Sudden Valley Community Association
Balance Sheet
May 31, 2026 and December 31, 2025

	Unaudited** May 31, 2026	Unaudited** Dec 31, 2025	Inc / (Dec)
OPERATIONS			
Current Assets			
Operating Cash	$ 834,682	$ 496,968	$ 337,714
Building Completion Deposit Fund	628,900	798,900	(170,000)
Member Receivables - Operations*	-	47,957	(47,957)
Other Receivables	2,860	3,445	(585)
Prepaid Expenses	17,762	91,940	(74,178)
Operating Lease ROU Assets	20,196	23,036	(2,840)
Inventory	9,237	5,704	3,533
Total Current Assets	1,513,637	1,467,950	45,687
Current Liabilities			
Accounts Payable	(57,743)	(173,503)	115,760
Accrued Vacation Liability	(99,765)	(78,129)	(21,636)
Accrued Payroll	-	(96,358)	96,358
Prepaid Assessments	(311,440)	(183,275)	(128,165)
Building Completion Deposits	(628,900)	(798,900)	170,000
Other Refundable Deposits	(13,226)	(11,426)	(1,800)
Operating Lease Liability	(20,196)	(23,036)	2,840
Prepaid Golf Memberships	-	(156,649)	156,649
Total Current Liabilities	(1,131,270)	(1,521,276)	390,006
Other Liabilities			
Contingent PPP Loan Liability***	(357,700)	(357,700)	-
Deferred Library Lease Revenue	(24,667)	(28,000)	3,333
Total Other Liabilities	(382,367)	(385,700)	3,333
Operating Reserve Funds			
Emergency Operating Cash	365,011	364,709	302
Undesignated Reserves Cash	342,337	314,936	27,401
Total Operating Reserve Funds	707,348	679,645	27,703
Net Operating Assets	**$ 707,348**	**$ 240,619**	**$ 466,729**
CAPITAL			
Capital Current Assets			
CRRRF (Capital Repair & Replacement) Cash Fund	3,736,649	3,754,490	(17,841)
Roads Reserve Cash Fund	3,355,864	2,992,291	363,573
Board Density Reduction Cash Fund	150,856	150,789	67
Mailbox Cash Fund	189,879	178,900	10,979
CRRRF Capital Reserve Holding Cash	219,497	219,316	181
Mitigation Assignment of Savings Cash	49,934	49,905	29
LWWSD Assignment of Savings Cash	14,957	14,953	4
Member Receivables - Capital**	-	13,020	(13,020)
Total Capital Current Assets	7,717,636	7,373,664	343,972
Capital Fixed Assets			
Fixed Assets	16,856,959	16,681,607	175,352
Finance ROU Assets	18,592	46,977	(28,385)
Lots Held for Sale	188,858	188,858	-
Total Capital Assets	17,064,409	16,917,442	146,967
Long Term Liabilities			
CRRRF Loan 2022	(1,149,659)	(1,267,067)	117,408
Finance Leases	(43,414)	(51,608)	8,194
Total Long Term Liabilities	(1,193,073)	(1,318,675)	125,602
NET ASSETS	***$ 24,296,320***	***$ 23,213,050***	***$1,083,270***
MEMBER EQUITY			
Member Equity			
Current Year Net Income: Operations	457,180	(52,135)	509,314
Transfers Out from Operations to Capital	-	-	-
Current Year Net Income: Capital**	626,092	1,458,960	(832,868)
Transfers Into Capital from Operations	-	-	-
Retained Earnings**	4,145,107	4,197,242	(52,135)
Capital**	19,067,942	17,608,982	1,458,960
TOTAL MEMBER EQUITY	***$ 24,296,320***	***$23,213,050***	***$1,083,270***

