

**MAMMOTH LAKES HOUSING, INC.**

*A California Nonprofit Public Benefit Corporation*

**COMBINED FINANCIAL STATEMENTS**

**WITH**

**AUDITOR'S REPORT**

\* \* \*

**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

**THOMAS TOMASZEWSKI  
CERTIFIED PUBLIC ACCOUNTANT**

**MAMMOTH LAKES HOUSING, INC.**  
**A California Nonprofit Public Benefit Corporation**  
**COMBINED FINANCIAL STATEMENTS**

**JUNE 30, 2022 AND 2021**

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**INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Mammoth Lakes Housing, Inc.  
Mammoth Lakes, California

**Report on the Audit of the Financial Statements**

**Opinion**

I have audited the financial statements of Mammoth Lakes Housing, Inc. (a nonprofit organization) which comprise the statement of financial position as of June 30, 2022 and 2021, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Mammoth Lakes Housing, Inc., as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

I conducted my audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Sycamore Place II Senior Housing Corporation, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in aggregate, that raise substantial doubt about the organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually, or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, I:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the organization's ability to continue as a going concern for reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I identified during the audit.

#### **Other Matters**

My audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplementary information on pages 13-15 is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, I have also issued my report dated October 14, 2022 on my consideration of Mammoth Lakes Housing, Inc.'s internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Mammoth Lakes Housing, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mammoth Lakes Housing, Inc.'s internal control over financial reporting and compliance.

*Norman Tomaszewski Certified Public Accountant*

El Dorado Hills, California  
October 14, 2022

**MAMMOTH LAKES HOUSING, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2022 AND 2021**

<b>Assets</b>	<u>2022</u>	<u>2021</u>
<b>Current assets</b>		
Cash and cash equivalents (Note 2)	\$ 469,653	\$ 368,673
Security deposits	10,629	11,336
Accounts receivable	6,300	190,198
Prepaid expenses and deposits	<u>23,831</u>	<u>5,537</u>
Total current assets	<u>510,413</u>	<u>575,744</u>
<b>Fixed assets (Notes 2 and 4)</b>		
Land	689,077	658,077
Rehabilitation in progress	275,212	251,600
Buildings, improvements & equipment	<u>2,178,273</u>	<u>1,977,805</u>
Total fixed assets	3,142,562	2,887,482
Less: accumulated depreciation	<u>(481,882)</u>	<u>(431,564)</u>
Fixed assets (net of accumulated depreciation)	<u>2,660,680</u>	<u>2,455,918</u>
<b>Other assets</b>		
Notes receivable (Note 5)	39,380	41,104
Property held for resale	491,902	0
Operating reserve	60,000	0
Replacement reserve	<u>255,305</u>	<u>200,771</u>
Total other assets	<u>846,587</u>	<u>241,875</u>
<b>Total Assets</b>	<b>\$ <u>4,017,680</u></b>	<b>\$ <u>3,273,537</u></b>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 0	\$ 750
Accrued compensated absences	6,409	6,409
Unearned revenue	0	39,822
Security deposits payable	10,038	11,389
Current portion - long term debt (Note 6)	<u>44,564</u>	<u>42,728</u>
Total current liabilities	<u>61,011</u>	<u>101,098</u>
<b>Long-term liabilities</b>		
Mortgage payables - long-term portion (Note 6)	491,224	536,424
Note payable (Note 7)	<u>1,342,600</u>	<u>853,600</u>
Total long-term liabilities	<u>1,833,824</u>	<u>1,390,024</u>
<b>Total Liabilities</b>	<u>1,894,835</u>	<u>1,491,122</u>
<b>Net Assets</b>		
Without donor restrictions	2,027,965	1,688,751
With donor restrictions	94,880	93,664
<b>Total net assets</b>	<u>2,122,845</u>	<u>1,782,415</u>
<b>Total Liabilities and Net Assets</b>	<b>\$ <u>4,017,680</u></b>	<b>\$ <u>3,273,537</u></b>

