

Mammoth Estates Condominiums, Inc.

Financial Statements and Supplementary Information

Year Ended June 30, 2022

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Mammoth Estates Condominiums, Inc.
Balance Sheets

	June 30, 2022				June 30, 2021
	Operating Fund	Replacement Fund	Contingency Fund	Total	Total
Assets:					
Cash and Cash Equivalents (Note 10)	\$45,128	\$231,863	\$84,955	\$361,946	\$338,215
Investments (Note 9)		96,084		96,084	99,958
Current Owner Assessments Rec. (Note 5)	541			541	1,012
Allowance for Doubtful Accounts (Note 5)	(5)			(5)	(11)
Miscellaneous Receivable	388			388	
Vending Income Receivable	63			63	106
Prepaid Insurance	2,047			2,047	108
Prepaid Income Taxes (Note 8)					689
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	\$48,162	\$370,292	\$84,955	\$503,409	\$482,422
Liabilities:					
Accounts Payable	\$19,987	\$10,384	\$	\$30,370	\$21,569
Assessments Received in Advance	8,555			8,555	9,902
Contract Liabilities (Assessments Received in Advance - Replacement Fund) (Notes 2 & 7)		317,563		317,563	244,029
Total Liabilities	28,541	327,947		356,488	275,500
Owners Equity:					
Balance at Start of Year	29,536	102,431	74,955	206,922	126,498
Change in Unrealized Gain/(Loss) on Marketable Securities (Note 9)		(4,876)		(4,876)	86
Revenue Less Expenses During Year	(9,915)	(55,210)	10,000	(55,125)	80,338
Owners Equity At End of Year	19,621	42,345	84,955	146,921	206,922
Total Liabilities & Owners Equity	\$48,162	\$370,292	\$84,955	\$503,409	\$482,422

Mammoth Estates Condominiums, Inc.
Statements of Revenues and Expenses

For the Years Ended:					
	June 30, 2022			June 30, 2021	
	Operating Fund	Replacement Fund	Contingency Fund	Total	Total
Revenues:					
Owner Assessments (Notes 3 & 7)	\$379,721	\$48,744	\$10,000	\$438,465	\$549,359
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	1,586			1,586	701
Interest & Dividend Income	1,259			1,259	1,633
Vending Income	520			520	106
Total Revenues	469,786	48,744	10,000	528,531	638,499
Administrative Expenses:					
Accounting Services	10,661			10,661	9,196
Bad Debt Expense	(6)			(6)	(210)
Board & Meeting Expenses	752			752	
Insurance	60,051			60,051	51,787
Legal Services	2,037			2,037	5,374
Management Fee	114,434			114,434	112,966
Office Supplies & Postage	1,599			1,599	3,677
Income Taxes (Note 8)	(1,000)			(1,000)	985
Other Taxes	1,157			1,157	1,184
Outside Consulting Services	6,040			6,040	480
Telephone					74
Total Administrative Expenses	195,724			195,724	185,514
Maintenance & Supplies:					
Buildings	16,594			16,594	11,728
Common Area	2,128			2,128	2,232
Landscaping	6,959			6,959	8,263
Pool & Jacuzzi	9,730			9,730	11,163
Snow Removal	81,828			81,828	37,717
Trash Removal	28,492			28,492	24,770
Total Maintenance & Supplies	145,732			145,732	95,872
Utilities:					
Cable TV	52,543			52,543	50,798
Electricity	28,604			28,604	22,857
Propane	19,074			19,074	10,813
Water & Sewer	38,024			38,024	35,392
Total Utilities	138,245			138,245	119,860
Major Projects:					
Install Copper Wiring		25,915		25,915	34,147
Painting Replacement		15,300		15,300	32,450
Paving Replacement		1,970		1,970	18,810
Roof Replacement		60,770		60,770	35,170
Siding					36,339
Total Major Projects		103,955		103,955	156,916
Total Expenses	479,701	103,955		583,656	558,162
Excess Revenues Over Expenses	(\$9,915)	(\$55,210)	\$10,000	(\$55,125)	\$80,338
(Deficit)					

