112,307)	112,307
Total Current Liabilities	(1,343,284)	(1,494,489)	151,205
Other Liabilities			
Contingent PPP Loan Liability***	(357,700)	(357,700)	-
Deferred Library Lease Revenue	(30,667)	(36,000)	5,333
Total Other Liabilities	(388,367)	(393,700)	5,333
Operating Reserve Funds			
Emergency Operating Cash	364,460	363,815	645
Undesignated Reserves Cash	331,024	302,135	28,889
Total Operating Reserve Funds	695,484	665,950	29,534
Net Operating Assets	\$ 451,214	\$ 281,487	\$ 169,727
CAPITAL			
Capital Current Assets			
CRRRF (Capital Repair & Replacement) Cash Fund	3,666,370	3,172,197	494,173
Roads Reserve Cash Fund	2,778,578	2,102,138	676,440
Board Density Reduction Cash Fund	87,987	87,889	98
Mailbox Cash Fund	169,937	151,970	17,967
CRRRF Capital Reserve Holding Cash	220,007	219,618	389
Mitigation Assignment of Savings Cash	49,879	49,821	58
LWWSD Assignment of Savings Cash	14,946	14,939	7
Member Receivables - Capital**	-	13,625	(13,625)
Total Capital Current Assets	6,987,704	5,812,197	1,175,507
Capital Fixed Assets			
Fixed Assets	16,736,097	17,006,025	(269,928)
Finance ROU Assets	67,192	119,060	(51,868)
Lots Held for Sale	231,826	231,826	-
Total Capital Assets	17,035,115	17,356,911	(321,796)
Long Term Liabilities			
CRRRF Loan 2022	(1,358,403)	(1,539,073)	180,670
Finance Leases	(65,785)	(104,457)	38,672
Total Long Term Liabilities	(1,424,187)	(1,643,530)	219,343
NET ASSETS	\$ 23,049,846	\$ 21,807,065	\$1,242,781
MEMBER EQUITY			
Member Equity			
Current Year Net Income: Operations	164,985	(374,591)	539,576
Transfers Out from Operations to Capital	-	(145,600)	145,600
Current Year Net Income: Capital**	1,077,796	1,294,054	(216,258)
Transfers Into Capital from Operations	-	145,600	(145,600)
Retained Earnings**	4,858,301	5,232,892	(374,591)
Capital**	16,948,764	15,654,710	1,294,054
TOTAL MEMBER EQUITY	\$ 23,049,846	\$21,807,065	\$1,242,781

* The Association's internal policy is to write off any member receivables that are 30 days past due as bad debts for internal interim financial statement purposes. As per SVCA policy, Management continues to pursue collection of these receivables via all avenues allowed by Washington State laws. In addition, the Association records and bills finance charges on receivables that are thirty days past due at 1% per month. At August 31, 2025, and December 31, 2024, the balances of receivables written off were \$789,077 and \$699,426, respectively.

** Beginning with the 2020 year end audited financial statements, Accounting Standards Codification (ASC) 606 requires issued audited financial statements to reclassify unspent capital dues revenue, including related capital transfer fee collections, as a contract liability balance (unearned revenue), which is then reversed out in future years when capital dues/capital transfer fee collections are actually expended on capital related expenditures. This particular accounting standard change is only incorporated into the issued audited financial statements and is not factored into SVCA's internal monthly statements as it would obscure the reality of monthly capital dues/capital transfer fee revenues collected for internal monthly presentation purposes. See SVCA's 2020 through 2023 audited financial statements (2023 represents the most recently issued audited statements), which fully incorporate ASC 606 and comply with Generally Accepted Accounting Principals (GAAP).

*** At 2024 year end, the Association recorded a contingent liability relating to Paycheck Protection Program (PPP) loan funds that were received in May 2020 and then forgiven by the Small Business Administration (SBA) in September 2021, which are funds that the SBA has since subsequently deemed that the Association did not qualify for because of its 501(C)(4) tax exempt status, which was communicated to the Association by the government in April 2025. This contingency was classified by the Association as probable. And upon final resolution with the SBA, the Association believes that the estimated amount of liability will be limited to the original amount of the PPP loan funds received (\$357,700) because of the fact that the Association fully disclosed its tax exempt status to the SBA during the PPP loan application process, which the government has especially acknowledged.