See notes to financial statements

**MAMMOTH LAKES HOUSING, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

<u>Income</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2022 Total</u>	<u>2021 Total</u>
Grant/Contract revenue	\$ 542,254	\$ 0	\$ 542,254	\$ 449,692
Rent Assistance Grants	99,690	0	99,690	647,670
Rental revenue	60,960	0	60,960	55,960
Commercial rent	83,353	0	83,353	57,947
Interest income	0	1,216	1,216	1,790
Contributions	230,197	0	230,197	69,118
Property Sales (Net)	(103,940)	0	(103,940)	644
Miscellaneous Fees	47,223	0	47,223	3,126
<b>Total Income</b>	<u>959,737</u>	<u>1,216</u>	<u>960,953</u>	<u>1,285,947</u>
 <b><u>Expenses</u></b>				
Management fee	0	0	0	0
Administrative	90,565	0	90,565	91,597
Salaries and benefits	273,275	0	273,275	276,945
Maintenance	19,172	0	19,172	19,547
Utilities	17,845	0	17,845	7,404
HOA Fees, Real estate taxes & insurance	51,932	0	51,932	42,984
<b>Total expenses</b>	<u>452,789</u>	<u>0</u>	<u>452,789</u>	<u>438,477</u>
<b>Excess of income over expenses</b>	<u>506,948</u>	<u>1,216</u>	<u>508,164</u>	<u>847,470</u>
 <b><u>Other expenses:</u></b>				
Direct Services-Rent Subsidies	94,955	0	94,955	668,939
Mortgage Interest	22,461	0	22,461	24,603
Depreciation	50,318	0	50,318	50,513
<b>Total other expenses</b>	<u>167,734</u>	<u>0</u>	<u>167,734</u>	<u>744,055</u>
<b>Change in net assets</b>	<u>339,214</u>	<u>1,216</u>	<u>340,430</u>	<u>103,415</u>
<b>Net assets, beginning of the year</b>	<u>1,688,751</u>	<u>93,664</u>	<u>1,782,415</u>	<u>1,679,000</u>
<b>Net assets, end of the year</b>	<u>\$ 2,027,965</u>	<u>\$ 94,880</u>	<u>\$ 2,122,845</u>	<u>\$ 1,782,415</u>

See notes to financial statements

**MAMMOTH LAKES HOUSING, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

<u>Cash Flows from Operating Activities</u>	<u>2022</u>	<u>2021</u>
Increase in net assets	\$ 340,430	\$ 103,415
Depreciation & Amortization	50,318	50,513
(Increase) decrease in operating assets:		
Accounts receivable	183,898	(8,758)
Prepaid expenses	(18,294)	(1,408)
Notes receivable	1,724	24,546
Increase (decrease) in operating liabilities:		
Accounts payable & accrued expenses	(750)	(301,446)
Unearned revenue	(39,822)	(44,793)
Security deposits payable	(1,351)	364
 Net Cash Provided/(Used) by Operating Activities	 <u>516,153</u>	 <u>(177,567)</u>
 <u>Cash Flows from Investing Activities</u>		
Purchase fixed assets	(255,080)	(128,546)
Sale/(Purchase) property held for resale	(491,902)	648,911
 Net Cash Used/(Provided) in Investing Activities	 <u>(746,982)</u>	 <u>520,365</u>
 <u>Cash Flows from Financing Activities</u>		
(Payments)/Proceeds from notes payable	489,000	(300,000)
Payments on mortgage payable	(43,364)	(41,483)
 Net Cash Provided/(Used) in Financing Activities	 445,636	 (341,483)
 Net Increase/(Decrease) in Cash	 214,807	 1,315
 Cash at the beginning of the period	 <u>580,780</u>	 <u>579,465</u>
 <b>Cash, Cash Equivalents and Restricted Cash</b>	 <b>\$ <u>795,587</u></b>	 <b>\$ <u>580,780</u></b>
 Cash and cash equivalents	 \$ 469,653	 \$ 368,673
Restricted cash	\$ 325,934	\$ 212,107
Total cash, cash equivalents and restricted cash	<u>\$ 795,587</u>	<u>\$ 580,780</u>
 Supplemental Information: Cash Interest paid	 \$ 22,461	 \$ 24,603

