

Sudden Valley Community Association

Sudden Valley Community Association
Balance Sheet
December 31, 2023 and December 31, 2022

	Unaudited** Dec 31, 2023	See Note** Dec 31, 2022	Inc / (Dec)
OPERATIONS			
Current Assets			
Operating Cash	\$ 685,747	\$ 490,351	\$ 195,396
Building Completion Deposit Fund	511,445	492,620	18,825
Member Receivables - Operations*	43,985	46,750	(2,765)
Other Receivables	17,562	8,288	9,274
Prepaid Expenses	52,526	81,738	(29,212)
Operating Lease ROU Assets	5,023	11,441	(6,418)
Inventory	5,659	6,200	(541)
Total Current Assets	1,321,947	1,137,388	184,559
Current Liabilities			
Accounts Payable	(175,952)	(243,246)	67,294
Accrued Vacation Liability	(64,195)	(61,576)	(2,619)
Accrued Payroll	(64,114)	(54,127)	(9,987)
Prepaid Assessments	(230,966)	(181,106)	(49,860)
Building Completion Deposits	(511,445)	(492,620)	(18,825)
Other Refundable Deposits	(5,796)	(4,916)	(880)
Operating Lease Liability	(5,023)	(11,441)	6,418
Prepaid Golf Memberships	(112,089)	(153,151)	41,062
Total Current Liabilities	(1,169,580)	(1,202,183)	32,603
Operating Reserve Funds			
Emergency Operating Cash	362,252	361,096	1,156
Undesignated Reserves Cash	306,265	223,385	82,880
Total Operating Reserve Funds	668,517	584,481	84,036
Net Operating Assets	\$ 820,884	\$ 519,686	\$ 301,198
CAPITAL			
Capital Current Assets			
CRRRF (Capital Repair & Replacement) Cash Fund	3,624,027	3,236,221	387,806
Roads Reserve Cash Fund	2,039,620	2,560,947	(521,327)
Board Density Reduction Cash Fund	87,688	87,552	136
Mailbox Cash Fund	126,445	101,061	25,384
CRRRF Capital Reserve Holding Cash	222,019	262,193	(40,174)
Mitigation Assignment of Savings Cash	49,688	44,545	5,143
LWWSD Assignment of Savings Cash	101,840	9,076	92,764
Member Receivables - Capital**	16,112	19,262	(3,150)
Total Capital Current Assets	6,267,439	6,320,857	(53,418)
Capital Fixed Assets			
Fixed Assets	15,391,586	14,110,234	1,281,352
Finance ROU Assets	136,464	214,266	(77,802)
Lots Held for Sale	228,041	228,041	-
Total Capital Assets	15,756,091	14,552,541	1,203,550
Long Term Liabilities			
CRRRF Loan 2022	(1,799,425)	(2,049,012)	249,587
Finance Leases	(106,597)	(166,357)	59,760
Total Long Term Liabilities	(1,906,021)	(2,215,369)	309,348
NET ASSETS	\$ 20,938,393	\$ 19,177,715	\$ 1,760,678
MEMBER EQUITY			
Member Equity			
Current Year Net Income: Operations	465,997	(115,714)	581,711
Current Year Net Income: Rec Special Assmt	(180,468)	(2,572)	(177,896)
Net Transfers Out from Operations to Capital	-	(482,660)	482,660
Current Year Net Income: Capital**	1,516,019	1,567,594	(51,575)
Net Transfers Into Capital from Operations	-	482,660	(482,660)
Retained Earnings**	4,950,121	5,068,407	(118,286)
Capital**	14,186,724	12,660,000	1,526,724
TOTAL MEMBER EQUITY	\$ 20,938,393	\$ 19,177,715	\$ 1,760,678

* The Association's internal policy is to write off any member receivables that are 30 days past due as bad debts for internal 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 December 31, 2023, and December 31, 2022, the balances of receivables written off were \$624,674 and \$599,478, 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, 2021, and 2022 audited financial statements (2022 represents the most recently issued audited statements), which fully incorporate ASC 606 and comply with Generally Accepted Accounting Principals (GAAP).

