

**Hidden Valley Village Owners
Association, Inc.**

**Forecasted Statement of Revenues
and Expenses for the Year
Ending December 31, 2022**

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**Assessment and Reserve Funding
Disclosures and Insurance
Disclosure as of October 6, 2021**

Hidden Valley Village Owners Association, Inc.
Forecasted Statement of Revenues and Expenses
For the Year Ending December 31, 2022

	<u>Operating Fund</u>	<u>Contingency Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
Revenues:				
Common Area Assessments	\$348,239	\$	\$179,505	\$527,744
Late Charges	800			800
Interest Income	0		1,519	1,519
Vending Machine Income	850			850
Total Revenues	349,889	0	181,024	530,913
Administrative Expenses:				
Accounting Services	13,000			13,000
Insurance	28,000			28,000
Legal Services	3,000			3,000
Management Fee	140,415			140,415
Office Supplies & Postage	2,000			2,000
Taxes	50			50
Telephone	4,500			4,500
Total Administrative Expenses	190,965	0	0	190,965
Maintenance & Supplies:				
Truck Expense	5,000			5,000
Buildings	10,000			10,000
Landscaping	3,000			3,000
Pool, Jacuzzi & Sauna	3,500			3,500
Tools & Equipment	1,500			1,500
Total Maintenance & Supplies	23,000	0	0	23,000
Utilities:				
Cable TV/Internet (Manager's Unit)	1,800			1,800
Snow Removal	37,481			37,481
Electricity	22,201			22,201
Propane	16,000			16,000
Trash Removal	19,442			19,442
Water & Sewer	39,000			39,000
Total Utilities	135,924	0	0	135,924
Major Projects/Replacements:				
Roof Preventative Maintenance			2,500	2,500
Chimney Chase Repair			15,000	15,000
Painting Annual Touch Up			5,000	5,000
Asphalt Seal Coat			8,000	8,000
Spa Heater			5,100	5,100
Residence Front Doors Phased 10 Yrs			15,000	15,000
Electrical Panels Pool & Office			5,000	5,000
Manager Unit Renovate			12,500	12,500
Sewer Line Clean Out			9,000	9,000
Miscellaneous Unscheduled Expense			10,000	10,000
Total Major Projects/Replacements	0	0	87,100	87,100
Total Expenses	349,889	0	87,100	436,989
Excess Revenues Over Expenses	0	0	93,924	93,924
Forecasted Fund Balance at Start of Year	110,000	60,000	580,600	750,600
Forecasted Fund Balance at End of Year	110,000	60,000	674,524	844,524

Hidden Valley Village Owners Association, Inc.
Notes To Forecasted Statement of Revenues and Expenses

SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS

This financial forecast presents, to the best of the Board of Directors knowledge and belief, the Association's expected results of operations and changes in operating and replacement fund balances for the forecast period. Accordingly, the forecast reflects the Board's judgement as of October 6, 2021, the date of this forecast, of the expected conditions and its expected course of action. The assumptions disclosed herein are those that the Board believes are significant to the forecast. There will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

A. Income and Owner Assessments

Owner assessments for the year ending December 31, 2022 will remain at their current rates.

Owner assessments are the major source of Association income. In the event that actual expenses are significantly higher than those forecasted, it may be necessary to increase assessments or levy a special assessment during the forecast period.

Interest income is assumed to be earned at less than 1% of the average cash balances.

B. Expenses

Insurance and on-site management are two of the most significant expenses of the Association. The Board anticipates decreases in both line items.

Snow removal expense is difficult to forecast. Snow removal has been increased slightly for this forecast period by \$2,481. However, an unusually severe winter could necessitate a special assessment to pay for snow removal.

Replacements and or major repairs to the common area components are based on the Board's plans for these items during the forecast period.

Other expenses are based on prior year's actual costs adjusted for minimal anticipated changes.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This financial forecast has been prepared on the basis of the generally accepted accounting principles expected to be used in the financial statements covering the forecast period as described below.

A. Accounting Method

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.

Disbursements from the operating fund are generally at the discretion of the Board of Directors and the property manager. Disbursements from the replacement fund and the contingency fund are designated by the Board of Directors only.