See notes to financial statements

**MAMMOTH LAKES HOUSING, INC.**  
**A California Nonprofit Public Benefit Corporation**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 1: Organization and Nature of Activities**

Mammoth Lakes Housing, Inc. (the “Corporation”) was incorporated on July 15, 2002 to develop, own and operate low income rental housing within the counties of Alpine, Mono and Inyo. The corporation currently owns and operates two rental housing properties (5-units) and one commercial property (11-units) located in Mammoth Lakes, CA. Mammoth Lakes Housing, Inc. is the sole member in Sierra Housing Advocates, LLC, Innsbruck LLC and Valley Apartments LLC (all limited liability companies). In addition, Mammoth Lake Housing, Inc. serves as the .01% Administrative General Partner in Mammoth Lakes Family Associates, a California Limited Partnership, which owns and operates a 48-unit affordable housing complex located in Mammoth Lakes, CA, and as the .01% Administrative General Partner in Mammoth Lakes Family Associates II, a California Limited Partnership, which owns and operates a 30-unit affordable housing complex located in Mammoth Lakes, CA.

**Note 2: Summary of Significant Accounting Policies**

Method of Accounting

Mammoth Lakes Housing, Inc’s combined financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. Rental income is shown at its maximum gross potential. Vacancy loss is shown as a reduction in rental income.

The Organization adopted the provisions of Accounting Standards Update 2016-14, Presentation of Financial Statements of Not-for-Profit Entities (*Topic 958*) (ASU 2016-14). Under the new accounting policy, two net asset classes (without donor restrictions and with donor restrictions) replace former classes of net assets (unrestricted, temporarily restricted, and permanently restricted). \$94,880 represents the CalHome Program loan funding received in prior years, which has donor imposed restrictions on use. The funds are to be revolved as loans to eligible homeowners.

Risk Reserve

As of June 30, 2022 and 2021 the organization has internally designated net assets in the amount of \$160,000 as a risk reserve.

Cash and Cash Equivalents

Cash is defined as cash in demand deposit accounts as well as cash on hand. Not included in cash are funds restricted as to their use, regardless of liquidity, such as tenant security deposits, replacement reserve and operating reserve. Mammoth Lakes Housing, Inc. maintains its cash in bank accounts which, at times, may exceed federally insured limits. Mammoth Lakes Housing, Inc. has not experienced any losses in such accounts.



### Capitalization and Depreciation

Land, buildings, improvements and equipment are stated at cost of acquisition or construction. Maintenance and repairs are charged to expense as incurred. The straight-line method of depreciation is applied to fixed assets using estimates of useful life, ranging from five to thirty-nine years. The estimated service lives of the assets for depreciation purposes may be different than actual economic useful lives.

### Accounts Receivable

Management has elected to record bad debts using the direct write-off method. The effect of using this method is not materially different than the allowance method under U.S. Generally Accepted Accounting Principles.

### Functional Expenses

Functional expenses are allocated to a category of program services and to supporting services based on direct expenditures incurred. Expenses are presented on a functional basis in the statement of activities.

### Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of the statement of financial position date:

Financial Assets available to meet cash needs for general expenditures within one year:

Cash:	\$469,653
Accounts Receivable	<u>6,300</u>
Total	<u>\$ 475,953</u>

### Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### Income Taxes

No income tax provision has been included in the financial statements as Mammoth Lakes Housing, Inc. has been qualified as tax-exempt under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation code. As a 501(c)(3) tax-exempt organization, the Corporation qualifies for the charitable contribution deduction. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. Sierra Housing Advocates LLC, Innsbruck LLC and Valley Oaks LLC are subject to an \$800 annual tax fee, which is payable to the Franchise Tax Board.

