

Sudden Valley Community Association

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

	Unaudited** Jul 31, 2025	Unaudited** Dec 31, 2024	Inc / (Dec)
OPERATIONS			
Current Assets			
Operating Cash	\$ 471,338	\$ 579,484	\$ (108,146)
Building Completion Deposit Fund	787,390	749,910	37,480
Member Receivables - Operations*	-	53,456	(53,456)
Other Receivables	3,850	3,350	500
Prepaid Expenses	180,883	82,148	98,735
Operating Lease ROU Assets	25,802	29,554	(3,752)
Inventory	6,336	5,824	512
Total Current Assets	1,475,599	1,503,726	(28,127)
Current Liabilities			
Accounts Payable	(96,511)	(159,772)	63,261
Accrued Vacation Liability	(87,419)	(76,335)	(11,084)
Accrued Payroll	-	(115,575)	115,575
Prepaid Assessments	(262,728)	(241,080)	(21,648)
Building Completion Deposits	(787,390)	(749,910)	(37,480)
Other Refundable Deposits	(12,896)	(9,956)	(2,940)
Operating Lease Liability	(25,802)	(29,554)	3,752
Prepaid Golf Memberships	-	(112,307)	112,307
Total Current Liabilities	(1,272,746)	(1,494,489)	221,743
Other Liabilities			
Estimated Contingent PPP Loan Liability***	(357,700)	(357,700)	-
Deferred Library Lease Revenue	(31,333)	(36,000)	4,667
Total Other Liabilities	(389,033)	(393,700)	4,667
Operating Reserve Funds			
Emergency Operating Cash	364,392	363,815	577
Undesignated Reserves Cash	328,845	302,135	26,710
Total Operating Reserve Funds	693,237	665,950	27,287
Net Operating Assets	\$ 507,057	\$ 281,487	\$ 225,570
CAPITAL			
Capital Current Assets			
CRRRF (Capital Repair & Replacement) Cash Fund	3,634,563	3,172,197	462,366
Roads Reserve Cash Fund	2,749,715	2,102,138	647,577
Board Density Reduction Cash Fund	87,975	87,889	86
Mailbox Cash Fund	167,714	151,970	15,744
CRRRF Capital Reserve Holding Cash	219,966	219,618	348
Mitigation Assignment of Savings Cash	49,873	49,821	52
LWWSD Assignment of Savings Cash	14,946	14,939	7
Member Receivables - Capital**	-	13,625	(13,625)
Total Capital Current Assets	6,924,752	5,812,197	1,112,555
Capital Fixed Assets			
Fixed Assets	16,685,786	17,006,025	(320,239)
Finance ROU Assets	73,676	119,060	(45,384)
Lots Held for Sale	231,826	231,826	-
Total Capital Assets	16,991,288	17,356,911	(365,623)
Long Term Liabilities			
CRRRF Loan 2022	(1,381,180)	(1,539,073)	157,893
Finance Leases	(69,777)	(104,457)	34,680
Total Long Term Liabilities	(1,450,957)	(1,643,530)	192,573
NET ASSETS	\$ 22,972,140	\$ 21,807,065	\$1,165,075
MEMBER EQUITY			
Member Equity			
Current Year Net Income: Operations	221,349	(374,591)	595,940
Transfers Out from Operations to Capital	-	(145,600)	145,600
Current Year Net Income: Capital**	943,726	1,294,054	(350,328)
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	\$ 22,972,140	\$21,807,065	\$1,165,075

* 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 July 31, 2025, and December 31, 2024, the balances of receivables written off were \$761,652 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**

