

Mammoth Estates Condominiums, Inc.

Financial Statements and Supplementary Information

Year Ended June 30, 2021

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Mammoth Estates Condominiums, Inc.
Balance Sheets

	June 30, 2021			June 30, 2020	
	Operating Fund	Replacement Fund	Contingency Fund	Total	Total
Assets:					
Cash and Cash Equivalents (Note 11)	\$59,103	\$204,158	\$74,955	\$338,215	\$311,288
Investments (Note 9)		99,958		99,958	98,540
Current Owner Assessments Rec. (Note 5)	1,012			1,012	2,632
Allowance for Doubtful Accounts (Note 5)	(11)			(11)	(221)
Vending Income Receivable	106			106	81
Prepaid Insurance	108			108	1,746
Prepaid Income Taxes (Note 8)	689			689	1,674
Equipment, at Cost	1,606			1,606	1,606
Less Accumulated Depreciation	(1,606)			(1,606)	(1,606)
Land		42,345		42,345	42,345
Total Assets	\$61,007	\$346,460	\$74,955	\$482,422	\$458,084
Liabilities:					
Accounts Payable	\$21,569	\$	\$	\$21,569	\$41,762
Assessments Received in Advance	9,902			9,902	8,436
Contract Liabilities (Assessments Received in Advance - Replacement Fund)		244,029		244,029	281,388
Total Liabilities	31,471	244,029		275,500	331,586
Owners Equity:					
Balance at Start of Year	41,481	42,345	42,672	126,498	32,265
Change in Unrealized Gain/(Loss) on Marketable Securities (Note 9)		86		86	2,238
Transfers Between Funds (Note 10)	(82,283)	60,000	22,283		
Revenue Less Expenses During Year	70,338		10,000	80,338	91,996
Owners Equity At End of Year	29,536	102,431	74,955	206,922	126,498
Total Liabilities & Owners Equity	\$61,007	\$346,460	\$74,955	\$482,422	\$458,084

**Mammoth Estates Condominiums, Inc.
Statements of Revenues and Expenses**

For the Years Ended:

	June 30, 2021			June 30, 2020	
	Operating Fund	Replacement Fund	Contingency Fund	Total	Total
Revenues:					
Owner Assessments (Notes 3 & 7)	\$382,443	\$156,916	\$10,000	\$549,359	\$513,487
Cable/Internet Assessments (Note 3)	52,200			52,200	52,200
Water & Sewer Assessments (Note 3)	34,500			34,500	34,500
Late Charges & Miscellaneous Income	701			701	1,402
Interest & Dividend Income	1,633			1,633	2,087
Vending Income	106			106	515
Total Revenues	471,583	156,916	10,000	638,499	604,192
Administrative Expenses:					
Accounting Services	9,196			9,196	10,061
Bad Debt Expense	(210)			(210)	121
Insurance	51,787			51,787	36,074
Legal Services	5,374			5,374	
Management Fee	112,966			112,966	109,942
Office Supplies & Postage	3,677			3,677	2,091
Income Taxes (Note 8)	985			985	(60)
Other Taxes	1,184			1,184	1,124
Outside Consulting Services	480			480	480
Telephone	74			74	
Total Administrative Expenses	185,514			185,514	159,834
Maintenance & Supplies:					
Buildings	11,728			11,728	31,941
Common Area	2,232			2,232	7,742
Landscaping	8,263			8,263	2,967
Pool & Jacuzzi	11,163			11,163	10,702
Recreation Area					100
Snow Removal	37,717			37,717	31,803
Trash Removal	24,770			24,770	23,325
Total Maintenance & Supplies	95,872			95,872	108,581
Utilities:					
Cable TV	50,798			50,798	50,414
Electricity	22,857			22,857	21,671
Propane	10,813			10,813	13,802
Water & Sewer	35,392			35,392	34,613
Total Utilities	\$119,860	\$	\$	\$119,860	\$120,500

**Mammoth Estates Condominiums, Inc.
Statements of Revenues and Expenses**

For the Years Ended:

	June 30, 2021			June 30, 2020
	Operating Fund	Replacement Fund	Contingency Fund	Total
Major Projects:				
Door Locks	\$	\$	\$	\$
Gas Stove - Lobby				\$16,660
Install Copper Wiring		34,147		6,000
Painting Replacement		32,450		53,914
Paving Replacement		18,810		4,900
Roof Replacement		35,170		10,878
Siding		36,339		28,885
Slate in Entry				2,045
Total Major Projects		156,916		123,282
Total Expenses	401,246	156,916		512,197
Excess Revenues Over Expenses	\$70,338	\$0	\$10,000	\$91,996

