

Sudden Valley Community Association

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

	Unaudited** May 31, 2025	Unaudited** Dec 31, 2024	Inc / (Dec)
OPERATIONS			
Current Assets			
Operating Cash	\$ 548,665	\$ 579,484	\$ (30,819)
Building Completion Deposit Fund	717,400	749,910	(32,510)
Member Receivables - Operations*	-	53,456	(53,456)
Other Receivables	3,350	3,350	-
Prepaid Expenses	20,426	82,148	(61,722)
Operating Lease ROU Assets	26,888	29,554	(2,666)
Inventory	4,684	5,824	(1,140)
Total Current Assets	1,321,413	1,503,726	(182,313)
Current Liabilities			
Accounts Payable	(93,120)	(159,772)	66,652
Accrued Vacation Liability	(91,793)	(76,335)	(15,458)
Accrued Payroll	-	(115,575)	115,575
Prepaid Assessments	(299,055)	(241,080)	(57,975)
Building Completion Deposits	(717,400)	(749,910)	32,510
Other Refundable Deposits	(12,596)	(9,956)	(2,640)
Operating Lease Liability	(26,888)	(29,554)	2,666
Prepaid Golf Memberships	-	(112,307)	112,307
Total Current Liabilities	(1,240,852)	(1,494,489)	253,637
Other Liabilities			
Estimated Contingent PPP Loan Liability***	(357,700)	(357,700)	-
Deferred Library Lease Revenue	(32,667)	(36,000)	3,333
Total Other Liabilities	(390,367)	(393,700)	3,333
Operating Reserve Funds			
Emergency Operating Cash	364,258	363,815	443
Undesignated Reserves Cash	363,923	302,135	61,788
Total Operating Reserve Funds	728,181	665,950	62,231
Net Operating Assets	\$ 418,375	\$ 281,487	\$ 136,888
CAPITAL			
Capital Current Assets			
CRRRF (Capital Repair & Replacement) Cash Fund	3,475,239	3,172,197	303,042
Roads Reserve Cash Fund	2,554,533	2,102,138	452,395
Board Density Reduction Cash Fund	87,950	87,889	61
Mailbox Cash Fund	163,226	151,970	11,256
CRRRF Capital Reserve Holding Cash	219,885	219,618	267
Mitigation Assignment of Savings Cash	49,859	49,821	38
LWWSD Assignment of Savings Cash	14,942	14,939	3
Member Receivables - Capital**	-	13,625	(13,625)
Total Capital Current Assets	6,565,634	5,812,197	753,437
Capital Fixed Assets			
Fixed Assets	16,813,908	17,006,025	(192,117)
Finance ROU Assets	86,643	119,060	(32,417)
Lots Held for Sale	231,826	231,826	-
Total Capital Assets	17,132,377	17,356,911	(224,534)
Long Term Liabilities			
CRRRF Loan 2022	(1,426,651)	(1,539,073)	112,422
Finance Leases	(77,714)	(104,457)	26,743
Total Long Term Liabilities	(1,504,365)	(1,643,530)	139,165
NET ASSETS	\$ 22,612,021	\$ 21,807,065	\$804,956
MEMBER EQUITY			
Member Equity			
Current Year Net Income: Operations	134,760	(374,591)	509,351
Transfers Out from Operations to Capital	-	(145,600)	145,600
Current Year Net Income: Capital**	670,196	1,294,054	(623,858)
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	\$ 22,612,021	\$21,807,065	\$804,956