**Sudden Valley Community Association
Income Statement Summary**

UNAUDITED	Current Month - August 2025			Year to Date - 8 Months Ending 8/31/2025			
	Operations & Operating Reserves	Operations Better / (Worse) Budget	Capital Reserves**	Operations & Operating Reserves	Operations Better / (Worse) Budget	Coll %	Capital Reserves**
REVENUE							
Current Year Dues & Assessments Income							
Dues & Assessments Income	238,092		246,560	1,907,418			1,975,497
Bad Debt Reserve	(3,993)		(4,083)	(48,506)			(35,133)
Net Current Year Assessment Income	<u>234,099</u>	<u>7,992</u>	<u>242,477</u>	<u>1,858,912</u>	<u>50,057</u>	97.5%	<u>1,940,364</u>
Bad Debt Recoveries - Prior Years			2,191				37,648
Golf Income	221,550	7,313	-	1,127,840	(6,567)		-
Marina Income	-	-	-	236,829	6,528		-
Rec Center & Pools Income	11,670	3,501	-	38,263	8,017		-
Legal & Collections Income	-	-	-	-	-		-
Other Income	8,653	(4,346)	-	110,645	24,952		-
Rental Income - Other	525	142	-	13,720	5,475		-
Area Z Rental Income	1,309	1,309	-	20,014	1,116		-
Lease Income	5,832	948	-	46,052	7,585		-
New Home Construction Fees	18,050	6,610	-	105,150	30,700		-
Capital Gain (Loss) on Sale of Assets	-	-	-	-	-		1,200
Investment Income	509	(74)	3,088	4,858	194		23,245
Total Revenue	<u>502,197</u>	<u>23,395</u>	<u>247,756</u>	<u>3,562,283</u>	<u>128,057</u>		<u>2,002,457</u>
EXPENSES							
Salaries & Benefits	332,603	(1,388)	-	1,719,054	24,157		-
Contracted & Professional Services	73,854	(56,441)	-	243,215	(100,292)		-
CC&Rs/ Mandates	43,022	(5,423)	-	380,830	(76,906)		-
Maintenance & Landscaping	28,802	25,426	-	365,846	(8,477)		-
Utilities	27,793	(990)	-	157,929	4,483		-
Administrative	17,287	(5,240)	-	141,939	(11,637)		-
Regulatory Compliance	13,769	3,014	-	198,812	(53,249)		-
Insurance Premiums	20,587	(3,065)	-	140,696	(626)		-
Other Expenses	-	416	-	217	3,116		-
Depreciation Expense	-	-	108,710	-	-		869,680
Interest expense	-	-	4,976	-	-		41,356
Total Expenses	<u>557,717</u>	<u>(43,691)</u>	<u>113,686</u>	<u>3,348,538</u>	<u>(219,431)</u>		<u>911,036</u>
Net Income (Loss)	<u>(55,520)</u>	<u>(20,296)</u>	<u>134,070</u>	<u>213,745</u>	<u>(91,374)</u>		<u>1,091,421</u>
Net UDR Activity for Operations							
GM Recruiting Expense	(399)			(399)			
Legal Expenses - Past Due Account Collections	-			(9,984)			
Hazardous Tree Removal	(900)			(60,038)			
Net Income (Loss) with Board Approved UDR	<u>(56,819)</u>	<u>(20,296)</u>	<u>134,070</u>	<u>143,324</u>	<u>(91,374)</u>		<u>1,091,421</u>
Other Activity							
Net Other UDR Activity*	3,002			84,082			
AR Accrual - Prior Year Reversal	-		-	(53,456)			(13,625)
AR Accrual - Current Year	-		-	-			-
Lease Income- Library Prepaid Recognized	667			5,333			
Vacation Liability Accrual	(3,214)			(14,298)			
Total Other Activity	<u>455</u>		<u>-</u>	<u>21,661</u>			<u>(13,625)</u>
Grand Total Activity	<u>(56,364)</u>	<u>(20,296)</u>	<u>134,070</u>	<u>164,985</u>	<u>(91,374)</u>		<u>1,077,796</u>

*Prior year recoveries for operations are deposited into the Undesignated Reserve Account (UDR).