Mammoth Estates Condominiums, Inc.
Statements of Cash Flows

	For the Years Ended:				
	June 30, 2022				June 30, 2021
	Operating Fund	Replacement Fund	Contingency Fund	Total	Total
Cash Flows From Operations					
Owner Assessments Collected (Recognized in Current Year)	\$467,119	\$48,744	\$10,000	\$525,864	\$639,857
Interest & Dividends Received	1,255			1,255	1,633
Vending Income Received	563			563	81
Cash Paid for Operating Expenditures	(482,913)			(482,913)	(397,112)
Replacement Expenditures Paid For:					
- Install Copper Wiring		(15,531)		(15,531)	(56,071)
- Painting Replacement		(15,300)		(15,300)	(32,450)
- Paving Replacement		(1,970)		(1,970)	(18,810)
- Roof Replacement		(60,770)		(60,770)	(35,170)
- Siding					(36,339)
Net Cash Provided (Used) by Operations	(13,975)	(44,827)	10,000	(48,802)	65,618
Cash Flows From Financing Activities					
Replacement Reserve Funding		73,535		73,535	(37,359)
Net Cash Provided (Used) by Financing		73,535		73,535	(37,359)
Cash Flows From Investing Activities					
Investment in JP Morgan Mutual Fund		(1,002)		(1,002)	(1,330)
Net Cash (Used) by Investing		(1,002)		(1,002)	(1,330)
Cash and Cash Equivalents at Beginning of Year	59,103	204,158	74,955	338,215	311,288
Cash and Cash Equivalents at End of Year	\$45,128	\$231,863	\$84,955	\$361,946	\$338,215

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

	For the Years Ended:				
	June 30, 2022				June 30, 2021
	Operating Fund	Replacement Fund	Contingency Fund	Total	Total
Excess of Revenues Over Expenses (Deficit)	(\$9,915)	(\$55,210)	\$10,000	(\$55,125)	\$80,338
Adjustments to Reconcile Excess of Revenues Over Expenses to Net Cash Provided (Used) by Operations:					
(Increase) Decrease in Assessments Receivable	471			471	1,620
Increase (Decrease) in Allowance for Doubtful Accounts	(6)			(6)	(210)
(Increase) Decrease in Miscellaneous Receivable	(388)			(388)	
(Increase) Decrease in Vending Income Receivable	43			43	(26)
(Increase) Decrease in Prepaid Insurance	(1,939)			(1,939)	1,638
(Increase) Decrease in Prepaid Income Taxes	689			689	985
Increase (Decrease) in Accounts Payable	(1,583)	10,384		8,801	(20,193)
Increase (Decrease) in Assessments Received in Advance	(1,347)			(1,347)	1,466
Net Cash Provided (Used) by Operations	(13,975)	(44,827)	\$10,000	(48,802)	\$65,618

Mammoth Estates Condominiums, Inc.
Notes to Financial Statements
As of June 30, 2022 and June 30, 2021

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, Bylaws, and Declaration of Covenants, Conditions and Restrictions. The Bylaws were amended in 2021 and 2022, and the Declaration of Covenants, Conditions and Restrictions were amended and restated in 2021.

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

See Independent Accountant's Review Report.

Mammoth Estates Condominiums, Inc.
Notes to Financial Statements
As of June 30, 2022 and June 30, 2021

time on a daily pro-rata basis using the input method. The performance obligations related to the 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 increased by approximately 7.26% to 7.68% effective July 1, 2022.

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

Unit Type	Year Ended				
	06/30/22	06/30/21	06/30/20	06/30/19	06/30/18
Studio	\$328.15	\$328.15	\$328.15	\$325.42	\$306.09
Two Bedroom Units-1 level	\$491.57	\$491.57	\$491.57	\$471.05	\$445.49
Two Bedroom Units-2 level	\$546.05	\$546.05	\$546.05	\$519.59	\$491.96
Three Bedroom Units	\$763.95	\$763.95	\$763.95	\$713.77	\$677.84
Four Bedroom Units	\$818.43	\$818.43	\$818.43	\$762.32	\$724.31

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Mammoth Estates Condominiums, Inc.
Notes to Financial Statements
As of June 30, 2022 and June 30, 2021

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:

Unit Type	Total Per Unit	Per Month
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, 2022 and June 30, 2021

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:	
	06/30/22	06/30/21
Receivables 0 to 90 Days Past Due	\$82	\$992
Receivables Over 90 Days Past Due	459	20
Total Owners Receivables	<u>\$541</u>	<u>\$1,012</u>
Allowance for Doubtful Receivables at Start of Year	\$11	\$221
Additions to (Subtractions from) Allowance During Year	(6)	(210)
Receivables Written Off During Year	0	0
Allowance for Doubtful Receivables at End of Year	<u>\$5</u>	<u>\$11</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 Association Reserves to prepare a reserve study of the major components of the common areas which the Association is responsible to maintain. Association Reserves specializes in condominium reserve studies. This study was completed in August 2022 for the period beginning July 1, 2022.