* 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 May 31, 2025, and December 31, 2024, the balances of receivables written off were \$755,818 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 transferee 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 - May 2025			Year to Date - 5 Months Ending 5/31/2025			
	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	238,131		246,599	1,193,142			1,235,817
Bad Debt Reserve	(1,154)		(921)	(34,780)			(25,520)
Net Current Year Assessment Income	236,977	10,870	245,678	1,158,362	27,827	97.1%	1,210,297
Bad Debt Recoveries - Prior Years			2,947				28,003
Golf Income	141,919	2,380	-	512,712	13,679		-
Marina Income	4,082	(3,717)	-	225,741	2,274		-
Rec Center & Pools Income	2,644	588	-	6,934	3,152		-
Legal & Collections Income	-	-	-	-	-		-
Other Income	10,200	(579)	-	83,018	35,662		-
Rental Income - Other	1,350	(1,516)	-	5,080	(401)		-
Area Z Rental Income	539	539	-	13,105	176		-
Lease Income	5,732	948	-	28,658	4,741		-
New Home Construction Fees	26,000	4,720	-	68,000	29,940		-
Capital Gain (Loss) on Sale of Assets	-	-	-	-	-		1,000
Investment Income	574	(9)	2,799	3,317	402		14,415
Total Revenue	430,017	14,224	251,424	2,104,927	117,452		1,253,715
EXPENSES							
Salaries & Benefits	201,388	2,996	-	941,921	9,906		-
Contracted & Professional Services	31,997	(3,859)	-	96,136	(11,900)		-
CC&Rs/ Mandates	56,366	(18,592)	-	248,052	(59,300)		-
Maintenance & Landscaping	63,889	(24,882)	-	226,595	(10,159)		-
Utilities	11,680	1,990	-	89,066	3,934		-
Administrative	18,676	490	-	86,588	(3,533)		-
Regulatory Compliance	18,052	(10,839)	-	181,104	(88,609)		-
Insurance Premiums	16,623	885	-	81,639	5,896		-
Other Expenses	-	416	-	217	1,866		-
Depreciation Expense	-	-	108,710	-	-		543,550
Interest expense	-	-	5,227	-	-		26,344
Total Expenses	418,671	(51,395)	113,937	1,951,318	(151,899)		569,894
Net Income (Loss)	11,346	(37,171)	137,487	153,609	(34,447)		683,821
Net UDR Activity for Operations							
Legal Expenses - Past Due Account Collections	-			(9,984)			
Net Income (Loss) with Board Approved UDR	11,346	(37,171)	137,487	143,625	(34,447)		683,821
Other Activity							
Net Other UDR Activity*	8,023			56,717			
AR Accrual - Prior Year Reversal	-		-	(53,456)			(13,625)
AR Accrual - Current Year	-		-	-			-
Lease Income- Library Prepaid Recognized	667			3,333			
Vacation Liability Accrual	(1,504)			(15,459)			
Total Other Activity	7,186		-	(8,865)			(13,625)
Grand Total Activity	18,532	(37,171)	137,487	134,760	(34,447)		670,196

*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
 5 Months Actual, 7 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	600,310	619,747		-	11,068		1,231,125	-	72,850	72,850
Storm Water Mitigation Plan Fee		-					-			-
Investment Income	8,113	5,743	267	61	189	41	14,415	443	388	831
Sale of Assets	1,000			-			1,000			-
Mitigation Release	-	-				-	-			-
2025 Expenditures	(306,381)	(173,095)	-	-	-		(479,476)		(11,450)	(11,450)
Net Available Cash at 5/31/2025	3,475,239	2,554,533	219,885	87,950	163,226	64,801	\$ 6,565,634	364,258	363,923	\$ 728,181
7 Month Outlook										
Outlook - 2025 Dues (95% collections)	801,495	824,318			14,731		\$ 1,640,544			\$ -
Outlook - Prior Year Collections	11,604	11,934			213		23,752		22,915	22,915
CRRRF Loan Payments for year 2025	(194,273)						(194,273)			-
Obligated Expenses/Holdings	(1,006,502)	(1,419,109)	(219,885)			(64,801)	(2,710,297)		(17,056)	(17,056)
Net Usable Cash Balance 12/31/2025	3,087,563	1,971,677	-	87,950	178,171	-	\$ 5,325,360	364,258	369,782	\$ 734,040
Board Recommended Carryover Balance	(600,000)	(500,000)					\$ (1,100,000)			\$ -
Net Usable Cash 12/31/2025, After Recommendation	\$ 2,487,563	\$ 1,471,677	\$ -	\$ 87,950	\$ 178,171	\$ -	\$ 4,225,360	\$ 364,258	\$ 369,782	\$ 734,040
Net Current Year Cash Increase (Decrease)	(84,634)	(130,461)	(219,618)	61	26,201	(64,760)	\$ (473,211)	443	67,647	\$ 68,090