Hidden Valley Village Owners Association, Inc.
Notes To Forecasted Statement of Revenues and Expenses

B. Operating Fund

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

C. Replacement Fund

Effective with this forecast, the Board's policy is to allocate all interest earned to the replacement fund.

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. The association also maintains an inventory of major property.

**Hidden Valley Village Owners Association, Inc.
Assessment and Reserve Funding Disclosures
As of October 6, 2021**

A. Current Assessments

As mentioned on Page 2, the monthly common area assessments will remain at their current levels listed below:

Unit Type	Monthly Amount
Studio	\$485.00
Studio & Loft	\$523.00
One Bedroom	\$523.00
Two Bedroom	\$551.00
One Bedroom & Loft	\$567.00

There are no other additional, special or emergency assessments that have already been scheduled to be imposed and/or that have been approved by the Board and/or members at this time.

B. Reserve Study

The Board of Directors commissioned a study of the major components of the common areas in September 2021. The study was performed by Stone Mountain Corporation, a firm that specializes in reserve studies. The list of major components, estimated replacement cost of each component and total and remaining useful life of each component data which appear on page 6 is an excerpt from that study. A copy of the full study is available to any owner upon request.

C. Projected Reserve Account Balances and Funding Policies

Based upon the most recent reserve study, projected reserve account balances will be sufficient at the end of each year to meet the association's obligation to repair and/or replace the major components of the common areas without additional assessments. The Board will continue to review the recommended funding, the need to raise common area fees and possible transfers of surplus funds from the operating fund each year to avoid special assessments.

This forecast assumes a permanent transfer of \$50,000 from the operating and contingency funds into the replacement fund at the end of 2021.

D. Replacement Fund Components

The major components of the common areas which have been identified for funding through the replacement fund are listed on page 6. The replacement costs of the major components are increased approximately 3% annually to reflect increases in construction and materials costs.

There are no components which have been identified, that are not included in the funding data listed above. There may be components of the common areas which were not included in the reserve study because no replacement or major repair of the item is contemplated in the next thirty years.

At this time, the Board does not plan to defer the repair or replacement of any major components that are in need of replacement.

**Hidden Valley Village Owners Association, Inc.
Assessment and Reserve Funding Disclosures
As of October 6, 2021**

E. Current Funding Levels

As of December 31, 2021 the projected replacement fund balance is \$580,600. (This assumes the board will make a permanent transfer of \$50,000 from the operating and contingency funds into the replacement fund before the end of the year.) As of the same date, the balance required in these funds to be 100% funded would be \$2,240,761. Therefore, the replacement fund is 25.9% funded ($\$580,600/\$2,240,761$). The unfunded liability per unit is approximately \$19,764.

The estimated percent funded for the next five years is listed below and assumes an increase in annual funding of 3% per year.

Fiscal Year Ending:	2022	2023	2024	2025	2026
Estimated Amount to be 100% Funded	\$2,495,422	\$2,766,688	\$2,848,409	\$3,087,582	\$3,294,373
Projected Replacement Fund Cash	\$674,524	\$776,576	\$685,608	\$742,435	\$758,084
Projected Percent Funded Estimate	27%	28%	24%	24%	23%

This information should not be construed to require the Board to fund reserves to any specific level.

F. Outstanding Loans

As of the above date, the association does not have any outstanding third party loans.

Notes:

- A. "Estimated remaining useful life" means the time reasonably calculated to remain before a major component will require replacement.
- B. The data included herein contains projected costs thirty years into the future. There will be differences between these projected costs and actual costs because circumstances do not always occur as expected.
- C. For the purposes of this report, the amount of reserves needed to be accumulated for a component at a given time is computed as the future cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component.

