

Sudden Valley Community Association

Sudden Valley Community Association
Balance Sheet
June 30, 2025 and December 31, 2024

	Unaudited** Jun 30, 2025	Unaudited** Dec 31, 2024	Inc / (Dec)
OPERATIONS			
Current Assets			
Operating Cash	\$ 354,019	\$ 579,484	\$ (225,465)
Building Completion Deposit Fund	687,400	749,910	(62,510)
Member Receivables - Operations*	-	53,456	(53,456)
Other Receivables	3,250	3,350	(100)
Prepaid Expenses	180,937	82,148	98,789
Operating Lease ROU Assets	26,346	29,554	(3,208)
Inventory	6,594	5,824	770
Total Current Assets	1,258,546	1,503,726	(245,180)
Current Liabilities			
Accounts Payable	(76,959)	(159,772)	82,813
Accrued Vacation Liability	(93,332)	(76,335)	(16,997)
Accrued Payroll	-	(115,575)	115,575
Prepaid Assessments	(275,253)	(241,080)	(34,173)
Building Completion Deposits	(687,400)	(749,910)	62,510
Other Refundable Deposits	(14,096)	(9,956)	(4,140)
Operating Lease Liability	(26,346)	(29,554)	3,208
Prepaid Golf Memberships	-	(112,307)	112,307
Total Current Liabilities	(1,173,386)	(1,494,489)	321,103
Other Liabilities			
Estimated Contingent PPP Loan Liability***	(357,700)	(357,700)	-
Deferred Library Lease Revenue	(32,000)	(36,000)	4,000
Total Other Liabilities	(389,700)	(393,700)	4,000
Operating Reserve Funds			
Emergency Operating Cash	364,324	363,815	509
Undesignated Reserves Cash	352,694	302,135	50,559
Total Operating Reserve Funds	717,018	665,950	51,068
Net Operating Assets	\$ 412,478	\$ 281,487	\$ 130,991
CAPITAL			
Capital Current Assets			
CRRRF (Capital Repair & Replacement) Cash Fund	3,552,919	3,172,197	380,722
Roads Reserve Cash Fund	2,645,605	2,102,138	543,467
Board Density Reduction Cash Fund	87,962	87,889	73
Mailbox Cash Fund	165,435	151,970	13,465
CRRRF Capital Reserve Holding Cash	219,925	219,618	307
Mitigation Assignment of Savings Cash	49,866	49,821	45
LWWSD Assignment of Savings Cash	14,946	14,939	7
Member Receivables - Capital**	-	13,625	(13,625)
Total Capital Current Assets	6,736,658	5,812,197	924,461
Capital Fixed Assets			
Fixed Assets	16,754,435	17,006,025	(251,590)
Finance ROU Assets	80,159	119,060	(38,901)
Lots Held for Sale	231,826	231,826	-
Total Capital Assets	17,066,420	17,356,911	(290,491)
Long Term Liabilities			
CRRRF Loan 2022	(1,403,876)	(1,539,073)	135,197
Finance Leases	(73,753)	(104,457)	30,704
Total Long Term Liabilities	(1,477,629)	(1,643,530)	165,901
NET ASSETS	\$ 22,737,927	\$ 21,807,065	\$930,862
MEMBER EQUITY			
Member Equity			
Current Year Net Income: Operations	127,060	(374,591)	501,651
Transfers Out from Operations to Capital	-	(145,600)	145,600
Current Year Net Income: Capital**	803,802	1,294,054	(490,252)
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	\$ 22,737,927	\$21,807,065	\$930,862