Mammoth Estates Condominiums, Inc.
Statements of Cash Flows

	For the Years Ended:				June 30, 2020
	June 30, 2021			Total	
	Operating Fund	Replacement Fund	Contingency Fund		
				Total	
Cash Flows From Operations					
Owner Assessments Collected (Recognized in Current Year)	\$472,941	\$156,916	\$10,000	\$639,857	\$598,515
Interest & Dividends Received	1,633			1,633	2,087
Vending Income Received	81			81	472
Cash Paid for Operating Expenditures	(397,112)			(397,112)	(384,651)
Replacement Expenditures Paid For:					
- Door Locks					(16,660)
- Gas Stove - Lobby					(6,000)
- Install Copper Wiring		(56,071)		(56,071)	(31,990)
- Painting Replacement		(32,450)		(32,450)	(4,900)
- Paving Replacement		(18,810)		(18,810)	(10,878)
- Roof Replacement		(35,170)		(35,170)	(28,885)
- Siding		(36,339)		(36,339)	
- Slate in Entry					(2,045)
Transfers Between Funds (Note 10)	(82,283)	60,000	22,283		
Net Cash Provided (Used) by Operations	(4,741)	38,076	32,283	65,618	115,065
Cash Flows From Financing Activities					
Replacement Reserve Funding		(37,359)		(37,359)	(1,487)
Net Cash (Used) by Financing		(37,359)		(37,359)	(1,487)
Cash Flows From Investing Activities					
Investment in JP Morgan Mutual Fund		(1,330)		(1,330)	(1,858)
Net Cash (Used) by Investing		(1,330)		(1,330)	(1,858)
Cash and Cash Equivalents at Beginning of Year	63,844	204,772	42,672	311,288	199,568
Cash and Cash Equivalents at End of Year	\$59,103	\$204,158	\$74,955	\$338,215	\$311,288

*See Independent Accountant's Review Report
and Accompanying Notes to Financial Statements*

Mammoth Estates Condominiums, Inc.
Statements of Cash Flows

**Reconciliation of Excess of Revenues Over Expenses
to Net Cash Provided (Used) by Operations**

	For the Years Ended:				June 30, 2020
	June 30, 2021				
	Operating Fund	Replacement Fund	Contingency Fund	Total	
Excess of Revenues Over Expenses	\$70,338	\$0	\$10,000	\$80,338	\$91,996
Adjustments to Reconcile Excess of Revenues Over Expenses to Net Cash Provided (Used) by Operations:					
(Increase) Decrease in Assessments Receivable	1,620			1,620	(2,010)
Increase (Decrease) in Allowance for Doubtful Accounts	(210)			(210)	121
(Increase) Decrease in Vending Income Receivable	(26)			(26)	(43)
(Increase) Decrease in Prepaid Insurance	1,638			1,638	(332)
(Increase) Decrease in Prepaid Income Taxes	985			985	(970)
Increase (Decrease) in Accounts Payable	1,731	(21,924)		(20,193)	27,357
Increase (Decrease) in Assessments Received in Advance	1,466			1,466	(1,053)
Transfers Between Funds (Note 10)	(82,283)	60,000	22,283		
Net Cash Provided (Used) by Operations	(\$4,741)	\$38,076	\$32,283	\$65,618	\$115,065

Mammoth Estates Condominiums, Inc.
Notes to Financial Statements
As of June 30, 2021 and June 30, 2020

NOTE 1: GENERAL INFORMATION

Mammoth Estates Condominiums, Inc., the Association, was incorporated under the laws of California on March 13, 1973 to provide for the orderly maintenance, preservation, and architectural control of the common areas within the development. Originally incorporated under the name Mammoth Estates Condominiums Units No. 1, 2, and 3, Inc., the articles of incorporation were amended in July, 1996 to change the name to Mammoth Estates Condominiums, Inc.

The Association is responsible for maintaining, repairing and replacing common area facilities which include roofs, siding, paving, pool and sauna, equipment, landscaping, and common area plumbing and electrical systems.

Mammoth Estates consists of 78 residential condominiums.

The Association derives its authority and responsibilities from its Articles of Incorporation, By Laws, and Declaration of Covenants, Conditions and Restrictions. These documents were amended and restated in June, 1996.

The Board of Directors makes most policy decisions and oversees daily operations, but major decisions are referred to the general association membership if required by the governing documents or by statute.