**Refer to the last footnote on the Balance Sheet (prior page) for a discussion of Accounting Standards Codification (ASC) 606 and capital dues revenue collections.

Sudden Valley Community Association

Sudden Valley Community Association
Reserve Cash Balance & Activity
 8 Months Actual, 4 Months Projected

UNAUDITED

	Capital Reserve Funds						Operating Reserve Funds			
	CRRRF	Roads	CRRRF Capital Reserve Holding Cash	Board Density Reduction	Mailbox	Mitigation Assignment of Savings*	Total Capital Reserve Funds	Emergency Ops	UDR	Total Operating Reserve Funds
Net Available Cash 12/31/2024	3,172,197	2,102,138	219,618	87,889	151,970	64,760	\$ 5,798,572	363,815	302,135	\$ 665,950
Dues Received	960,156	990,669		-	17,688		1,968,513	-	103,776	103,776
Storm Water Mitigation Plan Fee		-					-			-
Investment Income	12,965	9,448	389	99	279	65	23,245	645	568	1,213
Sale of Assets	1,200			-			1,200			-
Mitigation Release	-	-				-	-			-
2025 Expenditures	(480,148)	(323,677)	-	-	-		(803,825)		(75,455)	(75,455)
Net Available Cash at 8/31/2025	3,666,370	2,778,578	220,007	87,987	169,937	64,825	\$ 6,987,704	364,460	331,024	\$ 695,484
4 Month Outlook										
Outlook - 2025 Dues (95% collections)	457,997	471,039			8,418		\$ 937,454			\$ -
Outlook - Prior Year Collections	6,631	6,820			122		13,572		13,094	13,094
CRRRF Loan Payments for year 2025	(111,013)						(111,013)			-
Obligated Expenses/Holdings	(1,147,919)	(1,268,528)	(220,007)			(64,825)	(2,701,279)		(56,619)	(56,619)
Net Usable Cash Balance 12/31/2025	2,872,065	1,987,909	-	87,987	178,477	-	\$ 5,126,438	364,460	287,500	\$ 651,960
Board Recommended Carryover Balance	(600,000)	(500,000)					\$ (1,100,000)			\$ -
Net Usable Cash 12/31/2025, After Recommendation	\$ 2,272,065	\$ 1,487,909	\$ -	\$ 87,987	\$ 178,477	\$ -	\$ 4,026,438	\$ 364,460	\$ 287,500	\$ 651,960
Net Current Year Cash Increase (Decrease)	(300,132)	(114,229)	(219,618)	99	26,507	(64,760)	\$ (672,133)	645	(14,635)	\$ (13,990)

*Note, when mitigation period has ended, unspent funds will be returned to the source account, Roads and CRRRF.

Sudden Valley Community Association

Sudden Valley Community Association
 Operations - By Department
 August 1, 2025 to August 31, 2025
 CURRENT MONTH

