

BEAR VALLEY SPRINGS ASSOCIATION

**Auditors' Report
Financial Statements
and
Supplemental Information
*June 30, 2009***

SIEBERT BOTKIN HICKEY & ASSOCIATES, LLP
Certified Public Accountants



***Siebert Botkin Hickey
& Associates, LLP***

Board of Directors and Members
Bear Valley Springs Association
Tehachapi, CA

Independent Auditors' Report

We have audited the accompanying balance sheet of Bear Valley Springs Association as of June 30, 2009 and the related statements of revenues and expenses and changes in fund balances, and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to in the first paragraph above present fairly, in all material respects, the financial position of Bear Valley Springs Association as of June 30, 2009 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. We have not applied procedures to determine whether the funds designated for future major repairs and replacements are adequate to meet such future costs because that determination is outside the scope of our audit. The Supplemental Information included in the accompanying schedules is not a required part of the basic financial statements but is supplemental information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

Siebert Botkin Hickey & Associates, LLP

September 29, 2009

Bear Valley Springs Association

Balance Sheet

As of June 30, 2009

With Comparative Totals For June 30, 2008

	Operating Fund	Property Fund	Replacement Fund	2009 Total Funds	2008 Total Funds
<u>ASSETS</u>					
Cash	\$ 2,734,142	\$ -	\$ 716,147	\$ 3,450,289	\$ 3,078,134
Investments	-	-	608,418	608,418	500,000
Assessments Receivable, Net of Allowance for Doubtful Accounts of \$163,830 and \$63,812, Respectively	51,938	-	-	51,938	29,670
Other Receivables	43,394	-	17,222	60,616	312,967
Inventory	56,081	-	-	56,081	69,119
Prepaid Insurance	28,016	-	-	28,016	20,911
Prepaid Income Taxes	4,460	-	-	4,460	4,453
Other Prepaid Expenses	13,559	-	-	13,559	13,073
Property and Equipment, Net of Accumulated Depreciation of \$2,589,438 and \$2,325,886, Respectively	-	3,950,049	-	3,950,049	3,905,175
Construction in Progress	-	190,328	-	190,328	144,717
Total Assets	\$ 2,931,590	\$ 4,140,377	\$ 1,341,787	\$ 8,413,754	\$ 8,078,219
<u>LIABILITIES and FUND BALANCES</u>					
Accounts Payable	\$ 190,364	\$ -	\$ -	\$ 190,364	\$ 178,150
Accrued Expenses	20,029	-	-	20,029	18,810
Prepaid Assessments	1,583,426	-	-	1,583,426	1,679,685
Accrued Payroll and Related Items	218,765	-	-	218,765	152,034
Other Liabilities	120,396	-	-	120,396	207,500
Total Liabilities	2,132,980	-	-	2,132,980	2,236,179
Contributed Capital	160,616	-	-	160,616	160,616
Fund Balances	637,994	4,140,377	1,341,787	6,120,158	5,681,424
Total Fund Balances	798,610	4,140,377	1,341,787	6,280,774	5,842,040
Total Liabilities and Fund Balances	\$ 2,931,590	\$ 4,140,377	\$ 1,341,787	\$ 8,413,754	\$ 8,078,219