Membership in the Association is mandatory for homeowners. Voting members consist of all owners, who are entitled to one vote for each unit owned. Each owner is obligated to pay assessments to the Association to support its operations and purposes.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Method

The Association maintains its books and records in accordance with accounting principles generally accepted in the United States of America. The Association uses fund accounting which requires that funds such as operating funds and funds designated for future repairs and replacements be classified separately for accounting and reporting purposes. Operating funds are those whose disposition is at the discretion of the Board of Directors and are generally used for regular operating expenses. Replacement funds are restricted to the repair or replacement of major common area components. Contingency funds are for the Board to use to pay for unforeseen expenses.

The Board's policy is to allocate to the operating fund interest earned on all cash accounts, all income tax expense, and all delinquent or uncollectible receivables.

B. Fiscal Year

The Association's fiscal year ends June 30.

C. Owner Assessments

Association owners are subject to monthly assessments to provide funds for the Association's operating expenses and major repairs and replacements. Assessment revenue is recognized as the related performance obligations are satisfied at transaction amounts expected to be collected. The Association's performance obligations related to its operating assessments is satisfied over time on a daily pro-rata basis using the input method. The performance obligations related to the

See Independent Accountant's Review Report.

Mammoth Estates Condominiums, Inc.
Notes to Financial Statements
As of June 30, 2021 and June 30, 2020

replacement fund assessments are satisfied when these funds are expended for their designated purpose.

D. Recognition of Assets and Depreciation Policy

Real property and common areas acquired from the developer and related improvements to such property are not recorded in the Association's financial statement because those properties are owned by the individual unit owners in common and not by the Association. Any real or personal property purchased by the Association to which the Association holds title and which could be disposed of for cash or claims to cash is capitalized at cost and depreciated over its estimated useful life using the straight-line method of depreciation. Personal property purchased for the replacement fund is expensed in the year of acquisition.

E. Contract Liabilities (Assessments Received in Advance – Replacement Fund)

The Association recognizes revenue from members as the related performance obligations are satisfied. A contract liability (assessments received in advance – replacement fund) is recorded when the Association has the right to receive payment in advance of the satisfaction of performance obligations related to the replacement reserve assessments.

F. Statement of Cash Flows Information

For purposes of the Statement of Cash Flows, the Association considers all short-term investments to be cash equivalents if the maturity date is three months or less when purchased. Cash equivalents are classified with cash in the balance sheet.

G. Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates.

NOTE 3: OWNER ASSESSMENTS

Assessments are determined by the Board of Directors during the annual budget process and are allocated to each unit in accordance with the unit's percentage ownership of the common areas.

Regular Assessments

Regular monthly assessments during the most recent five years were as follows:

Unit Type	Year Ended				
	06/30/21	06/30/20	06/30/19	06/30/18	06/30/17
Studio	\$328.15	\$328.15	\$325.42	\$306.09	\$293.00
Two Bedroom Units-1 level	\$491.57	\$491.57	\$471.05	\$445.49	\$431.00
Two Bedroom Units-2 level	\$546.05	\$546.05	\$519.59	\$491.96	\$477.00
Three Bedroom Units	\$763.95	\$763.95	\$713.77	\$677.84	\$660.00
Four Bedroom Units	\$818.43	\$818.43	\$762.32	\$724.31	\$706.00

See Independent Accountant's Review Report.

Mammoth Estates Condominiums, Inc.
Notes to Financial Statements
As of June 30, 2021 and June 30, 2020

On November 1, 2005, the Association entered into an arrangement with the local cable company for bulk cable service to all owners. In return for discounted cable rates, the Association has assumed the responsibility for billing individual owners and paying the cable company.

Special Assessment

In May 2017, the Board of Directors approved an emergency special assessment of \$171,840 to cover the snow removal expenses incurred during the 2016/2017 winter season. This assessment began July 1, 2017 and was billed monthly to spread the cost over one year. The total per unit assessment was as follows:

<u>Unit Type</u>	<u>Total Per Unit</u>	<u>Per Month</u>
Studio	\$1,027.00	\$86.00
Two Bedroom Units-1 level	\$1,643.00	\$137.00
Two Bedroom Units-2 level	\$1,848.00	\$154.00
Three Bedroom Units	\$2,669.00	\$222.00
Four Bedroom Units	\$2,875.00	\$240.00

The Association retains excess operating funds at the end of the operating year, if any, for use in future years.