### Note 3: Restricted Reserves

Restricted reserves are held in separate bank accounts for the replacement reserves for Mammoth Lakes Housing Inc.'s owned affordable housing projects. Replacement reserve balances at June 30, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Old Mammoth Lakes Tri-plex	\$ 74,177	\$ 66,615
238 Sierra Manor Road	<u>181,128</u>	<u>134,156</u>
Total	<u>\$255,305</u>	<u>\$200,771</u>

### Note 4: Property and Equipment

Property and equipment consists of the following:

	<u>2022</u>	<u>2021</u>
Land	\$689,077	\$ 658,077
Rehabilitation in Progress	275,212	251,600
Buildings, Improvements & Equipment	<u>2,178,273</u>	<u>1,977,805</u>
	3,142,562	2,887,482
Less: accumulated depreciation	<u>(481,882)</u>	<u>(431,564)</u>
	<u>\$2,660,680</u>	<u>\$ 2,455,918</u>

#### Impairment

The organization reviews its investment in rental property for impairment whenever events or changes in circumstances indicate that carrying value of such property may not be recoverable. For assets held and used, if management's estimate of aggregate future cash flows to be generated by the property, undiscounted and without interest charges estimated proceeds from the eventual disposition of the real estate are less than their carrying amounts, an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. The determination of undiscounted cash flows requires significant estimates by management. Subsequent changes in estimated undiscounted cash flows could impact the determination of whether impairment exists. No impairment loss has been recognized during the years ended June 30, 2022 and 2021.

### Note 5: Notes Receivable

Promissory notes (2) due from eligible CalHome Program families were granted CalHome Loans totaling \$39,380, with simple interest at the rate of 3% per year on the unpaid principal balance, from the date of the note, until paid.

## Note 6: Mortgages Payable

The mortgage notes are collateralized by deeds of trust on each property. The mortgages payable consists of the following:

### Office Unit

First mortgage payable to Oak Valley Community Bank in the original amount of \$178,500 on October 5, 2005, 5.11% interest (adjusted October 10, 2015), final payment due October 10, 2030. Monthly payments of principal and interest are \$1,102.02.

Principal	\$ 88,552
less current portion	<u>( 8,659)</u>
	<u>\$ 79,893</u>

The annual principal payments on the Oak Valley Community Bank mortgage payable are as follows:

### Year ending June 30,

2023	\$ 8,659
2024	9,112
2025	9,589
2026	10,091
2027	10,619
Thereafter	<u>40,482</u>
	<u>\$ 88,552</u>

### 238 Manors Road

First mortgage payable to Alper Enterprises, L.P in the original amount of \$600,000 on November 6, 2017, 4.00% interest, final payment due October 6, 2027. Monthly payments of principal and interest are \$4,438.13.

Principal	\$ 447,236
less current portion	<u>(35,905)</u>
	<u>\$ 411,331</u>

The annual principal payments on the Alper Enterprises, L.P. mortgage payable are as follows:

### Year ending June 30,

2023	\$ 35,905
2024	37,367
2025	38,890
2026	40,474
2027	42,124
Thereafter	<u>252,476</u>
	<u>\$ 447,236</u>

## **Note 7: Notes Payable**

### Old Mammoth Road

Note payable to the Town of Mammoth Lakes CDBG, in the amount of \$853,600, on May 25, 2011. Interest at 0%. Final maturity is May 25, 2066. Mammoth Lakes Housing, Inc. has entered into a regulatory agreement with the Town of Mammoth Lakes which is recorded and requires maintenance of specific numbers of units for very low and low income persons. Payment of principal is deferred until May 25, 2066.

### Sierra Housing Advocates LLC- La Vista Blanc Unit 65

Note payable to the Town of Mammoth Lakes, in the authorized amount of \$497,760 (\$489,000 drawn to date), on January 28, 2022. Interest at 0%. Final maturity is January 22, 2023 and with two six month extensions from that date if needed. The note is secured by the property.

## **Note 8: Concentration of Risk**

Mammoth Lakes Housing, Inc. is subject to various risks and uncertainties in the ordinary course of business that could have adverse impacts on its operating results and financial condition. Future operations could be affected by changes in the economy or other conditions in the geographical area where its properties are located, or by changes in federal, state and local housing (Town of Mammoth Lakes) subsidies or the demand for such housing.