***** 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, 2026, and December 31, 2025, the balances of receivables written off were $866,690 and $743,506, 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 transfee fee revenues collected for internal monthly presentation purposes. See SVCA's 2020 through 2024 audited financial statements (2024 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 - May 2026			Year to Date - 5 Months Ending 5/31/2026			
	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	267,874		251,117	1,339,528			1,255,588
Bad Debt Reserve	(9,499)		(8,532)	(54,080)			(35,895)
Net Current Year Assessment Income	258,375	4,349	242,585	1,285,448	15,315	96.0%	1,219,693
Bad Debt Recoveries - Prior Years			275				12,773
Golf Income	171,089	34,891	-	626,134	107,289		-
Marina Income	7,216	1,316	-	245,321	7,970		-
Rec Center & Pools Income	2,953	704	-	6,263	1,231		-
Legal & Collections Income	-	-	-	-	-		-
Other Income	41,404	31,504	-	84,811	20,079		-
Rental Income - Other	1,515	396	-	2,955	(1,154)		-
Area Z Rental Income	1,068	1,068	-	13,910	2,205		-
Lease Income	5,882	-	-	29,408	-		-
New Home Construction Fees	28,721	(10,577)	-	70,871	(31,908)		-
Capital Gain (Loss) on Sale of Assets	-	-	-	-	-		2,500
Capital Gain (Loss) on Sale of Lots	-	-	-	-	-		-
Investment Income	520	(230)	3,123	2,540	(1,210)		14,811
Total Revenue	**518,743**	**63,421**	**245,983**	**2,367,661**	**119,817**		**1,249,777**
EXPENSES							
Salaries & Benefits	207,376	12,537	-	928,758	68,757		-
Contracted & Professional Services	43,580	(7,589)	-	122,406	(13,717)		-
CC&Rs/ Mandates	43,471	(1,459)	-	186,545	21,891		-
Maintenance & Landscaping	39,739	28,459	-	226,208	18,025		-
Utilities	11,632	3,307	-	97,443	(7,093)		-
Administrative	26,298	(1,082)	-	96,855	(5,125)		-
Regulatory Compliance	7,343	7,509	-	117,235	32,220		-
Insurance Premiums	19,240	1,966	-	96,200	9,828		-
Other Expenses	-	291	-	-	4,054		-
Depreciation Expense	-	-	108,710	-	-		589,307
Closing Costs - Lot Sales	-	-	-	-	-		-
Interest expense	-	-	4,212	-	-		21,358
Total Expenses	**398,679**	**43,939**	**112,922**	**1,871,650**	**128,840**		**610,665**
Net Income (Loss)	**120,064**	**107,360**	**133,061**	**496,011**	**248,657**		**639,112**
Net UDR Activity for Operations							
Bylaws and Rules & Reg Revisions-WUCIOA	-			(7,130)			
2026 Community Survey & Support	-			(9,200)			
Net Income (Loss) with Board Approved UDR	**120,064**	**107,360**	**133,061**	**479,681**	**248,657**		**639,112**
Other Activity							
Net Other UDR Activity*	14,503			43,758			
AR Accrual - Prior Year Reversal	-		-	(47,957)			(13,020)
AR Accrual - Current Year	-		-	-			-
Lease Income- Library Prepaid Recognized	667			3,333			
Vacation Liability Accrual	(2,208)			(21,636)			
Total Other Activity	**12,962**		**-**	**(22,501)**			**(13,020)**
Grand Total Activity	**133,026**	**107,360**	**133,061**	**457,180**	**248,657**		**626,092**