Hidden Valley Village Owners Association

STRAIGHT-LINE DEPRECIATION & PERCENT FUNDED ANALYSIS
Inflation-Adjusted Method

RESERVE COMPONENTS	Estimated Useful Life (years)	Estimated Remaining Life (years)	Estimated Current Cost to Replace	End Dec 2021 100% Funded Amount	Jan 1, 2022 Beginning Fund Balances	FY 2022 Annual Depreciation
ROOFING						
Roofs: #A,B,C Bldgs (2013)	30	22	\$95,000	\$25,333	\$6,564	\$3,262
Roofs: #D,E Bldgs (2012)	30	21	\$65,000	\$19,500	\$5,053	\$2,232
Roofs: #F Bldg (2010)	30	19	\$32,000	\$11,733	\$3,040	\$1,099
Roofs: #G,H,I,J,K, Office (2005)	30	14	\$214,000	\$114,133	\$29,573	\$7,347
Roofs: Pool Bldg (2014)	20	12	\$14,400	\$5,760	\$1,492	\$742
Roof Preventative Maint. (2018)	1	0	\$2,500	\$2,500	\$648	\$2,575
*Chimney Chase Rebuild (6/year)	1	0	\$15,000	\$15,000	\$3,887	\$15,450
Chimney Caps/Spark Arresters	30	9	\$27,300	\$19,110	\$4,952	\$937
PAINTING						
Painting w/doors #A,B,G,H,I,K	6	2	\$97,000	\$64,667	\$16,756	\$16,652
Painting w/doors #C,D,E,F,J,Off,Pool	6	2	\$93,000	\$62,000	\$16,065	\$15,965
Annual Paint Touch-Up	1	0	\$5,000	\$5,000	\$1,296	\$5,150
STREETS & DRIVEWAYS						
Asphalt Sealcoat (May 2020)	2	0	\$8,000	\$8,000	\$2,073	\$4,120
Asphalt Patch (Partial Areas)	22	9	\$22,300	\$13,177	\$3,414	\$1,044
Asphalt Re-Pave (2015/16)	25	19	\$482,000	\$115,680	\$29,974	\$19,858
Asphalt Paths - Repave (2016)	25	19	\$3,600	\$864	\$224	\$148
POOL & SPAS & SAUNAS						
Pool Resurface & Re-Tile (2018)	16	12	\$32,300	\$8,075	\$2,092	\$2,079
Pool Heater (2021)	12	11	\$5,100	\$425	\$110	\$438
Pool Filter (2018)	12	8	\$1,900	\$633	\$164	\$163
Upper Spa Resurface (2018)	10	6	\$12,300	\$4,920	\$1,275	\$1,267
Lower Fiberglass Spa Replace (2004)	22	4	\$30,000	\$24,545	\$6,360	\$1,405
Concrete Pool/Spa Decks (2)	30	4	\$65,000	\$56,333	\$14,596	\$2,232
Spa Heaters (2) (1 every 4 years)	4	0	\$5,100	\$5,100	\$1,321	\$1,313
Spa Filters (2) (2013, 2014)	12	1	\$3,800	\$3,483	\$903	\$326
Pool & Spa Pumps (Phased Repl)	2	1	\$3,400	\$1,700	\$440	\$1,751
Pool & Spa Skimmers - Replace	30	29	\$6,200	\$207	\$54	\$213
Pool Wood Deck - Replace	25	18	\$23,200	\$6,496	\$1,683	\$956
Iron Lower Spa Area Fence	25	18	\$9,100	\$2,548	\$660	\$375
Pool Wood Fence Enclosure	20	2	\$10,750	\$9,675	\$2,507	\$554
Saunas Refurbish (2014)	20	12	\$25,400	\$10,160	\$2,633	\$1,308
Pool Bldg Int/Ext Refurbish (2014)	20	12	\$65,000	\$26,000	\$6,737	\$3,348
Lower Spa Area Refurbish (2014)	20	12	\$145,000	\$58,000	\$15,028	\$7,468
Pool Furniture (2019)	10	7	\$2,600	\$780	\$202	\$268
BALCONIES						
Balconies: "A" Building (2012)	45	35	\$81,000	\$18,000	\$4,664	\$1,854
Balconies: "B,H" Buildings (2011)	45	34	\$154,000	\$37,644	\$9,754	\$3,525
Balconies: "CDFI" Building (2010)	45	33	\$353,000	\$94,133	\$24,391	\$8,080
Balconies: "E,G" Building (2009)	45	32	\$151,000	\$43,622	\$11,303	\$3,456
Balconies: "J,K" Building (2008)	45	31	\$185,000	\$57,556	\$14,913	\$4,234