NOTE 4: COLLECTION OF OWNER ASSESSMENTS

The Association's policy regarding collection of common area fees and the treatment of delinquent owners is as follows:

Common area assessments are due on the first day of each month and are delinquent if payment is not received on the 15th day of the month. When delinquent, a 10% late charge is assessed. When delinquent for 30 days (that is, has not paid within 30 days of the delinquent date), the delinquent owner is mailed a letter via certified mail, advising him that unless payment in full is received in 10 days, the matter will be referred to the Association's attorney or to a collection service. If the matter is referred, the attorney or collection service will, with Board concurrence, start collection action. The collection action may take the form of an assessment lien and foreclosure proceedings, and/or proceedings against the owner of the unit through court action to obtain a judgment. If an assessment lien is recorded, the owner will be sent a copy of the recorded lien via certified mail no later than 10 calendar days after the lien has been recorded. More than one method of collection may be initiated against a delinquent owner, but only one will be concluded.

The delinquent owner will be held liable for all common area fees owing, as well as for all applicable collection service fees, attorney fees, referral-for-collection fees, delinquent letter fees, late charges, interest calculated in accordance with the Association's CC & R's, bank and handling charges incurred as a result of returned checks, and any other out-of-pocket expenses incurred by the Association in connection with the collection action. These additional charges may be sizeable.

An owner may dispute the assessment debt by submitting a written request for dispute resolution to the Association pursuant to the Association's meet and confer IDR procedure, as set forth in Civil Code Section 5900 et seq. An owner may also request alternative dispute resolution with a neutral third party before the Association initiates foreclosure against the owner's separate interest, except that binding arbitration shall not be available if the Association intends to initiate a judicial foreclosure.

Mammoth Estates Condominiums, Inc.
Notes to Financial Statements
As of June 30, 2021 and June 30, 2020

If an owner's check is returned by the bank, the check will not be redeposited. The owner will be sent a notice stating that the Association requires a replacement check which will include reimbursement for the fee charged by the bank and any handling fees associated with the returned check.

NOTE 5: ASSESSMENTS RECEIVABLE

Details of owner assessments receivable for the past two years are as follows:

	Year Ended:	
	<u>06/30/21</u>	<u>06/30/20</u>
Receivables 0 to 90 Days Past Due	\$992	\$1,346
Receivables Over 90 Days Past Due	20	1,286
Total Owners Receivables	<u>\$1,012</u>	<u>\$2,632</u>
Allowance for Doubtful Receivables at Start of Year	\$221	\$100
Additions to (Subtractions from) Allowance During Year	(210)	121
Receivables Written Off During Year	0	0
Allowance for Doubtful Receivables at End of Year	<u>\$11</u>	<u>\$221</u>

The allowance is calculated by adding 10% of all receivables from owners over 30 days past due, 50% of all receivables from owners that the Association referred to Association Lien Services or are being sued by the Association's attorney, and are in foreclosure; and 100% of all receivables from owners in bankruptcy.

The Association writes off receivable balances once all collection alternatives have been exhausted.

NOTE 6: REPLACEMENT FUNDS AND REPLACEMENT FUNDING PROGRAM

Replacement funds are amounts to be spent on the future major repair and replacement of selected components of the common areas. A long-term funding program is one that is based on a study that identifies specific components of the common areas, such as roofs and asphalt, the expected replacement costs and expected remaining lives of each component, and provides a plan to pay for the replacement of these components when they wear out. The preparation of such a study involves significant estimates by the persons preparing the study, and these estimates are subject to annual revision for changing prices, circumstances and assumptions.

The Association's governing documents require that funds be accumulated for future major repairs and replacements.

The Board of Directors commissioned J.D. Brooks Reserve Studies to prepare a reserve study of the major components of the common areas which the Association is responsible to maintain. J.D. Brooks Reserve Studies specializes in condominium reserve studies. This study was completed in April 2021 for the period beginning July 1, 2021.

The replacement program is designed to project what funds will be necessary and how these funds will be raised. However, there will be differences between projected and actual results because events and circumstances frequently do not occur as expected and those differences may be significant. In the event that replacement funds prove inadequate, the Association has the right to increase regular assessments, levy special assessments, or delay replacement until necessary funds become available.

See Independent Accountant's Review Report.