See Auditors' Report

The Notes to Financial Statements are an Integral Part of This Statement

Bear Valley Springs Association

Statement of Revenues and Expenses

For the Year Ended June 30, 2009

With Comparative Totals For June 30, 2008

	Operating	Property	Replacement	2009 Total	2008 Total
<u>REVENUES</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
Assessments	\$ 3,590,671	\$ -	\$ 772,500	\$ 4,363,171	\$ 4,270,940
Interest Income	25,546	-	22,377	47,923	98,011
Food and Beverage	1,482,841	-	-	1,482,841	1,517,899
Administration	57,662	-	-	57,662	92,565
Recreation	347,794	-	-	347,794	332,599
Ground Maintenance Income	21,810	-	-	21,810	13,306
Other Income	56,501	-	-	56,501	-
Total Revenues	5,582,825	-	794,877	6,377,702	6,325,320
<u>EXPENSES</u>					
General and Administrative Expenses					
Professional Fees	77,432	-	-	77,432	85,775
Income Taxes	4,128	-	-	4,128	8,555
Administrative Supplies	36,850	-	-	36,850	25,738
Public Relations	34,368	-	-	34,368	32,738
Uniforms and Linens	25,031	-	-	25,031	35,742
Golf Course Management Fees	486,945	-	-	486,945	367,516
Other General and Administrative	182,460	-	-	182,460	173,058
Salaries and Related Expenses					
Salaries	2,277,116	-	-	2,277,116	2,162,039
Payroll Taxes	200,807	-	-	200,807	226,732
Retirement Contribution	35,026	-	-	35,026	30,262
Employee Benefits	129,056	-	-	129,056	219,823
Training	7,805	-	-	7,805	11,523
Cost of Sales	630,942	-	-	630,942	652,741
Recreation Services	131,319	-	-	131,319	125,763
Utilities	516,940	-	-	516,940	469,929
Insurance	287,762	-	-	287,762	277,279
Outside Services	47,928	-	-	47,928	52,081
Repairs and Maintenance	179,605	-	-	179,605	238,087
Operating Supplies	37,378	-	-	37,378	40,969
Equipment Rental	23,513	-	-	23,513	18,759
Mileage and Auto Expenses	37,835	-	-	37,835	44,726
Property Taxes	38,544	-	-	38,544	20,364
Total Expenses	5,428,790	-	-	5,428,790	5,320,199
Excess (Deficiency) of Revenues Over Expenses					
Before Depreciation and Bad Debt Expense	154,035	-	794,877	948,912	1,005,121
Depreciation Expense	-	410,160	-	410,160	464,119
Bad Debt Expense	100,018	-	-	100,018	37,972
Excess (Deficiency) of Revenues Over Expenses	\$ 54,017	\$ (410,160)	\$ 794,877	\$ 438,734	\$ 503,030

See Auditors' Report

The Notes to Financial Statements are an Integral Part of This Statement

Bear Valley Springs Association

Statement of Changes in Fund Balance

For the Year Ended June 30, 2009

With Comparative Totals For June 30, 2008

	<u>Operating</u>	<u>Property</u>	<u>Replacement</u>	<u>2009</u>	<u>2008</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Total</u>	<u>Total</u>
				<u>Funds</u>	<u>Funds</u>
<u>FUND BALANCES</u>					
Fund Balances, Beginning of Year	\$ 743,700	\$ 4,049,892	\$ 887,832	\$ 5,681,424	\$ 4,368,986
Transfers Between Funds	<u>(159,723)</u>	<u>500,645</u>	<u>(340,922)</u>	<u>-</u>	<u>(334,638)</u>
Subtotal	583,977	4,550,537	546,910	5,681,424	5,178,394
Excess (Deficiency) of Revenues Over Expenses	<u>54,017</u>	<u>(410,160)</u>	<u>794,877</u>	<u>438,734</u>	<u>503,030</u>
Fund Balances, End of Year	<u>\$ 637,994</u>	<u>\$ 4,140,377</u>	<u>\$ 1,341,787</u>	<u>\$ 6,120,158</u>	<u>\$ 5,681,424</u>