Balcony/Stairway Inspection Req.	9	1	\$23,250	\$20,667	\$5,355	\$2,661
WALKWAYS & LANDINGS						
Walkways/Entries: (2012 Group)	45	35	\$107,000	\$23,778	\$6,161	\$2,449
Walkways/Entries: (2011 Group)	45	34	\$563,000	\$137,622	\$35,659	\$12,886
Walkways/Entries: (2010 Group)	45	33	\$510,000	\$136,000	\$35,239	\$11,673
Walkways/Entries: (2009 Group)	45	32	\$568,000	\$164,089	\$42,517	\$13,001
Walkways/Entries: (2008 Group)	45	31	\$91,000	\$28,311	\$7,336	\$2,083
Walkways/Entries: (2006/7 Group)	45	30	\$393,000	\$131,000	\$33,943	\$8,995
BUILDING MISCELLANEOUS						
Front Doors: Replace 10/year	1	0	\$15,000	\$15,000	\$3,887	\$15,450
Siding: Progressive Replace	5	3	\$70,000	\$28,000	\$7,255	\$14,420
Water Heaters Replace (1 ev 3 yrs)	3	1	\$1,000	\$667	\$173	\$343
Building Electrical Panels #G-K	45	7	\$45,000	\$38,000	\$9,846	\$1,030
Office & Pool Electrical Panels	45	7	\$10,000	\$8,444	\$2,188	\$229
MANAGER'S UNITS						
Manager's Unit - Carpet (2019)	15	12	\$2,500	\$500	\$130	\$172
Manager's Unit - Appliances (2019)	12	9	\$3,500	\$875	\$227	\$300
Manager's Unit - Interior Paint (2019)	10	7	\$3,000	\$900	\$233	\$309
Manager's Unit - Renovate (2019)	25	22	\$32,000	\$3,840	\$995	\$1,318
Asst Mgr's Unit - Carpet (2019)	15	12	\$1,400	\$280	\$73	\$96
Asst Mgr's Unit - Appliances (2019)	12	9	\$3,500	\$875	\$227	\$300
Asst Mgr's Unit - Interior Paint (2019)	10	7	\$1,500	\$450	\$117	\$155
Asst Manager's Unit - Renovate	25	0	\$12,500	\$12,500	\$3,239	\$515
LIGHTING						
Residential/Common Light Fixtures	25	23	\$25,600	\$2,048	\$531	\$1,055
EQUIPMENT						
Snowblowers (2019)	6	3	\$6,600	\$3,300	\$855	\$1,133
Snowplow - Replace (Nov 2013)	15	6	\$10,600	\$6,360	\$1,648	\$728
2005 Chevy 3/4 Ton Pickup (used)	15	5	\$25,000	\$16,667	\$4,318	\$1,717
PLUMBING						
Copper Plumbing - "ABCDEF, Pool"	50	32	\$271,000	\$97,560	\$25,279	\$5,583
Copper Plumbing - "GHIJK, Office"	50	8	\$288,000	\$241,920	\$62,684	\$5,933
Water Main - Replace (2005)	40	23	\$340,000	\$144,500	\$37,441	\$8,755
Sewer Line Cleanout (2011)	2	0	\$9,000	\$9,000	\$2,332	\$4,635
MISCELLANEOUS						
Custom "Hidden Valley" Sign (2013)	22	13	\$12,500	\$5,114	\$1,325	\$585
Unscheduled Capital Expense	1	0	\$10,000	\$10,000	\$2,591	\$10,300
TOTALS			\$6,000,700	\$2,240,761	\$580,600	\$272,001
Reserve Account Balance, estimated (or projected) as of start of new fiscal year:						\$580,600
Percent Funded Estimate (reserves / cumulative depreciation liability):						25.9%
*Reserve Deficiency (100% Funded reserve balance minus actual reserve balance):						\$1,660,161
RECOMMENDATIONS, IF 100% FUNDED:						
Monthly Capital Asset Depreciation:						\$22,667
Average Monthly Capital Asset Depreciation per Member:						\$269.84
NOTE: Year 2022 Annual Depreciation is based on 3.0% inflation-adjusted straight-line depreciation (Current Cost to Replace) / (Estimated Useful Life) X (Inflation for 1 Year)						