Mammoth Estates Condominiums, Inc.
Notes to Financial Statements
As of June 30, 2021 and June 30, 2020

NOTE 7: FASB ASC 606 NEW ACCOUNTING GUIDANCE IMPLEMENTATION

The Financial Accounting Standards Board (FASB) issued new guidance that created Topic 606, Revenue from Contracts with Customers, in the Accounting Standards Codification (ASC). Topic 606 supersedes the revenue recognition requirements in FASB ASC 972-605, Real Estate – Common Interest Realty Associations, Revenue Recognition, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which a CIRA expects to be entitled in exchange for those goods or services.

The Association adopted the requirements of new guidance as of July 1, 2019, using the modified retrospective method of transition, which requires that the cumulative effect of the changes related to the adoption be charged to beginning fund balance. The Association applied the new guidance using the practical expedient provided in Topic 606 that allows the guidance to be applied only to contracts that were not complete as of July 1, 2019. Adoption of the new guidance resulted in changes to our accounting policies for assessment revenue and contract liabilities related to the replacement fund, as previously described.

The effect of the adoption is an increase in assessments for the year ended June 30, 2021, by \$37,359, and a recording of a contract liability (assessments received in advance – replacement fund) at June 30, 2021, of \$244,029. The Association has no customer contract modifications that had an effect on the Association's transition to new guidance.

The modified retrospective method of transition requires us to disclose the effect of applying the new guidance on each item included in the financial statement for the year ended June 30, 2021. Following are the line items from the balance sheet as of June 30, 2021, that were affected, the amounts that would have been reported under the former guidance, the effects of applying the new guidance, and the balances reported under the new guidance:

	Amounts That Would Have Been Reported	Effects of Applying New Guidance	As Reported
<u>Liabilities:</u>			
Contract Liabilities (Assessments Received in Advance – Replacement Reserve)	\$0	\$244,029	\$244,029
Total Liabilities	\$31,471	\$244,029	\$275,500
<u>Fund Balance:</u>			
Ending Fund Balance	\$450,951	(\$244,029)	\$206,922

Mammoth Estates Condominiums, Inc.
Notes to Financial Statements
As of June 30, 2021 and June 30, 2020

The following are the line items from the statement of revenues, expenses, and changes in fund balances and the statement of cash flows for the year ended June 30, 2021, that were affected, the amounts that would have been reported under the former guidance, the effects of applying the new guidance, and the amounts reported under the new guidance:

	Amounts That Would Have Been Reported	Effects of Applying New Guidance	As Reported
<u>Revenue:</u>			
Regular Assessments	\$512,000	\$37,359	\$549,359
Excess (Deficit) of Revenues Over Expenses	\$42,979	\$37,359	\$80,338
<u>Cash Flows:</u>			
Excess (Deficit) of Revenues Over Expenses	\$28,259	\$37,359	\$65,618
Increase (Decrease) in Contract Liabilities (Assessments Received in Advance – Replacement Reserve)	\$0	(\$37,359)	(\$37,359)

NOTE 8: INCOME TAXES

Federal Income Taxes:

Homeowners' associations may be taxed either as homeowner associations or as regular corporations. For the year ended June 30, 2020 the Association chose to be taxed as a homeowner association.

As a homeowner association, membership income is exempt from taxation and the Association is taxed only on its non-membership income, such as interest income, at homeowner association rates.

As of the date of this report, a decision has not been made as to the filing method for the fiscal year ended June 30, 2021. The tax provision for the year ended June 30, 2021 assumes that the method chosen will be consistent with the prior year.

As of June 30, 2021, the tax years that remain subject to examination by Federal taxing authorities begin with the year ended June 30, 2018.

California Income Taxes:

The Association has applied for and received a continuing exemption from regular California corporate income taxes. Accordingly, the Association pays California tax only on its non-membership income at corporate rates excluding the minimum tax.

As of June 30, 2021, the tax years that remain subject to examination by California taxing authorities begin with the year ended June 30, 2017.

Mammoth Estates Condominiums, Inc.
Notes to Financial Statements
As of June 30, 2021 and June 30, 2020

Income Tax Expense:

Income tax expense and income taxes (prepaid) at year end were as follows:

<u>Year Ended June 30, 2021</u>	<u>Federal</u>	<u>Calif.</u>	<u>Total</u>
Income tax (estimated)	\$800	\$185	\$985
Payments & credits	(1,184)	(490)	(1,674)
Income tax (prepaid)	<u>(\$384)</u>	<u>(\$305)</u>	<u>(\$689)</u>
<u>Year Ended June 30, 2020</u>	<u>Federal</u>	<u>Calif.</u>	<u>Total</u>
Income tax (estimated)	\$14	(\$74)	(\$60)
Payments & credits	(1,198)	(416)	(1,614)
Income tax (prepaid)	<u>(\$1,184)</u>	<u>(\$490)</u>	<u>(\$1,674)</u>

NOTE 9: INVESTMENTS

The Association had the following investments, which are considered to be available for sale. These investments are listed on the balance sheet at their market or fair value for each reporting period. Unrealized gains and losses on changes in their market value are recorded as a separate component of the replacement fund and recorded in the equity section of the balance sheet. Investment income from these securities is reported in the income statement.