**Sudden Valley Community Association
Income Statement Summary**

<u>UNAUDITED</u>	Current Month - December 2023			Year to Date - 12 Months Ending 12/31/2023			
	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	209,257		230,654	2,365,769			2,772,110
Bad Debt Reserve	(1,662)		1,240	(48,978)			(43,369)
Net Current Year Assessment Income	207,595	9,073	231,894	2,316,791	75,144	97.9%	2,728,741
Special Ops Assmt Income- Rec/ Pools/ Parks							
Dues & Assessments Income	-			182,249			
Bad Debt Reserve	446			3,908			
Net Special Ops Assmt Income	446	446		186,157	13,786		
Bad Debt Recoveries - Prior Years			2,445				42,154
Golf Income	35,192	19,158	-	1,468,110	326,480		-
Marina Income	(426)	(426)	-	181,903	18,825		-
Rec Center & Pools Income	407	315	-	24,121	(1,837)		-
Legal & Collections Income	-	-	-	-	-		-
Other Income	8,558	1,725	-	135,546	48,989		1
Rental Income - Other	25	(242)	-	13,419	7,719		-
Area Z Rental Income	139	(1,861)	-	22,248	(1,752)		-
Lease Income	5,330	1,826	-	52,673	10,629		-
New Home Construction Fees	-	-	-	54,670	(20,330)		500
Capital Gain (Loss) on Sale of Assets	-	-	-	-	-		-
Investment Income	634	547	4,066	5,066	4,016		33,075
Total Revenue	257,900	30,561	238,405	4,460,704	481,669		2,804,471
EXPENSES							
Salaries & Benefits	235,896	(24,965)	79	2,075,211	257,237		-
Contracted & Professional Services	95,433	(81,693)	-	337,548	(177,662)		-
CC&Rs/ Mandates	20,231	18,507	-	479,466	(117,516)		-
Maintenance & Landscaping	25,459	6,609	-	446,237	(20,859)		-
Utilities	26,420	(5,840)	-	207,233	(13,606)		-
Administrative	62,795	(44,573)	-	241,025	(85,612)		-
Regulatory Compliance	12,408	(5,335)	(240)	265,536	(74,328)		-
Insurance Premiums	13,794	(617)	-	176,656	(18,531)		-
Other Expenses	163	(80)	-	163	837		-
Depreciation Expense	-	-	96,162	-	-		1,202,154
Interest expense	-	-	11,065	-	-		83,148
Total Expenses	492,599	(137,987)	107,066	4,229,075	(250,040)		1,285,302
Net Income (Loss)	(234,699)	(107,426)	131,339	231,629	231,629		1,519,169
Net UDR Activity for Operations							
Firewise	-			(23,769)			
Hazardous Tree Removal	-			-			
Net Income (Loss) with Board Approved UDR	(234,699)	(107,426)	131,339	207,860	231,629		1,519,169
Other Activity							
Net Other UDR Activity*	6,030			83,053			
AR Accrual - Prior Year Reversal	-		-	(46,750)			(19,262)
AR Accrual - Current Year	43,985		16,112	43,985			16,112
Vacation Liability Accrual	(2,188)			(2,619)			
Total Other Activity	47,827		16,112	77,669			(3,150)
Grand Total Activity	(186,872)	(107,426)	147,451	285,529	231,629		1,516,019

*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
Reserve Cash Balance & Activity**

12 Months Actual, 0 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 12/31/2022	3,236,221	2,560,947	262,193	87,552	101,061	53,621	\$ 6,301,595	361,096	223,385	\$ 584,481
Dues Received	1,344,873	1,387,034		1	25,014		2,756,922	-	118,802	118,802
Storm Water Mitigation Plan Fee		500					500			-
Investment Income	18,583	12,918	696	135	370	372	33,075	1,156	903	2,059
Sale of Assets	-			-			-			-
Mitigation Assignment	(5,000)	(92,535)				97,535	-			-
Transfers/Return of Funds	-	-	9,856			-	9,856			-
2023 Expenditures	(970,650)	(1,829,244)	(50,726)	-	-		(2,850,620)		(36,825)	(36,825)
Net Available Cash at 12/31/2023	3,624,027	2,039,620	222,019	87,688	126,445	151,528	\$ 6,251,327	362,252	306,265	\$ 668,517
0 Month Outlook										
Outlook - 2023 Dues (95% collections)	-	-			-		\$ -			\$ -
Outlook - Prior Year Collections	-	-		-	-		-		-	-
CRRRF Loan Payments for year 2023	-						-			-
Obligated Expenses/Holdings	(1,653,715)	(179,860)	(222,019)			(151,528)	(2,207,122)		(15,068)	(15,068)
Net Usable Cash Balance 12/31/2023	1,970,312	1,859,760	-	87,688	126,445	-	\$ 4,044,206	362,252	291,197	\$ 653,449
Board Recommended Carryover Balance	(600,000)	(500,000)					\$ (1,100,000)			\$ -
Net Usable Cash 12/31/2023, After Recommendation	\$ 1,370,312	\$ 1,359,760	\$ -	\$ 87,688	\$ 126,445	\$ -	\$ 2,944,206	\$ 362,252	\$ 291,197	\$ 653,449
Net Current Year Cash Increase (Decrease)	(1,265,909)	(701,187)	(262,193)	136	25,384	(53,621)	\$ (2,257,389)	1,156	67,812	\$ 68,968