Whole \$

UNAUDITED

Department	Actual Revenue	Revenue B / (W)	Actual Salary Benefits	Salary & Benefits B / (W)	Actual Other Expense *	Other Exp B / (W)*	Net Income / (Loss) *	Net B / (W)*
ACC / Security	21,400	4,914	10,820	(558)	73,510	(40,973)	(62,930)	(36,617)
Accounting	2,060	(1,752)	42,014	1,408	16,226	(3,402)	(56,180)	(3,746)
Administration	351	193	48,064	4,523	14,311	(5,014)	(62,024)	(298)
Common Costs	3,251	(665)	-	-	37,402	(8,306)	(34,151)	(8,971)
Facilities	7,140	2,090	7,244	(709)	22,504	1,297	(22,608)	2,678
Maintenance	-	-	35,742	16,215	7,276	4,308	(43,018)	20,523
Subtotal	34,202	4,780	143,884	20,879	171,229	(52,090)	(280,911)	(26,431)
Golf	221,550	7,313	120,962	(3,503)	34,178	8,097	66,410	11,907
Marina	150	(500)	-	-	783	1,323	(633)	823
Rec/ Pools/ Parks	12,195	3,809	67,757	(18,764)	18,923	368	(74,485)	(14,587)
Subtotal	233,895	10,622	188,719	(22,267)	53,884	9,788	(8,708)	(1,857)
Subtotal Operations before Ops Dues	268,097	15,402	332,603	(1,388)	225,113	(42,302)	(289,619)	(28,288)
Ops Dues Earned	238,092						238,092	
Curr Yr Bad Debts Activity	(3,993)						(3,993)	
Net Ops Dues	<u>234,099</u>	<u>7,992</u>					<u>234,099</u>	<u>7,992</u>
Net Operations	502,196	23,394	332,603	(1,388)	225,113	(42,302)	(55,520)	(20,296)
Net BOD Approved UDR Activity for Operations								
GM Recruiting Expense	-		-		399		(399)	
Legal Expenses - Past Due Account Collections	-		-		-		-	
Hazardous Tree Removal	-		-		900		(900)	
Net Operations with Board Approved UDR	502,196	23,394	332,603	(1,388)	226,412	(42,302)	(56,819)	(20,296)
Other Operating Activity								
UDR Activity	3,737				735		3,002	
AR Accrual - Prior Year Reversal	-				-		-	
AR Accrual - Current Year	-				-		-	
Lease Income- Library Prepaid Recognized	667				-		667	
Vacation Liability Accrual	-				3,214		(3,214)	
Total Other Operating Activity	<u>4,404</u>				<u>3,949</u>		<u>455</u>	
Grand Total Operations Activity	506,600	23,394	332,603	(1,388)	230,361	(42,302)	(56,364)	(20,296)

* Excludes Depreciation

B / (W) = Better / (Worse) Than Budget

Sudden Valley Community Association
Operations - By Department
January 1, 2025 to August 31, 2025
YEAR TO DATE

Whole \$

UNAUDITED

<u>Department</u>	<u>Actual Revenue</u>	<u>Revenue B / (W)</u>	<u>Actual Salary Benefits</u>	<u>Salary & Benefits B / (W)</u>	<u>Actual Other Expense *</u>	<u>Other Exp B / (W)*</u>	<u>Net Income / (Loss) *</u>	<u>Net B / (W)*</u>
ACC / Security	146,449	50,456	62,951	(3,512)	413,225	(120,441)	(329,727)	(73,497)
Accounting	20,315	(10,106)	243,093	7,953	49,656	11,988	(272,434)	9,835
Administration	5,455	4,790	273,969	30,374	131,080	(47,887)	(399,594)	(12,723)
Common Costs	41,470	10,142	-	-	350,002	(85,239)	(308,532)	(75,097)
Facilities	66,066	7,368	40,171	(1,600)	121,475	32,850	(95,580)	38,618
Maintenance	-	-	247,583	26,916	68,685	9,397	(316,268)	36,313
Subtotal	279,755	62,650	867,767	60,131	1,134,123	(199,332)	(1,722,135)	(76,551)
Golf	1,127,840	(6,567)	585,027	26,231	363,673	(42,248)	179,140	(22,584)
Marina	243,793	7,092	-	-	16,328	(815)	227,465	6,277
Rec/ Pools/ Parks	51,983	14,825	266,260	(62,205)	115,360	(1,193)	(329,637)	(48,573)
Subtotal	1,423,616	15,350	851,287	(35,974)	495,361	(44,256)	76,968	(64,880)
Subtotal Operations before Ops Dues	1,703,371	78,000	1,719,054	24,157	1,629,484	(243,588)	(1,645,167)	(141,431)
Ops Dues Earned	1,907,418						1,907,418	
Curr Yr Bad Debts Activity	(48,506)						(48,506)	
Net Ops Dues	<u>1,858,912</u>	<u>50,057</u>					<u>1,858,912</u>	<u>50,057</u>
Net Operations	<u>3,562,283</u>	<u>128,057</u>	<u>1,719,054</u>	<u>24,157</u>	<u>1,629,484</u>	<u>(243,588)</u>	<u>213,745</u>	<u>(91,374)</u>
Net BOD Approved UDR Activity for Operations								
GM Recruiting Expense	-		-		399		(399)	
Legal Expenses - Past Due Account Collections	-		-		9,984		(9,984)	
Hazardous Tree Removal	-		-		60,038		(60,038)	
Net Operations with Board Approved UDR	<u>3,562,283</u>	<u>128,057</u>	<u>1,719,054</u>	<u>24,157</u>	<u>1,699,905</u>	<u>(243,588)</u>	<u>143,324</u>	<u>(91,374)</u>
Other Operating Activity								
UDR Activity	91,101				7,019		84,082	
AR Accrual - Prior Year Reversal	(53,456)				-		(53,456)	
AR Accrual - Current Year	-				-		-	
Lease Income- Library Prepaid Recognized	5,333				-		5,333	
Vacation Liability Accrual	-				14,298		(14,298)	
Total Other Operating Activity	<u>42,978</u>				<u>21,317</u>		<u>21,661</u>	
Grand Total Operations Activity	<u>3,605,261</u>	<u>128,057</u>	<u>1,719,054</u>	<u>24,157</u>	<u>1,721,222</u>	<u>(243,588)</u>	<u>164,985</u>	<u>(91,374)</u>