*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
May 1, 2025 to May 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	27,400	6,120	7,502	(387)	42,616	(7,003)	(22,718)	(1,270)
Accounting	3,543	(1,273)	28,819	1,222	2,189	1,205	(27,465)	1,154
Administration	1,439	1,329	33,147	3,278	22,363	(12,168)	(54,071)	(7,561)
Common Costs	3,067	(849)	-	-	47,079	(17,983)	(44,012)	(18,832)
Facilities	6,271	1,321	5,365	(734)	6,623	6,800	(5,717)	7,387
Maintenance	-	-	32,401	975	9,536	852	(41,937)	1,827
Subtotal	41,720	6,648	107,234	4,354	130,406	(28,297)	(195,920)	(17,295)
Golf	141,919	2,380	68,823	4,534	65,283	(28,120)	7,813	(21,206)
Marina	5,407	(4,912)	-	-	3,157	(2,097)	2,250	(7,009)
Rec/ Pools/ Parks	3,994	(762)	25,331	(5,892)	18,435	4,123	(39,772)	(2,531)
Subtotal	151,320	(3,294)	94,154	(1,358)	86,875	(26,094)	(29,709)	(30,746)
Subtotal Operations before Ops Dues	193,040	3,354	201,388	2,996	217,281	(54,391)	(225,629)	(48,041)
Ops Dues Earned	238,131						238,131	
Curr Yr Bad Debts Activity	(1,154)						(1,154)	
Net Ops Dues	236,977	10,870					236,977	10,870
Net Operations	430,017	14,224	201,388	2,996	217,281	(54,391)	11,348	(37,171)
Net BOD Approved UDR Activity for Operations								
Legal Expenses - Past Due Account Collections	-		-		-		-	
Net Operations with Board Approved UDR	430,017	14,224	201,388	2,996	217,281	(54,391)	11,348	(37,171)
Other Operating Activity								
UDR Activity	8,228				205		8,023	
AR Accrual - Prior Year Reversal	-				-		-	
AR Accrual - Current Year	-				-		-	
Lease Income- Library Prepaid Recognized	667				-		667	
Vacation Liability Accrual	-				1,504		(1,504)	
Total Other Operating Activity	8,895				1,709		7,186	
Grand Total Operations Activity	438,912	14,224	201,388	2,996	218,990	(54,391)	18,534	(37,171)

* Excludes Depreciation

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

Sudden Valley Community Association
Operations - By Department
January 1, 2025 to May 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	105,349	55,730	36,980	(2,033)	264,402	(72,903)	(196,033)	(19,206)
Accounting	12,739	(2,457)	142,261	5,279	26,857	(3,296)	(156,379)	(474)
Administration	2,552	2,212	161,485	17,420	86,760	(37,225)	(245,693)	(17,593)
Common Costs	30,344	10,764	-	-	235,298	(57,821)	(204,954)	(47,057)
Facilities	41,763	4,084	22,515	259	62,374	30,858	(43,126)	35,201
Maintenance	-	-	165,150	2,727	34,185	12,952	(199,335)	15,679
Subtotal	192,747	70,333	528,391	23,652	709,876	(127,435)	(1,045,520)	(33,450)
Golf	512,712	13,679	304,277	20,646	238,236	(35,754)	(29,801)	(1,429)
Marina	229,091	2,028	-	-	12,697	(5,142)	216,394	(3,114)
Rec/ Pools/ Parks	12,014	3,584	109,253	(34,392)	48,587	6,527	(145,826)	(24,281)
Subtotal	753,817	19,291	413,530	(13,746)	299,520	(34,369)	40,767	(28,824)
Subtotal Operations before Ops Dues	946,564	89,624	941,921	9,906	1,009,396	(161,804)	(1,004,753)	(62,274)
Ops Dues Earned	1,193,142						1,193,142	
Curr Yr Bad Debts Activity	(34,780)						(34,780)	
Net Ops Dues	1,158,362	27,827					1,158,362	27,827
Net Operations	2,104,926	117,451	941,921	9,906	1,009,396	(161,804)	153,609	(34,447)
Net BOD Approved UDR Activity for Operations								
Legal Expenses - Past Due Account Collections	-		-		9,984		(9,984)	
Net Operations with Board Approved UDR	2,104,926	117,451	941,921	9,906	1,019,380	(161,804)	143,625	(34,447)
Other Operating Activity								
UDR Activity	62,378				5,661		56,717	
AR Accrual - Prior Year Reversal	(53,456)				-		(53,456)	
AR Accrual - Current Year	-				-		-	
Lease Income- Library Prepaid Recognized	3,333				-		3,333	
Vacation Liability Accrual	-				15,459		(15,459)	
Total Other Operating Activity	12,255				21,120		(8,865)	
Grand Total Operations Activity	2,117,181	117,451	941,921	9,906	1,040,500	(161,804)	134,760	(34,447)

* 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	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
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