<u>UNAUDITED</u>	Current Month - July 2025			Year to Date - 7 Months Ending 7/31/2025			
	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	1,669,326			1,728,937
Bad Debt Reserve	(5,161)		(2,541)	(44,513)			(31,050)
Net Current Year Assessment Income	<u>232,931</u>	<u>6,825</u>	<u>244,019</u>	<u>1,624,813</u>	<u>42,065</u>	97.3%	<u>1,697,887</u>
Bad Debt Recoveries - Prior Years			6,724				35,457
Golf Income	210,559	(26,423)	-	906,291	(13,880)		-
Marina Income	9,658	8,139	-	236,829	6,528		-
Rec Center & Pools Income	12,460	1,371	-	26,593	4,516		-
Legal & Collections Income	-	-	-	-	-		-
Other Income	10,551	(5,070)	-	101,992	29,298		-
Rental Income - Other	5,355	4,388	-	13,195	5,333		-
Area Z Rental Income	5,663	(307)	-	18,706	(193)		-
Lease Income	5,832	949	-	40,221	6,638		-
New Home Construction Fees	10,400	7,190	-	87,100	24,090		-
Capital Gain (Loss) on Sale of Assets	-	-	-	-	-		1,200
Investment Income	520	(63)	2,949	4,349	268		20,157
Total Revenue	<u>503,929</u>	<u>(3,001)</u>	<u>253,692</u>	<u>3,060,089</u>	<u>104,663</u>		<u>1,754,701</u>
EXPENSES							
Salaries & Benefits	224,548	12,157	-	1,386,453	25,543		-
Contracted & Professional Services	30,699	(8,946)	-	169,361	(43,852)		-
CC&Rs/ Mandates	37,992	2,276	-	337,810	(71,484)		-
Maintenance & Landscaping	64,480	(17,201)	-	337,043	(33,903)		-
Utilities	12,781	3,063	-	130,134	5,476		-
Administrative	19,339	(1,127)	-	124,652	(6,397)		-
Regulatory Compliance	1,816	24,188	-	185,044	(56,263)		-
Insurance Premiums	-	17,507	-	120,109	2,439		-
Other Expenses	-	417	-	217	2,700		-
Depreciation Expense	-	-	108,710	-	-		760,970
Interest expense	-	-	5,058	-	-		36,380
Total Expenses	<u>391,655</u>	<u>32,334</u>	<u>113,768</u>	<u>2,790,823</u>	<u>(175,741)</u>		<u>797,350</u>
Net Income (Loss)	<u>112,274</u>	<u>29,333</u>	<u>139,924</u>	<u>269,266</u>	<u>(71,078)</u>		<u>957,351</u>
Net UDR Activity for Operations							
Legal Expenses - Past Due Account Collections	-			(9,984)			
Hazardous Tree Removal	(39,836)			(59,137)			
Net Income (Loss) with Board Approved UDR	<u>72,438</u>	<u>29,333</u>	<u>139,924</u>	<u>200,145</u>	<u>(71,078)</u>		<u>957,351</u>
Other Activity							
Net Other UDR Activity*	15,270			81,077			
AR Accrual - Prior Year Reversal	-		-	(53,456)			(13,625)
AR Accrual - Current Year	-		-	-			-
Lease Income- Library Prepaid Recognized	667			4,667			
Vacation Liability Accrual	5,914			(11,084)			
Total Other Activity	<u>21,851</u>		<u>-</u>	<u>21,204</u>			<u>(13,625)</u>
Grand Total Activity	<u>94,289</u>	<u>29,333</u>	<u>139,924</u>	<u>221,349</u>	<u>(71,078)</u>		<u>943,726</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
 7 Months Actual, 5 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	\$ 5,798,571	363,815	302,135	\$ 665,950
Dues Received	840,951	867,920		-	15,496		1,724,367	-	99,056	99,056
Storm Water Mitigation Plan Fee		-					-			-
Investment Income	11,278	8,138	348	86	248	59	20,157	577	509	1,086
Sale of Assets	1,200			-			1,200			-
Mitigation Release	-	-				-	-			-
2025 Expenditures	(391,062)	(228,481)	-	-	-		(619,543)		(72,855)	(72,855)
Net Available Cash at 7/31/2025	3,634,563	2,749,715	219,966	87,975	167,714	64,819	\$ 6,924,752	364,392	328,845	\$ 693,237
5 Month Outlook										
Outlook - 2025 Dues (95% collections)	572,497	588,799			10,522		\$ 1,171,818			\$ -
Outlook - Prior Year Collections	8,289	8,525			152		16,966		16,368	16,368
CRRRF Loan Payments for year 2025	(138,766)						(138,766)			-
Obligated Expenses/Holdings	(1,062,594)	(1,363,723)	(219,966)			(64,819)	(2,711,101)		(57,918)	(57,918)
Net Usable Cash Balance 12/31/2025	3,013,988	1,983,316	-	87,975	178,388	-	\$ 5,263,667	364,392	287,295	\$ 651,687
Board Recommended Carryover Balance	(600,000)	(500,000)					\$ (1,100,000)			\$ -
Net Usable Cash 12/31/2025, After Recommendation	\$ 2,413,988	\$ 1,483,316	\$ -	\$ 87,975	\$ 178,388	\$ -	\$ 4,163,667	\$ 364,392	\$ 287,295	\$ 651,687
Net Current Year Cash Increase (Decrease)	(158,209)	(118,822)	(219,618)	86	26,418	(64,760)	\$ (534,904)	577	(14,840)	\$ (14,263)