### **Subsequent Events**

Subsequent events have been evaluated through October 14, 2022, which is the date the financial statements were available to be issued and there are no subsequent events requiring disclosure.

### **Contingency**

In early 2020, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. As a result, events have occurred including mandates from federal, state, and local authorities leading to an overall decline in economic activity. The Corporation is not able to estimate the length or severity of this outbreak and the related financial impact. Management will continue to assess and monitor the situation as it evolves. If the length of the outbreak continues for an extended period of time the Corporation may have to seek alternative measures to finance its operations including use of reserves. The extent of the impact of COVID-19 on the Corporation's operational and financial performance is uncertain and cannot be determined at this time.

## **Note 9: Retirement Plan**

The Organization contributes 6% of modified annual compensation into a 403b Plan. All salaried employees employed by the Organization qualify for the benefit. Retirement expense for the year ended June 30, 2022 was \$8,889.

**Note 10: Compensated Absences**

Full-time employees receive annual leave based upon length of employment. Unused annual leave is paid to employees upon termination of employment and is accrued in the financial statements. Accrued compensation absences as of June 30, 2022 is \$6,409.

**Note 11: Statements of Cash Flows**

The following table provides a reconciliation of cash and restricted cash reported within the statements of financial position that sum to the total of the same amounts in the statements of cash flows:

	<u>2022</u>	<u>2021</u>
Cash	\$ 469,653	\$ 368,673
Security Deposits	10,629	11,336
Operating Reserve	60,000	0
Replacement Reserve	<u>255,305</u>	<u>200,771</u>
Total	<u>\$ 795,587</u>	<u>\$ 580,780</u>

**Note 12: Unearned Revenue**

Mammoth Lakes Housing, Inc. has a letter agreement to administer the Town of Mammoth Lakes rental assistance program. As of June 30, 2021 \$39,822 was available for the rental assistance program. As of June 30, 2022 the balance was \$0

**Independent Auditor's Report  
On Supplementary Information**

To the Board of Directors of  
Mammoth Lakes Housing, Inc.  
Mammoth Lakes, California

I have audited the financial statements of Mammoth Lakes Housing, Inc. for the fiscal year ended June 30, 2022, and have issued my opinion thereon date October 14, 2022, which is presented in the preceding section. My audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Thomas Tomaszewski Certified Public Accountant*