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, 2022 and June 30, 2021

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 a decrease in assessments for the year ended June 30, 2022, by \$73,535, and a recording of a contract liability (assessments received in advance – replacement fund) at June 30, 2022, of \$317,563. 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, 2022. Following are the line items from the balance sheet as of June 30, 2022, 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	\$317,563	\$317,563
Total Liabilities	\$38,925	\$317,563	\$356,488
<u>Fund Balance:</u>			
Ending Fund Balance	\$464,484	(\$317,563)	\$146,921

Mammoth Estates Condominiums, Inc.
Notes to Financial Statements
As of June 30, 2022 and June 30, 2021

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, 2022, 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	(\$73,535)	\$438,465
Excess (Deficit) of Revenues Over Expenses	\$18,410	(\$73,535)	(\$55,125)
<u>Cash Flows:</u>			
Excess (Deficit) of Revenues Over Expenses	\$24,733	(\$73,535)	(\$48,802)
Increase (Decrease) in Contract Liabilities (Assessments Received in Advance – Replacement Reserve)	\$0	\$73,535	\$73,535

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, 2021 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, 2022. The tax provision for the year ended June 30, 2022 assumes that the method chosen will be consistent with the prior year.

As of June 30, 2022, the tax years that remain subject to examination by Federal taxing authorities begin with the year ended June 30, 2019.

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, 2022, the tax years that remain subject to examination by California taxing authorities begin with the year ended June 30, 2018.

Mammoth Estates Condominiums, Inc.
Notes to Financial Statements
As of June 30, 2022 and June 30, 2021

Income Tax Expense:

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

<u>Year Ended June 30, 2022</u>	<u>Federal</u>	<u>Calif.</u>	<u>Total</u>
Income tax (estimated)	(\$800)	(\$200)	(\$1,000)
Payments & credits	800	200	1,000
Income tax (prepaid)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<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>

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, 2022</u>			
<u>Type & Description</u>	<u>Amortized Cost</u>	<u>Gross Unrealized Gain (Loss)</u>	<u>Fair Market Value</u>
JP Morgan Bond Fund	\$100,034	(\$3,950)	\$96,084

<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

NOTE 10: CONCENTRATION OF CREDIT RISK

The Association maintains its cash balances at two financial institutions. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per Company per financial institution. For the year ended June 30, 2022, the Association's FDIC uninsured balance was \$111,945. There was no FDIC uninsured balance for the year ended June 30, 2021.

NOTE 11: DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through January 13, 2023, the date that the financial statements were available to be issued.

LYDIA E. JENSEN
CERTIFIED PUBLIC ACCOUNTANT
297 Juniper Drive
Crowley Lake, CA 93546
Telephone (760) 709-2204
lydia@lejensen-cpa.com

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, 2022 and June 30, 2021, 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

January 13, 2023

Mammoth Estates Condominiums, Inc.

Supplementary Information On Future Major Repairs and Replacements

As of June 30, 2022

The Board of Directors commissioned Association Reserves to prepare a reserve study of the major components of the common areas which the Association is responsible to maintain. Association Reserves specializes in condominium reserve studies. This study was completed in August 2022 for the period beginning July 1, 2022.

Excerpts from this study are reproduced on the following pages.



Mammoth Estates Condominiums

Mammoth Lakes, CA

Level of Service: Update "With-Site-Visit"

Report #: 11378-0

of Units: 78

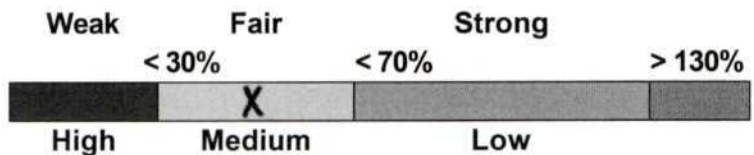
July 1, 2022 through June 30, 2023

Findings & Recommendations

as of July 1, 2022

Starting Reserve Balance	\$457,570
Currently Fully Funded Reserve Balance	\$909,522
Average Reserve Deficit Per Unit	\$5,794
Percent Funded	50.3 %
Recommended 2022/2023 Monthly "Full Funding" Contributions	\$10,190
Recommended 2022/2023 Special Assessments for Reserves	\$0
Budgeted 2021/2022 Monthly Reserve Contribution Rate	\$10,190

Reserve Fund Strength: 50.3%



Risk of Special Assessment:

Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves 1.00 %

Annual Inflation Rate 3.00 %

This is a With-Site Visit update based on a prior Reserve Study prepared for your 2020/2021 Fiscal Year. We performed the site inspection on 5/4/2022.