<u>As of June 30, 2021</u>			
<u>Type & Description</u>	<u>Amortized Cost</u>	<u>Gross Unrealized Gain (Loss)</u>	<u>Fair Market Value</u>
JP Morgan Bond Fund	\$99,031	\$927	\$99,958
<u>As of June 30, 2020</u>			
<u>Type & Description</u>	<u>Amortized Cost</u>	<u>Gross Unrealized Gain (Loss)</u>	<u>Fair Market Value</u>
JP Morgan Bond Fund	\$97,699	\$841	\$98,540

NOTE 10: TRANSFER BETWEEN FUNDS

During the year ended June 30, 2021, the Board voted to permanently transfer \$22,283 savings from snow removal from the operating fund to the contingency fund, and \$60,000 from the operating fund to the replacement fund.

NOTE 11: CONCENTRATION OF CREDIT RISK

The Association maintains its cash balances at three financial institutions. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per Company per financial institution. There were no FDIC uninsured balances for the years ended June 30, 2021 and 2020.

NOTE 12: DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through November 8, 2021, the date that the financial statements were available to be issued.

See Independent Accountant's Review Report.

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of Mammoth Estates Condominiums, Inc.

I have reviewed the accompanying financial statements of Mammoth Estates Condominiums, Inc., which comprise the balance sheets as of June 30, 2021 and June 30, 2020, and the related statements of revenues and expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Association management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management's (the Board's) Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

Accountant's Conclusion on the Financial Statements

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the information about future major repairs and replacements of common property be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have compiled the supplementary information in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA; however, I have not audited or reviewed the required supplementary information and do not express an opinion, a conclusion, nor provide any form of assurance on it.



Crowley Lake, California

November 8, 2021

**Mammoth Estates
Condominiums, Inc.**

**Supplementary Information On Future
Major Repairs and Replacements**

As of June 30, 2021

The Board of Directors commissioned J.D. Brooks Reserve Studies to prepare a reserve study of the major components of the common areas which the Association is responsible to maintain. J.D. Brooks Reserve Studies specializes in condominium reserve studies. This study was completed in April 2021 for the period beginning July 1, 2021.

Excerpts from this study are reproduced on the following pages.

RESERVE STUDY SUMMARY

ASSOCIATION INFORMATION:

Name of Association: **MAMMOTH ESTATES CONDOMINIUMS**
 Location: **MAMMOTH LAKES, CA**
 Number of Units: **78**
 Approximate Age of Complex: **51**

This report recommends contributions for Budget Year:

Beginning: **JULY 1, 2021**
 Ending: **JUNE 30, 2022**

Reserve Study Report Date: **APRIL 13, 2021**
 Current Fiscal Year End: **JUNE 30, 2021**

CURRENT FUNDS SUMMARY:

Projected Reserve Balance at Current Fiscal Year End: **\$280,650**
 Ideal Reserve Balance at Current Fiscal Year End: **\$1,032,517**

PERCENT FUNDED: **27%**

CURRENT RESERVE CONTRIBUTIONS:

	Annual	Monthly	Monthly Avg Per Unit
2021 Budgeted Reserve Contribution:	\$118,717	\$9,893	\$126.83

RECOMMENDATIONS FOR BUDGET YEAR 2022

RESERVE CONTRIBUTION MODELS:

2022 J.D. Brooks Recommendation in Box

	Annual	Monthly	Monthly Avg Per Unit
2021 Reserve Contribution + 3%:	\$122,279	\$10,190	\$130.64
2022 Straight-Line Contribution:	\$98,871	\$8,239	\$105.63
2022 Deficit Reduction Contribution:	\$204,368	\$17,031	\$218.34
2022 Cash-Flow (Minimum) Contribution:	\$108,746	\$9,062	\$116.18