See Auditors' Report

The Notes to Financial Statements are an Integral Part of This Statement

Bear Valley Springs Association

Statement of Cash Flows

For the Year Ended June 30, 2009

With Comparative Totals For June 30, 2008

	Operating Fund	Property Fund	Replacement Fund	2009 Total Funds	2008 Total Funds
<u>Cash Flows From Operating Activities:</u>					
Excess (Deficiency) of Revenues Over Expenses	\$ 54,017	\$ (410,160)	\$ 794,877	\$ 438,734	\$ 503,030
<u>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:</u>					
Depreciation	-	263,552	-	263,552	464,119
Bad Debt Expense	100,018	-	-	100,018	37,972
<u>Change in Assets and Liabilities:</u>					
Change in Assessments Receivable	(132,995)	-	-	(132,995)	(55,192)
Change in Other Receivables	253,475	-	(12,151)	241,324	(281,480)
Change in Inventory	13,038	-	-	13,038	5,618
Change in Prepaid Expenses	(7,105)	-	-	(7,105)	49,437
Change in Prepaid Income Taxes	(7)	-	-	(7)	(4,453)
Change in Other Prepaid Expenses	98	-	-	98	(12,198)
Change in Accounts Payable	12,214	-	-	12,214	7,279
Change in Accrued Payroll and Related Items	66,731	-	-	66,731	(115,313)
Change in Prepaid Assessments	(86,134)	-	-	(86,134)	380,682
Change in Accrued Expenses	1,219	-	-	1,219	8,412
Change in Income Taxes Payable	-	-	-	-	(1,848)
Change in Other Liabilities	(76,077)	-	-	(76,077)	(356,618)
Total Adjustments	144,475	263,552	(12,151)	395,876	126,417
Net Cash Provided (Used) By Operations	198,492	(146,608)	782,726	834,610	629,447
<u>Cash Flows from Non-Cash Financing Activities:</u>					
Capital Contributions	-	-	-	-	334,638
Prior Period Adjustment	-	-	-	-	1,144,046
Transfers Between Funds	(159,723)	500,645	(340,922)	-	(334,638)
Net Cash Provided (Used) By Financing Activities	(159,723)	500,645	(340,922)	-	1,144,046
<u>Cash Flows from Investing Activities</u>					
Purchase of Investments	-	-	(108,418)	(108,418)	(500,000)
Change in Construction in Progress	-	(45,611)	-	(45,611)	745,936
Net Increase in Fixed Assets	-	(308,426)	-	(308,426)	(2,468,977)
Net Cash (Used By) Investing Activities	-	(354,037)	(108,418)	(462,455)	(2,223,041)
Net Increase (Decrease) in Cash	38,769	-	333,386	372,155	(449,548)
Cash, Beginning of Year	2,695,373	-	382,761	3,078,134	3,527,682
Cash, End of Year	<u>\$ 2,734,142</u>	<u>\$ -</u>	<u>\$ 716,147</u>	<u>\$ 3,450,289</u>	<u>\$ 3,078,134</u>
<u>Supplemental Information:</u>					
Cash Paid for Income Taxes	<u>\$ 4,200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,200</u>	<u>\$ 12,964</u>

See Auditors' Report

The Notes to Financial Statements are an Integral Part of This Statement

Bear Valley Springs Association

Notes to Financial Statements

For the Year Ended June 30, 2009

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES:

Organizational Data

Bear Valley Springs Association is a California non-profit corporation formed August 17, 1970. The Association is responsible for recreational and community facilities in the Bear Valley Springs development for the use and enjoyment of its approximately 3,581 properties as of June 30, 2009. The Bear Valley Springs development encompasses approximately 25,000 acres and is located in the southern part of the Sierra Nevada mountain range near the City of Tehachapi, California.

Accounting Method

The Association maintains its books of account on the accrual basis of accounting. Under this method of accounting, revenue is recognized when assessments are earned, or billed, and expenses are recognized when goods or services are received, whether paid or not.

Fund Accounting

The Association's governing documents require that the Association establish two funds; the operating fund and the development fund. The development fund is intended to account for the development of new recreational facilities within the Association. The development fund is not used at this time. The operating fund, as envisioned by the governing documents, is intended to provide for all association operations except for the development of new recreational facilities. Accordingly, for purposes of generally accepted accounting principles, this has been recognized in the financial statements as three separate funds; the operating fund, the property fund and the replacement fund. The operating fund accounts for all current operating transactions of the Association. The property fund accounts for all transactions regarding capitalized common area assets and personal property owned. The replacement fund accounts for member capital contributions, which are accumulated in separate bank accounts to provide for the future repair and replacement of the Association's common areas.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include cash on hand, funds on deposit with financial institutions, and investments with original maturities of three months or less.

Assessments Receivable

A provision has been made for estimated bad debts. The Association has the right to levy liens on a member's property to insure payment of an assessment due the Association. Assessments receivable as reflected in the financial statements are from members whose units are located within Kern County in an unincorporated area known as Bear Valley Springs.

Inventories

Inventories at the golf pro shop, restaurant, bar, and snack bar are valued at the lower of cost or market with cost being determined on the first-in, first-out (FIFO) basis.