El Dorado Hills, California  
October 14, 2022

**MAMMOTH LAKES HOUSING, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2022 AND 2021**

<b>Assets</b>	General Operations	Sierra Housing Advocates, LLC	Innsbruck LLC	Valley Apartments, LLC	Eliminations	<b>2022 Total</b>	<b>2021 Total</b>
<b>Current assets</b>							
Cash and cash equivalents	\$ 429,228	\$ 40,425	\$ 0	\$ 0	\$ 0	469,653	\$ 368,673
Security deposits	10,629	0	0	0	0	10,629	11,336
Accounts receivable	6,300	0	0	0	0	6,300	190,198
Deposits & prepaids	13,806	0	0	10,025	0	23,831	5,537
<b>Total current assets</b>	<b>459,963</b>	<b>40,425</b>	<b>0</b>	<b>10,025</b>	<b>0</b>	<b>510,413</b>	<b>575,744</b>
<b>Fixed Assets</b>							
Land	658,077	31,000	0	0	0	689,077	658,077
Rehabilitation in progress	275,212	0	0	0	0	275,212	251,600
Buildings, improvements & equipment	1,977,787	125,961	74,525	0	0	2,178,273	1,977,805
<b>Total fixed assets</b>	<b>2,911,076</b>	<b>156,961</b>	<b>74,525</b>	<b>0</b>	<b>0</b>	<b>3,142,562</b>	<b>2,887,482</b>
Less: accumulated depreciation	(481,882)	0	0	0	0	(481,882)	(431,564)
<b>Total</b>	<b>2,429,194</b>	<b>156,961</b>	<b>74,525</b>	<b>0</b>	<b>0</b>	<b>2,660,680</b>	<b>2,455,918</b>
<b>Other Assets</b>							
Notes receivable	39,380	0	0	0	0	39,380	41,104
Investment in LLC's	119,659	0	0	0	(119,659)	0	0
Property held for resale	0	491,902	0	0	0	491,902	0
Operating reserve	60,000	0	0	0	0	60,000	0
Replacement reserve	255,305	0	0	0	0	255,305	200,771
<b>Total Other Assets</b>	<b>474,344</b>	<b>491,902</b>	<b>0</b>	<b>0</b>	<b>(119,659)</b>	<b>846,587</b>	<b>241,875</b>
<b>Total Assets</b>	<b>\$ 3,363,501</b>	<b>\$ 689,288</b>	<b>\$ 74,525</b>	<b>\$ 10,025</b>	<b>\$ (119,659)</b>	<b>4,017,680</b>	<b>\$ 3,273,537</b>
<b>Liabilities and Net Assets</b>							
<b>Current Liabilities</b>							
Current portion - long term debt	\$ 44,564	\$ 0	\$ 0	\$ 0	\$ 0	44,564	\$ 42,728
Accounts payable & accrued liabilities	0	0	0	0	0	0	750
Due to/(from)	0	0	0	0	0	0	0
Unearned revenue	0	0	0	0	0	0	39,822
Accrued compensated absences	6,409	0	0	0	0	6,409	6,409
Security deposits payable	9,638	400	0	0	0	10,038	11,389
<b>Total Current Liabilities</b>	<b>60,611</b>	<b>400</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>61,011</b>	<b>101,098</b>
<b>Long-Term Liabilities</b>							
Mortgage payable - long-term portion	491,224	0	0	0	0	491,224	536,424
Notes payable	853,600	489,000	0	0	0	1,342,600	853,600
<b>Total Long-Term Liabilities</b>	<b>1,344,824</b>	<b>489,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,833,824</b>	<b>1,390,024</b>
<b>Total Liabilities</b>	<b>1,405,435</b>	<b>489,400</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,894,835</b>	<b>1,491,122</b>
<b>Net Assets</b>							
Without Donor Restrictions	1,863,186	199,888	74,525	10,025	(119,659)	2,027,965	1,688,751
With Donor Restrictions	94,880	0	0	0	0	94,880	93,664
<b>Total net assets</b>	<b>1,958,066</b>	<b>199,888</b>	<b>74,525</b>	<b>10,025</b>	<b>(119,659)</b>	<b>2,122,845</b>	<b>1,782,415</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 3,363,501</b>	<b>\$ 689,288</b>	<b>\$ 74,525</b>	<b>\$ 10,025</b>	<b>\$ (119,659)</b>	<b>4,017,680</b>	<b>\$ 3,273,537</b>

**MAMMOTH LAKES HOUSING, INC.**  
**SCHEDULES OF INCOME AND EXPENSE**  
**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