J.D. BROOKS
 RESERVE STUDIES

4/13/2021

MAMMOTH ESTATES CONDOMINIUMS

RESERVE COMPONENT
INVENTORY

CURRENT FISCAL YEAR END: JUNE 30, 2021

NUMBER OF UNITS: 78

CATEGORY	UNIT	UNIT	REPAIR /	USEFUL	RMNG.	STRAIGHT-LINE	IDEAL	PROJECTED	DEFICIT	DEFICIT	
RESERVE COMPONENT	QUANTITY	TYPE	REPLACE	LIFE	LIFE	ANNUAL	BALANCE	BALANCE	DEFICIT	REDUCTION	
			COST			CONTRIBUTION@F.Y.E.2021	@F.Y.E.2021	@F.Y.E.2021		ANNUAL	
										CONTRIBUTION	
ROOFING											
COMPOSITION SHINGLE	24,000	SqFT	7.70	184,800	30	11	6,160	123,200	-	(123,200)	17,360
COMPOSITION SHINGLE	14,300	SqFT	7.70	110,110	30	14	3,670	62,396	-	(62,396)	8,127
COMPOSITION SHINGLE	7,500	SqFT	7.70	57,750	30	16	1,925	28,875	-	(28,875)	3,730
COMPOSITION SHINGLE	3,300	SqFT	7.70	25,410	30	24	847	5,929	-	(5,929)	1,094
COMPOSITION SHINGLE	2,800	SqFT	7.70	21,560	30	25	719	4,312	-	(4,312)	891
COMPOSITION SHINGLE	9,500	SqFT	7.70	73,150	30	28	2,438	7,315	-	(7,315)	2,700
COMPOSITION SHINGLE	3,300	SqFT	7.70	25,410	30	29	847	1,694	-	(1,694)	905
COMPOSITION SHINGLE	1,700	SqFT	7.70	13,090	30	30	436	436	-	(436)	451
WOOD SHAKE	3,500	SqFT	7.70	26,950	30	1	898	26,950	26,950	-	898
WOOD SHAKE	3,500	SqFT	7.70	26,950	30	2	898	26,052	16,879	(9,172)	5,484
FLAT ROOFING (109-112)	800	SqFT	25.00	20,000	20	20	1,000	1,000	-	(1,000)	1,050
FLAT ROOFING (101-108)	800	SqFT	25.00	20,000	20	1	1,000	20,000	20,000	-	1,000
BYLIN MELT STRIP GUTTERS	1	ALLOW	20500	20,500	20	13	1,025	8,200	-	(8,200)	1,656
BYLIN MELT STRIP GUTTERS	2	ALLOW	20500	41,000	20	3	2,050	36,900	-	(36,900)	14,350
GUTTERS ANNUAL OPERATING MAINTENANCE EXPENSE											
PAINTING											
WOOD SIDING & TRIM -P1	55,000	SqFT	0.98	53,900	6	1	8,983	53,900	53,900	-	8,983
WOOD SIDING & TRIM -P2	55,000	SqFT	0.98	53,900	6	2	8,983	44,917	29,102	(15,814)	16,891
PAINT -SUN EXPOSURES	1	ALLOW	11000	11,000	3	3	3,667	3,667	-	(3,667)	4,889
PAINT -FRONT DOORS	1	ALLOW	5950	5,950	3	1	1,983	5,950	5,950	-	1,983
WOOD REPLACEMENT	1	ALLOW	11000	11,000	3	1	3,667	11,000	11,000	-	3,667
STAIRS/RAILING REPLACE	1	ALLOW	5540	5,540	3	1	1,847	5,540	5,540	-	1,847
INTERIORS & FENCE PAINTING ANNUAL OPERATING MAINTENANCE EXPENSE											
PAVING / FLOORING											
ASPHALT PATCHING 20%	56,000	SqFT	1.70	19,040	3	3	6,347	6,347	-	(6,347)	8,462
ASPHALT OVERLAYMENT	56,000	SqFT	1.70	95,200	30	9	3,173	69,813	-	(69,813)	10,930
OUTDOOR CARPETING ANNUAL OPERATING MAINTENANCE EXPENSE											
FENCING / DOORS											
METAL FENCING	1	ALLOW	9090	9,090	25	17	364	3,272	-	(3,272)	556
METAL FENCING	1	ALLOW	13870	13,870	25	22	555	2,219	-	(2,219)	656
FRONT DOORS UNITS	78	ALLOW	1920	149,760	30	16	4,992	74,880	-	(74,880)	9,672
FRONT MONUMENT SIGN	1	ALLOW	2720	2,720	30	4	91	2,448	-	(2,448)	703
RETAINING BLOCK WALLS	1	ALLOW	23000	23,000	20	12	1,150	10,350	-	(10,350)	2,013
POOL AREA											
POOL HEATER	1	UNIT	3940	3,940	12	8	328	1,642	-	(1,642)	534
POOL FILTER	1	UNIT	1400	1,400	12	1	117	1,400	1,400	-	117
POOL REPLASTER	1,400	SqFT	8.40	11,760	12	1	980	11,760	11,760	-	980
SPA HEATER	1	UNIT	3940	3,940	10	4	394	2,758	-	(2,758)	1,084
SPA FILTER	1	UNIT	1400	1,400	12	1	117	1,400	1,400	-	117
SPA RE-SURFACE	1	ALLOW	9430	9,430	10	8	943	2,829	-	(2,829)	1,297
POOL / SPA PUMPS	5	UNIT	920	4,600	8	1	575	4,600	4,600	-	575