* Excludes Depreciation

B / (W) = Better / (Worse) Than Budget

Sudden Valley Community Association

SUDDEN VALLEY COMMUNITY ASSOCIATION - LOTS & DUES ANALYSIS 2025

	SVCA Owned Lots																								LLE & CTB	Dues Exempt	Total Non Billable Lots	Total All Lots						
	Actual Year Prepaid			Actual Current			Actual 1 Mth Due		Actual 2 Mth Due		Actual 3 Mth Due		Actual 4+ Mth Due		Pmt Plans		Total Prepaid & Current			Total Not Current			Total Billable Lots						Restricted		Avail.			
	Vac	Dev	Total	Vac	Dev	Total	Vac	Dev	Vac	Dev	Vac	Dev	Vac	Dev	Vac	Dev	Vac	Dev	Total	Vac	Dev	Total	Vac	Dev					Total	Perm	WD10	Total	Total	
Jan	16	82	98	276	2,529	2,805	24	103	2	8	3	10	18	37	2	8	292	2,611	2,903	49	166	215	341	2,777	3,118	774	0	3	777	740	6	1,523	4,641	
Feb	18	96	114	277	2,527	2,804	16	82	8	24	0	6	19	34	2	8	295	2,623	2,918	45	154	199	340	2,777	3,117	775	0	3	778	740	6	1,524	4,641	
Mar	21	95	116	280	2,554	2,834	6	61	8	14	3	8	19	37	2	8	301	2,649	2,950	38	128	166	339	2,777	3,116	776	0	3	779	740	6	1,525	4,641	
Apr	21	100	121	285	2,551	2,836	7	62	1	10	3	12	20	32	2	10	306	2,651	2,957	33	126	159	339	2,777	3,116	776	0	3	779	740	6	1,525	4,641	
May	23	105	128	283	2,526	2,809	14	79	1	17	0	8	16	30	2	12	306	2,631	2,937	33	146	179	339	2,777	3,116	776	0	3	779	740	6	1,525	4,641	
Jun	23	118	141	287	2,517	2,804	8	77	3	11	0	12	16	28	2	14	310	2,635	2,945	29	142	171	339	2,777	3,116	776	0	3	779	740	6	1,525	4,641	
Jul	23	132	155	284	2,501	2,785	14	69	1	19	1	10	13	33	3	13	307	2,633	2,940	32	144	176	339	2,777	3,116	776	0	3	779	740	6	1,525	4,641	
Aug	23	145	168	275	2,461	2,736	16	89	6	22	1	15	15	33	3	12	298	2,606	2,904	41	171	212	339	2,777	3,116	776	0	3	779	740	6	1,525	4,641	
Sep	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Oct	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nov	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Dec	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

LLE = Lot Line Eraser
CTB = Covenant to Bind