<b>Revenue</b>	<b>General Operations</b>	<b>OMR &amp; Meridian</b>	<b>238 Sierra Manor Rd.</b>	<b>Sierra Housing Advocates, LLC</b>	<b>Eliminations</b>	<b>Total 2022</b>	<b>Total 2021</b>
Management Fees	\$ 27,590	\$ 0	\$ 0	\$ 0	(27,590)	\$ 0	0
Grant/Contract Revenue	467,624	0	0	74,630	0	542,254	449,692
Rent Assistance Grants	99,690	0	0	0	0	99,690	647,670
Rental income	0	60,260	0	700	0	60,960	55,960
Commercial Rent	0	0	83,353	0	0	83,353	57,947
Contributions	75,197	0	0	155,000	0	230,197	69,118
Miscellaneous fees	43,187	0	4,036	0	0	47,223	3,126
Property Sales (Net)	0	0	0	(103,940)	0	(103,940)	644
Interest income	1,216	0	0	0	0	1,216	1,790
<b>Total Income</b>	<b>714,504</b>	<b>60,260</b>	<b>87,389</b>	<b>126,390</b>	<b>(27,590)</b>	<b>960,953</b>	<b>1,285,947</b>
<b>Project expenses</b>							
Management fees & asset fee	0	12,254	15,336	0	(27,590)	0	0
<b>Administration</b>							
Office supplies/books	1,825	0	0	0	0	1,825	2,006
Meeting expense	759	0	0	0	0	759	256
Printing, copying & postage	1,134	0	0	0	0	1,134	1,798
Dues & subscriptions	5,126	0	0	0	0	5,126	3,703
Contract labor	0	0	0	0	0	0	0
Board of directors expense	4,000	0	0	0	0	4,000	3,000
Equipment	3,512	0	0	0	0	3,512	2,902
Telephone & Internet	4,718	0	0	0	0	4,718	5,545
Miscellaneous	19,340	0	350	2,036	0	21,726	31,987
Travel	3,149	0	0	0	0	3,149	1,805
Consulting	9,528	0	0	0	0	9,528	619
Bookkeeping	13,463	0	0	0	0	13,463	15,372
Legal	15,958	0	0	0	0	15,958	15,757
Advertising	2,629	0	0	0	0	2,629	2,248
Computer expenses	3,038	0	0	0	0	3,038	4,599
<b>Total Administration</b>	<b>88,179</b>	<b>0</b>	<b>350</b>	<b>2,036</b>	<b>0</b>	<b>90,565</b>	<b>91,597</b>
<b>Salaries and benefits</b>							
Salaries & wages	209,308	0	0	0	0	209,308	205,059
Payroll taxes	16,778	0	0	0	0	16,778	16,385
Fringe benefits	47,189	0	0	0	0	47,189	55,501
<b>Total Salaries and Benefits</b>	<b>\$ 273,275</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>273,275</b>	<b>276,945</b>



**MAMMOTH LAKES HOUSING, INC.**  
**SCHEDULES OF INCOME AND EXPENSE**  
**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	General Operations	OMR & Meridian	238 Sierra Manor Rd.	Sierra Housing Advocates, LLC	Eliminations	Total 2022	Total 2021
<b>Maintenance</b>							
Trash removal	\$ 252	\$ 1,068	\$ 4,217	\$ 0	\$ 0	\$ 5,537	\$ 8,746
Exterminating, Janitorial, Cleaning	0	0	0	0	0	0	0
Grounds contract	0	0	0	0	0	0	0
Snow removal	0	1,078	6,335	0	0	7,413	6,855
Security	0	0	0	0	0	0	0
Repairs contract	806	5,226	190	0	0	6,222	3,946
Painting & decorating	0	0	0	0	0	0	0
<b>Total Maintenance</b>	<b>1,058</b>	<b>7,372</b>	<b>10,742</b>	<b>0</b>	<b>0</b>	<b>19,172</b>	<b>19,547</b>
<b>Utilities</b>							
Electricity & Gas	955	0	9,289	0	0	10,244	4,545
Water & Sewer	0	1,923	716	0	0	2,639	2,859
Other	20	0	4,942	0	0	4,962	0
<b>Total Utilities</b>	<b>975</b>	<b>1,923</b>	<b>14,947</b>	<b>0</b>	<b>0</b>	<b>17,845</b>	<b>7,404</b>
<b>Insurance &amp; Property Taxes</b>							
Property & liability insurance	10,399	3,547	11,485	0	0	25,431	17,566
HOA Fees	5,522	3,598	0	0	0	9,120	8,625
Other Taxes, Licenses & Permits	755	0	0	800	0	1,555	925
Property taxes	386	358	15,082	0	0	15,826	15,868
<b>Total Insurance &amp; Property Taxes</b>	<b>17,062</b>	<b>7,503</b>	<b>26,567</b>	<b>800</b>	<b>0</b>	<b>51,932</b>	<b>42,984</b>
<b>Total project expenses</b>	<b>\$ 380,549</b>	<b>\$ 29,052</b>	<b>\$ 67,942</b>	<b>\$ 2,836</b>	<b>(27,590)</b>	<b>452,789</b>	<b>438,477</b>
<b>Other expenses:</b>							
Direct Services-Rent Subsidies	94,955	0	0	0	0	94,955	668,939
Mortgage	3,817	0	18,644	0	0	22,461	24,603
Depreciation	6,888	19,122	24,308	0	0	50,318	50,513
<b>Total Other expenses</b>	<b>105,660</b>	<b>19,122</b>	<b>42,952</b>	<b>0</b>	<b>0</b>	<b>167,734</b>	<b>744,055</b>
<b>Net Income/(Loss)</b>	<b>\$ 228,295</b>	<b>\$ 12,086</b>	<b>(23,505)</b>	<b>\$ 123,554</b>	<b>0</b>	<b>\$ 340,430</b>	<b>\$ 103,415</b>