*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
 December 1, 2023 to December 31, 2023
 CURRENT MONTH

Whole \$

<u>UNAUDITED</u>								
<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	6,291	6,124	-	6,962	78,285	(51,869)	(71,994)	(38,783)
Accounting	2,080	(1,521)	37,110	(2,858)	9,561	2,417	(44,591)	(1,962)
Administration	218	76	50,799	(1,768)	11,072	5,603	(61,653)	3,911
Common Costs	580	(2,340)	-	-	30,055	(6,708)	(29,475)	(9,048)
Facilities	4,368	(384)	-	4,905	20,345	(7,962)	(15,977)	(3,441)
Maintenance	-	(83)	53,655	(21,819)	28,887	(7,375)	(82,542)	(29,277)
Subtotal	13,537	1,872	141,564	(14,578)	178,205	(65,894)	(306,232)	(78,600)
Golf	35,192	19,158	78,357	(3,562)	71,155	(50,849)	(114,320)	(35,253)
Marina	(402)	(402)	1	(1)	999	831	(1,402)	428
Subtotal	48,327	20,628	219,922	(18,141)	250,359	(115,912)	(421,954)	(113,425)
Rec/ Pools/ Parks								
Special Assmt Earned	-						-	
Curr Yr Bad Debts Activity	446						446	
Net Special Assmt Dues	446	446					446	446
Rec/ Pools/ Parks	1,532	413	15,974	(6,824)	6,344	2,891	(20,786)	(3,520)
Subtotal Rec/ Pools/ Parks	1,978	859	15,974	(6,824)	6,344	2,891	(20,340)	(3,074)
Subtotal Operations before Ops Dues	50,305	21,487	235,896	(24,965)	256,703	(113,021)	(442,294)	(116,499)
Ops Dues Earned	209,257						209,257	
Curr Yr Bad Debts Activity	(1,662)						(1,662)	
Net Ops Dues	207,595	9,073					207,595	9,073
Net Operations	257,900	30,560	235,896	(24,965)	256,703	(113,021)	(234,699)	(107,426)
Net BOD Approved UDR Activity for Operations								
Firewise	-		-		-		-	
Hazardous Tree Removal	-		-		-		-	
Net Operations with Board Approved UDR	257,900	30,560	235,896	(24,965)	256,703	(113,021)	(234,699)	(107,426)
Other Operating Activity								
UDR Activity	6,215				185		6,030	
AR Accrual - Prior Year Reversal	-				-		-	
AR Accrual - Current Year	43,985				-		43,985	
Vacation Liability Accrual	-				2,188		(2,188)	
Total Other Operating Activity	50,200				2,373		47,827	
Grand Total Operations Activity	308,100	30,560	235,896	(24,965)	259,076	(113,021)	(186,872)	(107,426)

* Excludes Depreciation
 B / (W) = Better / (Worse) Than Budget

Sudden Valley Community Association

Sudden Valley Community Association
 Operations - By Department
 January 1, 2023 to December 31, 2023
 YEAR TO DATE