* 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 June 30, 2025, and December 31, 2024, the balances of receivables written off were \$757,462 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 - June 2025			Year to Date - 6 Months Ending 6/30/2025			
	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	1,431,234			1,482,377
Bad Debt Reserve	(4,572)		(2,989)	(39,353)			(28,509)
Net Current Year Assessment Income	233,520	7,413	243,571	1,391,881	35,240	97.3%	1,453,868
Bad Debt Recoveries - Prior Years			731				28,733
Golf Income	183,019	(1,136)	-	695,731	12,543		-
Marina Income	1,430	(3,885)	-	227,171	(1,611)		-
Rec Center & Pools Income	7,200	(6)	-	14,134	3,146		-
Legal & Collections Income	-	-	-	-	-		-
Other Income	8,423	(1,294)	-	91,442	34,368		-
Rental Income - Other	2,760	1,346	-	7,840	945		-
Area Z Rental Income	(62)	(62)	-	13,043	114		-
Lease Income	5,732	949	-	34,389	5,689		-
New Home Construction Fees	8,700	(13,040)	-	76,700	16,900		-
Capital Gain (Loss) on Sale of Assets	-	-	200	-	-		1,200
Investment Income	512	(71)	2,793	3,829	331		17,208
Total Revenue	451,234	(9,786)	247,295	2,556,160	107,665		1,501,009
EXPENSES							
Salaries & Benefits	219,984	3,480	-	1,161,905	13,386		-
Contracted & Professional Services	42,525	(23,005)	-	138,663	(34,906)		-
CC&Rs/ Mandates	51,765	(14,459)	-	299,816	(73,758)		-
Maintenance & Landscaping	45,966	(6,543)	-	272,560	(16,702)		-
Utilities	28,288	(1,523)	-	117,354	2,411		-
Administrative	18,728	(1,738)	-	105,315	(5,270)		-
Regulatory Compliance	2,125	8,157	-	183,229	(80,452)		-
Insurance Premiums	38,470	(20,964)	-	120,109	(15,068)		-
Other Expenses	-	417	-	217	2,283		-
Depreciation Expense	-	-	108,710	-	-		652,260
Interest expense	-	-	4,978	-	-		31,322
Total Expenses	447,851	(56,178)	113,688	2,399,168	(208,076)		683,582
Net Income (Loss)	3,383	(65,964)	133,607	156,992	(100,411)		817,427
Net UDR Activity for Operations							
Legal Expenses - Past Due Account Collections	-			(9,984)			
Hazardous Tree Removal	(19,302)			(19,302)			
Net Income (Loss) with Board Approved UDR	(15,919)	(65,964)	133,607	127,706	(100,411)		817,427
Other Activity							
Net Other UDR Activity*	9,091			65,808			
AR Accrual - Prior Year Reversal	-		-	(53,456)			(13,625)
AR Accrual - Current Year	-		-	-			-
Lease Income- Library Prepaid Recognized	667			4,000			
Vacation Liability Accrual	(1,539)			(16,998)			
Total Other Activity	8,219		-	(646)			(13,625)
Grand Total Activity	(7,700)	(65,964)	133,607	127,060	(100,411)		803,802

*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
 6 Months Actual, 6 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	718,810	741,857		-	13,247		1,473,914	-	81,973	81,973
Storm Water Mitigation Plan Fee		-					-			-
Investment Income	9,657	6,900	307	73	218	52	17,208	509	449	958
Sale of Assets	1,200			-			1,200			-
Mitigation Release	-	-				-	-			-
2025 Expenditures	(348,945)	(205,290)	-	-	-		(554,235)		(31,863)	(31,863)
Net Available Cash at 6/30/2025	3,552,919	2,645,605	219,925	87,962	165,435	64,812	\$ 6,736,658	364,324	352,694	\$ 717,018
6 Month Outlook										
Outlook - 2025 Dues (95% collections)	686,996	706,559			12,627		\$ 1,406,182			\$ -
Outlook - Prior Year Collections	9,946	10,230			183		20,359		19,641	19,641
CRRRF Loan Payments for year 2025	(166,520)						(166,520)			-
Obligated Expenses/Holdings	(1,076,957)	(1,386,915)	(219,925)			(64,812)	(2,748,609)		(97,754)	(97,754)
Net Usable Cash Balance 12/31/2025	3,006,384	1,975,479	-	87,962	178,244	-	\$ 5,248,070	364,324	274,581	\$ 638,905
Board Recommended Carryover Balance	(600,000)	(500,000)					\$ (1,100,000)			\$ -
Net Usable Cash 12/31/2025, After Recommendation	\$ 2,406,384	\$ 1,475,479	\$ -	\$ 87,962	\$ 178,244	\$ -	\$ 4,148,070	\$ 364,324	\$ 274,581	\$ 638,905
Net Current Year Cash Increase (Decrease)	(165,813)	(126,659)	(219,618)	73	26,274	(64,760)	\$ (550,501)	509	(27,554)	\$ (27,045)