This Reserve Study was prepared by Sean Kargari, a credentialed Reserve Specialist (RS #115).

Your Reserve Fund is currently at 50.3 % Funded. Being between 30%-70% Funded represents a fair Reserve position. Associations in this range have a Medium risk of Reserve cash-flow problems (such as special assessments and/or deferred maintenance) in the near future.

Based on this starting point, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to maintain your current monthly Reserve contribution rate of \$130.64/unit (avg) this fiscal year.

Your multi-year Funding Plan is designed to provide for timely execution of Reserve projects and gradually bring your association closer to the "Fully Funded" (100%) level.

It was reported by your management that the association handles the asphalt repairs/seal coating and building exterior repairs/repainting on an annual basis as an Operating expense.

Executive Summary Table
**Report # 11378-0
With-Site-Visit**

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
General Common Area				
200	Asphalt - Reconstruction	30	8	\$252,000
301	Electrical Infrastructure	1	0	\$50,000
320	Pole Lights - Replace	20	12	\$7,500
503	Metal Fence/Rails/Gates - Replace	25	9	\$19,000
1107	Metal Fence/Rail/Gates - Repaint	3	0	\$3,400
1402	Front Monument Sign - Replace	50	23	\$25,000
1830	Subgrade Utility Lines - Replace	15	6	\$40,000
Buildings Exteriors				
324	Exterior Light Fixtures - Replace	20	12	\$18,900
324	Light Fixtures (balcony) - Replace	20	12	\$9,550
701	Front Doors Units - Replace	30	15	\$175,500
1130	Windows/Doors (Clubhouse) - Replace	30	17	\$40,000
1303	Asphalt Shingle Roof - Replace	30	10	\$264,000
1303	Asphalt Shingle Roof - Replace	30	13	\$176,000
1303	Asphalt Shingle Roof - Replace	30	15	\$82,500
1303	Asphalt Shingle Roof - Replace	30	23	\$36,500
1303	Asphalt Shingle Roof - Replace	30	24	\$31,000
1303	Asphalt Shingle Roof - Replace	30	27	\$104,500
1303	Asphalt Shingle Roof - Replace	30	28	\$36,500
1305	Asphalt Shingle Roof - Replace	30	29	\$38,500
1305	Wood Shake Roof - Replace	30	0	\$38,500
1310	Gutters/Downspouts - Partial Repl	2	0	\$5,000
1311	Skylights (Clubhouse) - Replace	20	10	\$4,500
1315	Flat Roof (new) - Replace	15	14	\$10,000
1315	Flat Roof (old) - Replace	15	0	\$10,000
Pool Area				
1202	Pool - Replaster	12	4	\$25,000
1203	Spa - Resurface	8	5	\$9,950
1207	Pool Filter - Replace	15	7	\$1,800
1207	Spa Filter - Replace	15	7	\$1,500
1208	Pool Heater - Replace	8	3	\$5,000
1208	Spa Heater - Replace	8	1	\$4,700
1210	Pool/Spa Pumps - Replace	10	0	\$5,000
1214	Pool/Spa Coping - Replace	25	16	\$12,950
Clubhouse Interiors				
601	Carpet - Replace	8	0	\$6,200
603	Tile Surfaces - Replace	30	17	\$17,750

See Independent Accountant's Review Report.

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
803	Water Heater - Replace	12	9	\$7,000
903	Furniture/Fixtures- Partial Replace	10	8	\$2,500
905	Sauna Heater - Replace	25	15	\$3,000
906	Sauna Room - Refurbish	25	15	\$10,000
909	Restrooms - Remodel	30	17	\$55,000
910	Laundry Room - Remodel	30	17	\$25,000
910	Manager's Unit/Front Desk - Refurb	10	9	\$10,000
917	Gas Stove - Replace	20	18	\$6,500
1110	Interior Surfaces - Repaint	10	5	\$6,400

43 Total Funded Components

Note 1: Yellow highlighted line items are expected to require attention in this initial year.