

Sudden Valley Financial Report for June 2026

Balance Sheet Overview

Operating cash increased by \$215,000 from the beginning of the year. **The Building Completion Deposit Fund** declined by \$130,000, a trend driven by fewer buildable lots and rising construction costs; this decrease is expected to continue.

Capital Current Assets show notable improvement across all categories. CRRRF is up \$120,283 from the same time last year, and the Roads Fund has increased by \$467,610. **Net Assets** and **Members' Equity** have also grown.

Income Statement Overview

Total Dues revenue through June is \$159,000 higher than the prior year, which is the result of the 2026 budgeted dues increase and a 96.4% collection rate. **Golf** revenue continues to outperform expectations, coming in \$85,000 ahead of budget and nearly \$100,000 above 2025 results. **Other Income revenues** (access cards, timber sales, and copy fees) are \$51,000 better than budget and \$32,427 higher than last year. New **Home Construction Revenue** showed a modest increase for the year but \$36,500 short of budget. Total Revenue is \$138,000 better budget and \$315,000 above 2025.

Salaries and Benefits are flat year-over-year but \$75,358 under budget. **CC&R Mandates** are \$30,636 below budget and nearly \$82,000 lower than 2025, driven primarily by reduced legal fees while security costs remain stable at \$144,000. **Regulatory Compliance** expenses are \$53,000 lower than last year and \$38,572 under budget, with the large tree-removal project from the November 2024 storm no longer impacting current totals. **Insurance premiums** are modestly lower than both last year and budget.

Overall, **total expenses** through June are nearly \$109,000 lower than 2025 and \$159,000 under budget.

Net Income

Net Income YTD is good—\$424,059 higher than 2025 and \$297,130 above budget. Assessment collections, strong performance in Golf and Marina operations, and increased Other Income contributed to revenue gains. Lower CC&R Mandates and Regulatory Compliance costs further improved results.

Sudden Valley Community Association
Income Statement Summary

UNAUDITED	YTD 2025	YTD 2026	Better or (Worse) Then budget	yr over yr change
REVENUE				
Current Year Dues & Assessments Income				
Dues & Assessments Income	1,431,234	1,608,342		177,108
Bad Debt Reserve	(39,353)	(57,389)		(18,036)
Net Current Year Assessment Income	1,391,881	1,550,953	26,794	96.4%
Bad Debt Recoveries - Prior Years				
Golf Income	695,731	794,384	85,241	98,653
Marina Income	227,171	246,201	4,601	19,030
Rec Center & Pools Income	14,134	13,877	2,459	(257)
Legal & Collections Income	-	-	-	0
Other Income	91,442	123,869	50,759	32,427
Rental Income - Other	7,840	9,660	3,494	1,820
Area Z Rental Income	13,043	14,577	2,872	1,534
Lease Income	34,389	35,289	-	900
New Home Construction Fees	76,700	79,400	(36,528)	2,700
Capital Gain (Loss) on Sale of Assets	-	-	-	0
Capital Gain (Loss) on Sale of Lots	-	-	-	0
Investment Income	3,829	3,019	(1,481)	(810)
Total Revenue	2,556,160	2,871,229	138,211	315,069
EXPENSES				
Salaries & Benefits	1,161,905	1,161,803	75,358	(102)
Contracted & Professional Services	138,663	155,932	(12,303)	17,269
CC&Rs/ Mandates	299,816	217,986	30,636	(81,830)
Maintenance & Landscaping	272,560	261,425	26,609	(11,135)
Utilities	117,354	131,105	(14,419)	13,751
Administrative	105,315	114,791	(681)	9,476
Regulatory Compliance	183,229	130,404	38,572	(52,825)

Insurance Premiums	120,109	116,732	10,801	(3,377)
Other Expenses	217	-	4,346	(217)
Depreciation Expense	-	-	-	0
Closing Costs - Lot Sales	-	-	-	0
Interest expense	-	-	-	0
Total Expenses	2,399,168	2,290,178	158,919	(108,990)
Net Income (Loss)	156,992	581,051	297,130	424,059
Net UDR Activity for Operations				
Bylaws and Rules & Reg Revisions-WUCIOA		(7,130)		
2026 Community Survey & Support		(18,400)		
Legal Expenses - Past Due Account Collections	(9,984)			
Hazardous Tree Removal	(19,302)			
Net Income (Loss) with Board Approved UDR	127,706	555,521	297,130	427,815
Other Activity				
Net Other UDR Activity*	65,808	54,035		
AR Accrual - Prior Year Reversal	(53,456)	(47,957)		
AR Accrual - Current Year	-	-		
Lease Income- Library Prepaid Recognized	4,000	4,000		
Vacation Liability Accrual	(16,998)	(22,231)		
Total Other Activity	(646)	(12,153)		(11,507)
Grand Total Activity	127,060	543,369	297,130	416,309

*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.