*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
5 Months Actuals, 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 12/31/2025	**3,754,490**	**2,992,291**	**219,316**	**150,789**	**178,900**	**64,858**	**$ 7,360,644**	**364,709**	**314,936**	**$ 679,645**
Dues Received	608,733	606,352		-	10,829		**1,225,914**	-	45,401	**45,401**
Storm Water Mitigation Plan Fee		-					**-**			**-**
Investment Income	7,834	6,546	181	67	150	33	**14,811**	302	263	**565**
Sale of Assets	2,500						**2,500**			**-**
Sale of Lots (Net Proceeds)				-			**-**			**-**
Mitigation Release	-	-				-	**-**			**-**
2026 Expenditures	(636,908)	(249,325)	-	-	-		**(886,233)**		(18,263)	**(18,263)**
Net Available Cash at 5/31/2026	**3,736,649**	**3,355,864**	**219,497**	**150,856**	**189,879**	**64,891**	**$ 7,717,636**	**365,011**	**342,337**	**$ 707,348**
7 Month Outlook										
Outlook - 2026 Dues (95% collections)	829,685	823,261			14,712		**$ 1,667,658**			**$ -**
Outlook - Prior Year Collections	11,236	11,149			199		**22,585**		24,082	**24,082**
CRRRF Loan Payments for year 2026	(194,273)						**(194,273)**			-
Obligated Expenses/Holdings	(1,186,147)	(1,649,499)	(219,497)			(64,891)	**(3,120,034)**		(12,070)	**(12,070)**
Net Usable Cash Balance 12/31/2026	**3,197,150**	**2,540,775**	**-**	**150,856**	**204,790**	**-**	**$ 6,093,572**	**365,011**	**354,349**	**$ 719,359**
Board Recommended Carryover Balance	(600,000)	(500,000)					**$ (1,100,000)**			$ -
Net Usable Cash 12/31/2026, After Recommendation	**$ 2,597,150**	**$ 2,040,775**	**$ -**	**$ 150,856**	**$ 204,790**	**$ -**	**$ 4,993,572**	**$ 365,011**	**$ 354,349**	**$ 719,359**
Net Current Year Cash Increase (Decrease)	(557,340)	(451,516)	(219,316)	67	25,890	(64,858)	$ (1,267,072)	302	39,413	$ 39,714

*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, 2026 to May 31, 2026
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	35,921	(3,377)	7,970	(764)	42,955	6,855	(15,004)	2,714
Accounting	2,652	(1,441)	30,918	(497)	4,569	(2,579)	(32,835)	(4,517)
Administration	27,043	25,837	38,070	(4,201)	20,393	(6,374)	(31,420)	15,262
Common Costs	3,572	(511)	-	-	30,665	4,893	(27,093)	4,382
Facilities	6,949	902	4,678	193	10,045	1,800	(7,774)	2,895
Maintenance	-	-	30,587	3,855	12,586	(413)	(43,173)	3,442
Subtotal	**76,137**	**21,410**	**112,223**	**(1,414)**	**121,213**	**4,182**	**(157,299)**	**24,178**
Golf	171,089	34,891	74,043	8,708	39,686	30,270	57,360	73,869
Marina	8,672	1,504	-	-	1,121	2,169	7,551	3,673
Rec/ Pools/ Parks	4,468	1,266	21,110	5,243	29,281	(5,218)	(45,923)	1,291
Subtotal	**184,229**	**37,661**	**95,153**	**13,951**	**70,088**	**27,221**	**18,988**	**78,833**
Subtotal Operations before Ops Dues	**260,366**	**59,071**	**207,376**	**12,537**	**191,301**	**31,403**	**(138,311)**	**103,011**
Ops Dues Earned	267,874						267,874	
Curr Yr Bad Debts Activity	(9,499)						(9,499)	
Net Ops Dues	258,375	4,349					258,375	4,349
Net Operations	**518,741**	**63,420**	**207,376**	**12,537**	**191,301**	**31,403**	**120,064**	**107,360**
Net BOD Approved UDR Activity for Operations								
Bylaws and Rules & Reg Revisions-WUCIOA	-		-		-		-	
2026 Community Survey & Support	-		-		-		-	
Net Operations with Board Approved UDR	**518,741**	**63,420**	**207,376**	**12,537**	**191,301**	**31,403**	**120,064**	**107,360**
Other Operating Activity								
UDR Activity	14,687				184		14,503	
AR Accrual - Prior Year Reversal	-				-		-	
AR Accrual - Current Year	-				-		-	
Lease Income- Library Prepaid Recognized	667				-		667	
Vacation Liability Accrual	-				2,208		(2,208)	
Total Other Operating Activity	15,354				2,392		12,962	
Grand Total Operations Activity	**534,095**	**63,420**	**207,376**	**12,537**	**193,693**	**31,403**	**133,026**	**107,360**

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

Sudden Valley Community Association
Operations - By Department
January 1, 2026 to May 31, 2026
YEAR TO DATE