Property, Equipment and Depreciation

The majority of real property common areas are owned by the Bear Valley Community Services District, but maintained and operated by the Association under a lease agreement (see Notes 5 and 7). The common areas consist of two lakes (10 and 35 acres), a nine-hole golf course, pro shop, restaurant, country club restaurant, recreation center, equestrian center, 51 miles of equestrian trails, swimming pool, four tennis courts, two campgrounds and a rifle range. Replacements and improvements to the real property common areas are not capitalized, except for those amenities that produce significant income.

Personal property is capitalized at cost and depreciated over the estimated useful lives of the items purchased, using the straight line method of depreciation. Property and equipment capitalized as of June 30, 2009, and the related accumulated depreciation consisted of:

<u>Description</u>	<u>Amount</u>
Furniture, Fixtures & Equipment	\$ 3,815,712
Leasehold Improvements	850,567
Autos & Trucks	420,018
Golf Carts	85,653
Irrigation System	1,367,537
Total Cost	\$ 6,539,487
Less: Accumulated Depreciation	(2,589,438)
Net Cost	\$ 3,950,049

Common areas are restricted to use by Association members, their tenants, and guests. The Association is responsible for the preservation and maintenance of the common areas.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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. Estimates included in the preparation of these financial statements include estimated bad debts, and estimates of replacement fund components relating to useful life, replacement cost, inflation rates, and tax rates. Actual results could differ from those estimates.

Bear Valley Springs Association

Notes to Financial Statements

For the Year Ended June 30, 2009

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued):

Lines of Business

The Association conducts only one line of business, which is the providing of management services to its members. This consists primarily of maintenance of the common areas and related recreational and administrative functions.

NOTE 2 - REPLACEMENT FUND AND RESTRICTED CASH:

While the Association's governing documents do not require funds to be accumulated for the replacement of its amenities and assets for general operations, California Civil Statutes require a study to be performed, and common industry practice is to accumulate funds for such replacements. Such funds are intended to provide for the cost of future replacement, repairs and maintenance when it is estimated that such items are needed.

It is the Association's policy to fund its reserves on an annual basis. The Association annually reviews its reserve funding program. The last review was performed as part of the budget process for the current year. California Civil Code Section 1365 et seq. mandates certain requirements for disclosure of the reserve funding program by the Association to its members. The Association believes that it has complied in all material respects with these requirements.

Actual expenditures may vary from estimated amounts and variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet future needs. The Association updates cost data annually.

Cash balances in amounts equal to the designated capital reserves represent cash restricted for this purpose only.

NOTE 3 - INCOME TAXES:

Bear Valley Springs Association is exempt from federal income tax under Section 501(c)(4) of the Internal Revenue Code. Unrelated business income is taxed at the regular corporate income tax rates by the Federal Government for exempt organization business income.

Non exempt income, including interest income, is taxed at 8.84% by the State of California.

NOTE 4 - SIGNIFICANT GROUP CONCENTRATIONS OF CREDIT RISK:

The Association maintains bank accounts at various financial institutions. The balances in these accounts may occasionally exceed the federally insured amount of \$250,000. Cash held with brokerage firms is privately insured by the SIPC.

NOTE 5 - RELATED PARTY TRANSACTIONS:

The Bear Valley Community Services District (CSD) owns the real property common areas that are maintained by the Association under a lease agreement. In addition, the CSD occupies approximately the same geographic area as the Association, and provides the following municipal type services for Association residents; water, sewer, roads maintenance, trash service and police service.

NOTE 6 - ECC DEPOSITS:

The Association's Environmental Control Committee (ECC), an appointed body, must inspect and approve all new construction and improvements to existing structures by property owners in Bear Valley. Varying fees and deposits are collected for each proposed project. Deposits are refunded upon completion of the project and passing of all ECC inspections. Interest is calculated using the current passbook rate of Bank of the Sierra in Tehachapi, California. The Association had \$103,100 in ECC deposits as of June 30, 2009.

NOTE 7 - COMMITMENTS AND CONTINGENCIES:

Possessory Interest Tax

Kern County has assessed the Association for prior year property taxes. The Association entered into an installment agreement to pay the taxes. Under this agreement, the County is to bill the Association prior to payments being made, and the County has returned a payment made by the Association because it had not been previously billed by the County. Approximately \$15,000 has been paid under this agreement, but the County is not billing the Association under the installment agreement. Attempts by the Association to resolve this matter have been unsuccessful. The Association is paying the Possessory Interest Tax for current years.