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

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

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	10,400	2,384	7,546	(431)	38,227	(3,757)	(35,373)	(1,804)
Accounting	2,754	(3,458)	29,429	612	3,368	17,952	(30,043)	15,106
Administration	1,951	1,938	32,244	4,182	15,300	(2,055)	(45,593)	4,065
Common Costs	3,941	25	-	-	11,876	17,219	(7,935)	17,244
Facilities	11,494	475	5,175	(545)	18,783	1,294	(12,464)	1,224
Maintenance	-	-	19,239	4,372	14,916	(11,013)	(34,155)	(6,641)
Subtotal	30,540	1,364	93,633	8,190	102,470	19,640	(165,563)	29,194
Golf	210,559	(26,423)	82,263	7,636	38,079	2,793	90,217	(15,994)
Marina	12,083	9,307	-	-	1,027	1,666	11,056	10,973
Rec/ Pools/ Parks	17,815	5,926	48,652	(3,669)	25,530	(3,922)	(56,367)	(1,665)
Subtotal	240,457	(11,190)	130,915	3,967	64,636	537	44,906	(6,686)
Subtotal Operations before Ops Dues	270,997	(9,826)	224,548	12,157	167,106	20,177	(120,657)	22,508
Ops Dues Earned	238,092						238,092	
Curr Yr Bad Debts Activity	(5,161)						(5,161)	
Net Ops Dues	232,931	6,825					232,931	6,825
Net Operations	503,928	(3,001)	224,548	12,157	167,106	20,177	112,274	29,333
Net BOD Approved UDR Activity for Operations								
Legal Expenses - Past Due Account Collections	-		-		-		-	
Hazardous Tree Removal	-		-		39,836		(39,836)	
Net Operations with Board Approved UDR	503,928	(3,001)	224,548	12,157	206,942	20,177	72,438	29,333
Other Operating Activity								
UDR Activity	15,713				443		15,270	
AR Accrual - Prior Year Reversal	-				-		-	
AR Accrual - Current Year	-				-		-	
Lease Income- Library Prepaid Recognized	667				-		667	
Vacation Liability Accrual	-				(5,914)		5,914	
Total Other Operating Activity	16,380				(5,471)		21,851	
Grand Total Operations Activity	520,308	(3,001)	224,548	12,157	201,471	20,177	94,289	29,333

* Excludes Depreciation

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

Sudden Valley Community Association
Operations - By Department
January 1, 2025 to July 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	125,049	45,542	52,132	(2,955)	339,715	(79,468)	(266,798)	(36,881)
Accounting	18,255	(8,354)	201,080	6,544	33,430	15,391	(216,255)	13,581
Administration	5,104	4,597	225,905	25,851	116,769	(42,873)	(337,570)	(12,425)
Common Costs	38,219	10,807	-	-	312,599	(76,932)	(274,380)	(66,125)
Facilities	58,926	5,278	32,927	(891)	98,971	31,553	(72,972)	35,940
Maintenance	-	-	211,841	10,701	61,409	5,089	(273,250)	15,790
Subtotal	245,553	57,870	723,885	39,250	962,893	(147,240)	(1,441,225)	(50,120)
Golf	906,291	(13,880)	464,065	29,734	329,495	(50,345)	112,731	(34,491)
Marina	243,643	7,592	-	-	15,545	(2,138)	228,098	5,454
Rec/ Pools/ Parks	39,788	11,016	198,503	(43,441)	96,437	(1,561)	(255,152)	(33,986)
Subtotal	1,189,722	4,728	662,568	(13,707)	441,477	(54,044)	85,677	(63,023)
Subtotal Operations before Ops Dues	1,435,275	62,598	1,386,453	25,543	1,404,370	(201,284)	(1,355,548)	(113,143)
Ops Dues Earned	1,669,326						1,669,326	
Curr Yr Bad Debts Activity	(44,513)						(44,513)	
Net Ops Dues	<u>1,624,813</u>	<u>42,065</u>					<u>1,624,813</u>	<u>42,065</u>
Net Operations	<u>3,060,088</u>	<u>104,663</u>	<u>1,386,453</u>	<u>25,543</u>	<u>1,404,370</u>	<u>(201,284)</u>	<u>269,265</u>	<u>(71,078)</u>
Net BOD Approved UDR Activity for Operations								
Legal Expenses - Past Due Account Collections	-		-		9,984		(9,984)	
Hazardous Tree Removal	-		-		59,137		(59,137)	
Net Operations with Board Approved UDR	<u>3,060,088</u>	<u>104,663</u>	<u>1,386,453</u>	<u>25,543</u>	<u>1,473,491</u>	<u>(201,284)</u>	<u>200,144</u>	<u>(71,078)</u>
Other Operating Activity								
UDR Activity	87,362				6,284		81,078	
AR Accrual - Prior Year Reversal	(53,456)				-		(53,456)	
AR Accrual - Current Year	-				-		-	
Lease Income- Library Prepaid Recognized	4,667				-		4,667	
Vacation Liability Accrual	-				11,084		(11,084)	
Total Other Operating Activity	<u>38,573</u>				<u>17,368</u>		<u>21,205</u>	
Grand Total Operations Activity	<u>3,098,661</u>	<u>104,663</u>	<u>1,386,453</u>	<u>25,543</u>	<u>1,490,859</u>	<u>(201,284)</u>	<u>221,349</u>	<u>(71,078)</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						Total		
	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.	
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	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
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