See Independent Accountant's Review Report.

4/13/2021

MAMMOTH ESTATES CONDOMINIUMS

RESERVE COMPONENT INVENTORY		CURRENT FISCAL YEAR END: JUNE 30, 2021 NUMBER OF UNITS: 78										
CATEGORY	UNIT	UNIT	REPAIR /	USEFUL	RMNG.	STRAIGHT-LINE	IDEAL	PROJECTED	DEFICIT		DEFICIT	
RESERVE COMPONENT	QUANTITY	TYPE	COST	REPLACE	LIFE	ANNUAL	BALANCE	BALANCE	DEFICIT	CONTRIBUTION	CONTRIBUTION	
				COST	LIFE	CONTRIBUTION	@F.Y.E.2021	@F.Y.E.2021				
PATIO FURNITURE	22	UNIT	210	4,620	7	1	660	4,620	4,620	-	660	
POOL DECKING	3,200	SQFT	23.60	75,520	25	17	3,021	27,187	-	(27,187)	4,620	
CLUBHOUSE												
REMODEL BATHROOMS	2	ALLOW	129660	259,320	30	18	8,644	112,372	-	(112,372)	14,887	
TILE FLOORING	1	ALLOW	12800	12,800	30	18	427	5,547	-	(5,547)	735	
SAUNA HEATER	1	UNIT	2600	2,600	25	16	104	1,040	-	(1,040)	169	
CARPET	1	ALLOW	5840	5,840	8	1	730	5,840	5,840	-	730	
LOBBY GAS STOVE	1	UNIT	6150	6,150	20	19	308	615	-	(615)	340	
WATER HEATER	1	UNIT	4390	4,390	15	13	293	878	-	(878)	360	
MANAGERS UNIT												
CARPET / FLOORING	1	ALLOW	3960	3,960	10	3	396	3,168	-	(3,168)	1,452	
INTERIOR PAINTING	1	ALLOW	3400	3,400	10	4	340	2,380	-	(2,380)	935	
KITCHEN APPLIANCES	1	UNIT	3000	3,000	20	1	150	3,000	3,000	-	150	
CABINETS	1	ALLOW	4400	4,400	20	1	220	4,400	4,400	-	220	
LIGHTING												
UNIT PATIO LIGHTS	72	UNIT	125	9,000	18	11	500	4,000	-	(4,000)	864	
CLUBHOUSE & OTHER LIGHTING ANNUAL OPERATING MAINTENANCE EXPENSE												
TREE MANAGEMENT												
	1	ALLOW	5640	5,640	2	1	2,820	5,640	5,640	-	2,820	
SEWER REPAIRS												
	1	ALLOW	37300	37,300	10	7	3,730	14,920	-	(14,920)	5,861	
ELECTRICAL RETROFIT												
COPPER WIRING & PATCH	1	ALLOW	42000	42,000	50	1	840	42,000	42,000	-	840	
COPPER WIRING & PATCH	1	ALLOW	42000	42,000	50	2	840	41,160	26,668	(14,492)	8,086	
COPPER WIRING & PATCH	1	ALLOW	42000	42,000	50	3	840	40,320	-	(40,320)	14,280	
COPPER WIRING & PATCH	1	ALLOW	42000	42,000	50	4	840	39,480	-	(39,480)	10,710	
PLUMBING & ELECTRICAL ANNUAL OPERATING MAINTENANCE EXPENSE												
CONTINGENCY: 0%												
TOTALS:			1,763,060				98,871	1,032,517	280,650	(751,867)	204,368	

NET INTEREST ON RESERVE SAVINGS :	1%
INFLATION RATE :	2.5%
INCREASE TO ANNUAL RESERVE CONTRIBUTION:	3%