**MAMMOTH LAKES HOUSING, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2022**

<u>Grantor</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Number</u>	<u>Authorized Expenditures</u>
<u>U.S. Department Housing &amp; Urban Development</u>			
<u>Passthrough</u> <u>Town of Mammoth Lakes</u>			
Community Development Block Grant	14.218	17-CDBG-12096	2,294
<u>Passthrough</u> California Department of Housing & Community Development			
<u>Passthrough</u> Town of Mammoth Lakes			
<b>Loans made in prior years for which continuing compliance is required</b>			
Community Development Block Grant ARRA Loan CDBG-R	14.253		<u>853,600</u>
<b>Total U.S. Department Housing &amp; Urban Development</b>			<u>855,894</u>
<b>TOTAL FEDERAL AWARDS</b>			<u><u>\$855,894</u></u>

Notes to Schedule of Federal Awards

1. The accompanying schedule of Federal Awards includes the Federal Award activity of Mammoth Lakes Housing, Inc. under programs of the Federal Government for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).
2. The accrual basis of accounting is used for expenditures.
3. \$853,600 CDBG-R loan on May 25, 2011, due to Town of Mammoth Lakes, 0% interest, due in 2066, continuing tenant income eligibility requirements.
4. The Corporation has elected not to use the 10% de minimus indirect cost rate allowed under the Uniform Guidance.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of  
Mammoth Lakes Housing, Inc.  
Mammoth Lakes, California

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Mammoth Lakes Housing, Inc. which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, and cash flows for the period then ended, and the related notes to the financial statements, and have issued my report thereon dated October 14, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, I do not express an opinion on the effectiveness of the organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the organizations's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not

express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Thomas Tomazymbi Certified Public Accountant*

El Dorado Hills, California  
October 14, 2022

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND  
INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of  
Mammoth Lakes Housing, Inc.  
Mammoth Lakes, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Program

I have audited Mammoth Lakes Housing Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2022: The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In my opinion, the organization complied in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). My responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

I am required to be independent of Mammoth Lakes Housing, Inc. and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance for each major federal program. My audit does not provide a legal determination of Mammoth Lakes Housing, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditor's Responsibility for the Audit of Compliance

My objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on my audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, I:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as I considered necessary in the circumstances.

Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that I have identified during the audit.

#### Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance; yet important enough to merit attention by those charged with governance.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

My audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Thomas Tomaszewski Certified Public Accountant*

El Dorado Hills, California  
October 14, 2022

**Mammoth Lakes Housing, Inc.**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2022**

**A. Summary of Audit Results**

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Mammoth Lakes Housing, Inc., which were prepared in accordance with GAAP.
2. No material weaknesses were identified during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Mammoth Lakes Housing, Inc. were disclosed during the audit.
4. No material weaknesses were identified during the audit of the major federal award programs.
5. The auditor's report on compliance for major federal award programs for Mammoth Lakes Housing, Inc. expresses an unmodified opinion.
6. Audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a) (the Uniform Guidance) are reported in this Schedule.
7. The programs tested as major programs were:  

CFDA # 14.253 \$853,600    CDBG-R
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. Mammoth Lakes Housing, Inc. was determined to be a low-risk auditee.

**B. Findings**

None