Whole \$

<u>UNAUDITED</u>								
<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	66,872	(10,878)	-	89,775	520,498	(203,808)	(453,626)	(124,911)
Accounting	28,478	(14,722)	346,903	(10,248)	89,555	(9,030)	(407,980)	(34,000)
Administration	9,436	7,736	359,645	121,185	182,737	(66,406)	(532,946)	62,515
Common Costs	84,101	49,051	-	-	420,021	(81,067)	(335,920)	(32,016)
Facilities	62,620	5,596	7,364	39,965	187,538	(29,083)	(132,282)	16,478
Maintenance	-	(1,000)	313,093	(14,987)	151,528	(7,451)	(464,621)	(23,438)
Subtotal	251,507	35,783	1,027,005	225,690	1,551,877	(396,845)	(2,327,375)	(135,372)
Golf	1,468,110	326,480	776,252	25,915	445,145	(113,233)	246,713	239,162
Marina	188,297	21,413	-	-	12,329	10,216	175,968	31,629
Subtotal	1,907,914	383,676	1,803,257	251,605	2,009,351	(499,862)	(1,904,694)	135,419
Rec/ Pools/ Parks								
Special Assmt Earned	182,249						182,249	
Curr Yr Bad Debts Activity	3,908						3,908	
Net Special Assmt Dues	186,157	13,786					186,157	13,786
Rec/ Pools/ Parks	49,840	9,062	271,954	5,632	144,511	(7,414)	(366,625)	7,280
Subtotal Rec/ Pools/ Parks	235,997	22,848	271,954	5,632	144,511	(7,414)	(180,468)	21,066
Subtotal Operations before Ops Dues	2,143,911	406,524	2,075,211	257,237	2,153,862	(507,276)	(2,085,162)	156,485
Ops Dues Earned	2,365,769						2,365,769	
Curr Yr Bad Debts Activity	(48,978)						(48,978)	
Net Ops Dues	2,316,791	75,144					2,316,791	75,144
Net Operations	4,460,702	481,668	2,075,211	257,237	2,153,862	(507,276)	231,629	231,629
Net BOD Approved UDR Activity for Operations								
Firewise	-		-		23,769		(23,769)	
Hazardous Tree Removal	-		-		-		-	
Net Operations with Board Approved UDR	4,460,702	481,668	2,075,211	257,237	2,177,631	(507,276)	207,860	231,629
Other Operating Activity								
UDR Activity	97,641				14,588		83,053	
AR Accrual - Prior Year Reversal	(46,750)				-		(46,750)	
AR Accrual - Current Year	43,985				-		43,985	
Vacation Liability Accrual	-				2,619		(2,619)	
Total Other Operating Activity	94,876				17,207		77,669	
Grand Total Operations Activity	4,555,578	481,668	2,075,211	257,237	2,194,838	(507,276)	285,529	231,629

* Excludes Depreciation
 B / (W) = Better / (Worse) Than Budget

Sudden Valley Community Association

SUDDEN VALLEY COMMUNITY ASSOCIATION - LOTS & DUES ANALYSIS 2023

	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							
	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					Avail.	Total
Jan	18	37	55	322	2,520	2,842	20	96	6	23	3	9	16	29	3	20	340	2,557	2,897	48	177	225	388	2,734	3,122	774	3	0	777	734	8	1,519	4,641
Feb	22	38	60	310	2,483	2,793	27	130	7	24	3	10	17	30	2	19	332	2,521	2,853	56	213	269	388	2,734	3,122	774	3	0	777	734	8	1,519	4,641
Mar	25	68	93	308	2,513	2,821	22	77	10	19	6	9	16	28	1	20	333	2,581	2,914	55	153	208	388	2,734	3,122	774	3	0	777	734	8	1,519	4,641
Apr	26	72	98	312	2,484	2,796	24	105	3	16	2	8	19	34	1	16	338	2,556	2,894	49	179	228	387	2,735	3,122	774	3	0	777	734	8	1,519	4,641
May	28	110	138	309	2,485	2,794	16	71	10	16	2	6	17	34	1	17	337	2,595	2,932	46	144	190	383	2,739	3,122	774	3	0	777	734	8	1,519	4,641
Jun	32	138	170	309	2,477	2,786	18	60	3	8	1	6	18	35	1	15	341	2,615	2,956	41	124	165	382	2,739	3,121	774	3	0	777	735	8	1,520	4,641
Jul	32	149	181	309	2,450	2,759	13	70	7	19	2	5	18	31	1	15	341	2,599	2,940	41	140	181	382	2,739	3,121	774	3	0	777	735	8	1,520	4,641
Aug	34	165	199	303	2,446	2,749	14	61	8	18	7	7	15	30	1	12	337	2,611	2,948	45	128	173	382	2,739	3,121	774	3	0	777	735	8	1,520	4,641
Sep	38	202	240	299	2,389	2,688	18	76	2	17	1	7	23	36	1	12	337	2,591	2,928	45	148	193	382	2,739	3,121	774	3	0	777	735	8	1,520	4,641
Oct	50	293	343	286	2,331	2,617	12	49	8	13	2	8	21	32	1	13	336	2,624	2,960	44	115	159	380	2,739	3,119	774	3	0	777	737	8	1,522	4,641
Nov	97	641	738	234	1,942	2,176	22	82	1	16	2	6	23	40	1	12	331	2,583	2,914	49	156	205	380	2,739	3,119	774	3	0	777	737	8	1,522	4,641
Dec	2	39	41	331	2,553	2,884	28	73	2	16	0	6	16	38	1	14	333	2,592	2,925	47	147	194	380	2,739	3,119	774	3	0	777	737	8	1,522	4,641

LLE = Lot Line Eraser
 CTB = Covenant to Bind