**Hidden Valley Village Owners
Association, Inc.**

Insurance Disclosure

Hidden Valley Village Owners Association, Inc.

November 2021

Dear Owner:

Attached are summaries of the association's insurance policies.

This summary of the association's policies of insurance provides only certain information, as required by section 5300 of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any association member may, upon request and provision of reasonable notice, review the association's insurance policies, and upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the association maintains the policies of insurance specified in this summary, the association's policies of insurance may not cover your property, including personal property or real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult their individual insurance broker or agent for appropriate additional coverage.



E FARM INSURANCE DISCLOSURE
DAVE EASTERY, AGENT
C 2369 / 625 OLD MAMMOTH RD STE 7
MAMMOTH LAKES, CA. 93546
(760) 934-7575

HIDDEN VALLEY HOA

The following policies are held with State Farm Insurance:

Building Property

Policy #90-NT-7404-4

Policy Limits	\$12,993,400.00	
Plus	\$3,248,350.00	25% Building Ord/Law
Plus	\$2,598,680.00	20% Extra Replacement Cost
	\$18,840,430.00	Total Blanket Coverage
Deductable	\$10,000.00	
Year Issued	1981	
Policy Period	JUNE 18, 2021- JUNE 18, 2022	

General Liability

Policy #90-NT-7404-4

Policy Limits	\$1,000,000.00 per Occurrence/ \$2,000,000.00 per Aggregate
Deductable	NONE
Year Issued	1981
Policy Period	JUNE 18, 2021- JUNE 18, 2022

Directors & Officers Liability

Policy #90-NT-7404-4

Policy Limits	\$2,000,000.00	Per Occurrence
Deductable	NONE	
Year Issued	1981	
Policy Period	JUNE 18, 2021- JUNE 18, 2022	

\$25,220.00 Total Annual Premium

Commercial Liability Umbrella Policy # 90-NT-5392-5

Policy Limits	\$1,000,000.00	Per Occurrence
Deductable	NONE	
Year Issued	1995	
Policy Period	JAN 23, 2021- JAN 23, 2022	
Annual Premium	\$332.00	

E FARM INSURANCE DISCLOSURE
DAVE EASTERY, AGENT
2369 / 625 OLD MAMMOTH RD STE 7
MAMMOTH LAKES, CA. 93546
(760) 934-7575



HIDDEN VALLEY HOA

Fidelity Coverage

Policy # 90-36-8401-4

Policy Limits	\$399,000.00
Year Issued	1987
Policy Period	SEP. 25, 2020- SEP. 25, 2021
Annual Premium	\$578.00

Auto Coverage

Policy # L16-6683-E25-55E

Auto	2005 Chevrolet K2500 Pickup
Policy Limits	Liability: 500/500/100 Medical: 25,000 Per Person Comprehensive Deductible: \$100 per Occ Uninsured Motorist Bodily Injury: 100/300 Uninsured Motorist Property Damage
Policy Period	Nov 25, 2021 – Nov 25, 2021
Premium	\$797.11

In accordance with Section 5300 of the Civil Code:

"This summary of the association's policies of insurance provides only certain information, as required by Section 5300 of the Civil Code, and should not be considered a substitute for the complete policy term and conditions contained in the actual policies of insurance. Any association member may, upon request and provision of reasonable notice, review the association's insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the association maintains the policies of insurance specified in this summary, the association's policies of insurance may not cover your property, including personal property or real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate additional coverage."

Sincerely,
Dave Easterby
Agent, Lic # 0H65719

Hidden Valley Village Owners Association, Inc.
Post Office Box 5038
Mammoth Lakes, CA 93546

November 2021

Certification by the Federal Housing Administration may provide benefits to members of an association, including an improvement in an owner's ability to refinance a mortgage or obtain secondary financing and an increase in the pool of potential buyers of the separate interest.

This common interest development is a condominium project. The association of this common interest development is not certified by the Federal Housing Administration.

Certification by the federal Department of Veterans Affairs may provide benefits to members of an association, including an improvement in an owner's ability to refinance a mortgage or obtain secondary financing and an increase in the pool of potential buyers of the separate interest.

This common interest development is a condominium project. The association of this common interest development is not certified by the federal Department of Veterans Affairs.

Note: Due to the lack of full time, owner occupied units in Mammoth, there are currently no FHA or VA approved condominium projects in Mammoth.