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	91,663	(39,199)	38,453	(2,872)	238,953	31,632	(185,743)	(10,439)
Accounting	13,134	(1,861)	148,872	1,315	29,075	(3,986)	(164,813)	(4,532)
Administration	33,649	31,867	174,900	(6,895)	87,966	(21,927)	(229,217)	3,045
Common Costs	17,620	(2,796)	-	-	176,801	33,489	(159,181)	30,693
Facilities	43,317	1,372	22,924	(490)	74,962	6,748	(54,569)	7,630
Maintenance	-	-	148,079	16,860	34,971	3,648	(183,050)	20,508
Subtotal	**199,383**	**(10,617)**	**533,228**	**7,918**	**642,728**	**49,604**	**(976,573)**	**46,905**
Golf	626,134	107,289	305,033	41,852	237,222	5,137	83,879	154,278
Marina	247,477	6,920	-	-	8,224	6,289	239,253	13,209
Rec/ Pools/ Parks	9,218	910	90,497	18,987	54,717	(947)	(135,996)	18,950
Subtotal	**882,829**	**115,119**	**395,530**	**60,839**	**300,163**	**10,479**	**187,136**	**186,437**
Subtotal Operations before Ops Dues	**1,082,212**	**104,502**	**928,758**	**68,757**	**942,891**	**60,083**	**(789,437)**	**233,342**
Ops Dues Earned	1,339,528						1,339,528	
Curr Yr Bad Debts Activity	(54,080)						(54,080)	
Net Ops Dues	1,285,448	15,315					1,285,448	15,315
Net Operations	**2,367,660**	**119,817**	**928,758**	**68,757**	**942,891**	**60,083**	**496,011**	**248,657**
Net BOD Approved UDR Activity for Operations								
Bylaws and Rules & Reg Revisions-WUCIOA	-		-		7,130		(7,130)	
2026 Community Survey & Support	-		-		9,200		(9,200)	
Net Operations with Board Approved UDR	**2,367,660**	**119,817**	**928,758**	**68,757**	**959,221**	**60,083**	**479,681**	**248,657**
Other Operating Activity								
UDR Activity	45,732				1,974		43,758	
AR Accrual - Prior Year Reversal	(47,957)				-		(47,957)	
AR Accrual - Current Year	-				-		-	
Lease Income- Library Prepaid Recognized	3,333				-		3,333	
Vacation Liability Accrual	-				21,636		(21,636)	
Total Other Operating Activity	1,109				23,610		(22,501)	
Grand Total Operations Activity	**2,368,769**	**119,817**	**928,758**	**68,757**	**982,831**	**60,083**	**457,180**	**248,657**

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

SUDDEN VALLEY COMMUNITY ASSOCIATION - LOTS & DUES ANALYSIS 2026

	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			SVCA Owned Lots Restricted				LLE & CTB	Dues Exempt	Total Non Billable Lots	Total All Lots
	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	15	84	99	265	2,534	2,799	18	93	4	20	3	9	19	40	2	12	280	2,618	2,898	46	174	220	326	2,792	3,118	775	1	1	777	740	6	1,523	4,641
Feb	18	90	108	265	2,521	2,786	10	85	7	29	4	12	20	43	2	12	283	2,611	2,894	43	181	224	326	2,792	3,118	775	1	1	777	740	6	1,523	4,641
Mar	19	91	110	260	2,540	2,800	18	70	1	22	3	13	23	43	2	13	279	2,631	2,910	47	161	208	326	2,792	3,118	775	1	1	777	740	6	1,523	4,641
Apr	19	96	115	266	2,564	2,830	11	53	3	10	2	10	23	46	2	13	285	2,660	2,945	41	132	173	326	2,792	3,118	775	1	1	777	740	6	1,523	4,641
May	21	100	121	263	2,560	2,823	12	58	3	9	2	8	23	44	2	13	284	2,660	2,944	42	132	174	326	2,792	3,118	775	1	1	777	740	6	1,523	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
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
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
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
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
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
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

LLE = Lot Line Eraser
CTB = Covenant to Bind