*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
June 1, 2025 to June 30, 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	9,300	(12,572)	7,605	(490)	37,085	(2,807)	(35,390)	(15,869)
Accounting	2,761	(2,440)	29,390	653	3,204	734	(29,833)	(1,053)
Administration	601	447	32,176	4,249	14,709	(3,593)	(46,284)	1,103
Common Costs	3,934	18	-	-	65,425	(36,330)	(61,491)	(36,312)
Facilities	5,670	720	5,237	(605)	17,815	(600)	(17,382)	(485)
Maintenance	-	-	27,452	3,602	12,308	3,150	(39,760)	6,752
Subtotal	22,266	(13,827)	101,860	7,409	150,546	(39,446)	(230,140)	(45,864)
Golf	183,019	(1,136)	77,525	1,452	53,180	(17,384)	52,314	(17,068)
Marina	2,469	(3,743)	-	-	1,821	1,338	648	(2,405)
Rec/ Pools/ Parks	9,960	1,507	40,599	(5,381)	22,320	(4,166)	(52,959)	(8,040)
Subtotal	195,448	(3,372)	118,124	(3,929)	77,321	(20,212)	3	(27,513)
Subtotal Operations before Ops Dues	217,714	(17,199)	219,984	3,480	227,867	(59,658)	(230,137)	(73,377)
Ops Dues Earned	238,092						238,092	
Curr Yr Bad Debts Activity	(4,572)						(4,572)	
Net Ops Dues	233,520	7,413					233,520	7,413
Net Operations	451,234	(9,786)	219,984	3,480	227,867	(59,658)	3,383	(65,964)
Net BOD Approved UDR Activity for Operations								
Legal Expenses - Past Due Account Collections	-		-		-		-	
Hazardous Tree Removal	-		-		19,302		(19,302)	
Net Operations with Board Approved UDR	451,234	(9,786)	219,984	3,480	247,169	(59,658)	(15,919)	(65,964)
Other Operating Activity								
UDR Activity	9,271				180		9,091	
AR Accrual - Prior Year Reversal	-				-		-	
AR Accrual - Current Year	-				-		-	
Lease Income- Library Prepaid Recognized	667				-		667	
Vacation Liability Accrual	-				1,539		(1,539)	
Total Other Operating Activity	9,938				1,719		8,219	
Grand Total Operations Activity	461,172	(9,786)	219,984	3,480	248,888	(59,658)	(7,700)	(65,964)

* Excludes Depreciation

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

Sudden Valley Community Association

Sudden Valley Community Association
 Operations - By Department
 January 1, 2025 to June 30, 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	114,649	43,158	44,585	(2,523)	301,487	(75,710)	(231,423)	(35,075)
Accounting	15,500	(4,897)	171,651	5,932	30,060	(2,561)	(186,211)	(1,526)
Administration	3,153	2,659	193,661	21,669	101,469	(40,819)	(291,977)	(16,491)
Common Costs	34,278	10,782	-	-	300,723	(94,151)	(266,445)	(83,369)
Facilities	47,432	4,803	27,752	(346)	80,188	30,259	(60,508)	34,716
Maintenance	-	-	192,602	6,329	46,493	16,102	(239,095)	22,431
Subtotal	215,012	56,505	630,251	31,061	860,420	(166,880)	(1,275,659)	(79,314)
Golf	695,731	12,543	381,802	22,098	291,416	(53,138)	22,513	(18,497)
Marina	231,560	(1,715)	-	-	14,518	(3,804)	217,042	(5,519)
Rec/ Pools/ Parks	21,974	5,091	149,852	(39,773)	70,907	2,361	(198,785)	(32,321)
Subtotal	949,265	15,919	531,654	(17,675)	376,841	(54,581)	40,770	(56,337)
Subtotal Operations before Ops Dues	1,164,277	72,424	1,161,905	13,386	1,237,261	(221,461)	(1,234,889)	(135,651)
Ops Dues Earned	1,431,234						1,431,234	
Curr Yr Bad Debts Activity	(39,353)						(39,353)	
Net Ops Dues	1,391,881	35,240					1,391,881	35,240
Net Operations	2,556,158	107,664	1,161,905	13,386	1,237,261	(221,461)	156,992	(100,411)
Net BOD Approved UDR Activity for Operations								
Legal Expenses - Past Due Account Collections	-		-		9,984		(9,984)	
Hazardous Tree Removal	-		-		19,302		(19,302)	
Net Operations with Board Approved UDR	2,556,158	107,664	1,161,905	13,386	1,266,547	(221,461)	127,706	(100,411)
Other Operating Activity								
UDR Activity	71,649				5,841		65,808	
AR Accrual - Prior Year Reversal	(53,456)				-		(53,456)	
AR Accrual - Current Year	-				-		-	
Lease Income- Library Prepaid Recognized	4,000				-		4,000	
Vacation Liability Accrual	-				16,998		(16,998)	
Total Other Operating Activity	22,193				22,839		(646)	
Grand Total Operations Activity	2,578,351	107,664	1,161,905	13,386	1,289,386	(221,461)	127,060	(100,411)

* 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								
	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	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	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
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