Bear Valley Springs Association

Notes to Financial Statements

For the Year Ended June 30, 2009

NOTE 7 – COMMITMENTS AND CONTINGENCIES (continued):

Operating Leases

Bear Valley Community Services District Lease

On January 20, 2007 the Bear Valley Community Services District and Bear Valley Springs Association executed a lease agreement commencing on January 20, 2007, which extends to January 29, 2047. The lease may be terminated earlier in the event of a default by the Association. The terms and conditions of this lease are reviewed every five years, and the lease automatically extends if the parties agree. The annual lease payment under this agreement is \$1.

Under the agreement, the Association is to operate and maintain amenities, handle the collection and disbursement of all money, employ all employees, purchase and selling food, beverages, merchandise, supplies, and services, purchase insurance coverage, handle disputes with third parties, collect and pay appropriate taxes, obtain all appropriate permits, and otherwise comply with the terms and conditions of this lease agreement and the Covenants and Restrictions for Bear Valley Springs and the Articles of Incorporation and Bylaws of the Association. The Association may not remove any District improvements without prior authorization. The Association is responsible for obtaining insurance coverage as required by the new lease agreement. Instead of amending their current policy, the Association has elected to exercise its option to reimburse the District for the costs of the required coverage.

Other Actions

From time to time, BVSA has actions pending in Kern County Superior court in which they are the party plaintiff. These actions are brought by BVSA against various BVSA property owners/members seeking injunctive and declaratory relief, money damages and attorney fees with respect to the enforcement of BVSA's governing documents. In accordance with Statement of Financial Accounting Standards No. 5, the amount of gain, if any, that may be ultimately realized is reflected in the accompanying

financial statements. Management and counsel believe it is improbable that any of the defendants will assert cross claims against BVSA in the above actions.

The Association is involved in various legal matters arising in the normal course of business. In the opinion of management, the Association has adequate insurance and legal defenses, and it is not anticipated that such matters will have a material impact upon the financial condition of the Association.

Leases Payable

The Association has individual operating leases for copiers, scanners and a postage machine totaling \$1,650 per month which includes related sales tax and property tax on the equipment. Future commitments on these leases are:

<u>Year Ended June 30,</u>	<u>Amount</u>
2010	\$ 19,800
2011	19,800
2012	16,530
2013	12,784
2014	10,404
Beyond	867
Total minimum future lease payments	<u>\$ 80,185</u>

NOTE 8 – PENSION PLAN:

The Association has a 401(k) plan. The plan covers substantially all qualified employees who meet the plan's eligibility requirements and provides for a tax deferred contribution by the Association and an employee elective contribution, with an Association matching provision of 50% percent of the employee's contribution up to 10% of the employee's salary. The employee becomes 20% vested in the first year, 50% on the second year and fully vested by the third year. For the year ended June 30, 2009 the Association contributed \$35,026 to the plan.

Bear Valley Springs Association
Supplemental Information on Replacement Fund Balances
For the Year Ended June 30, 2009
(unaudited)

The Board of Directors, through a reserve committee, updated the Association's reserve study in 2007 to estimate the remaining useful lives and the replacement costs of the components of common property. The Association has assessed the present condition of common area components; estimated replacement costs relying upon published data, contractor's or engineer's estimates, and previously paid amounts; and estimated remaining lives, relying upon consultants or published data. Funding has been provided using a pooled calculation with provisions for inflation of 3%, interest of 3%, and taxes of 10%.

The following table is based on the study and presents significant information about the components of common property.

<u>Major Component</u>	<u>Estimated Remaining Life</u>	<u>Estimated Current Replacement Cost</u>
2006 New Kitchen	0.67-18.42	\$ 208,948
Building Renovation	1.00-28.92	621,259
Computer Software	0.67-8.33	50,045
Computers & Printers	0.08-4.08	55,678
Doors	0.92-25.92	92,479
Equipment	0.00-32.83	1,722,294
Exterior Projects	0.00-48.67	3,736,985
Fencing	0.17-34.92	202,326
Furniture	0.00-20.50	327,341
Gutters & Downspouts	1.50-8.50	11,736
HVAC System	0.75-12.92	260,276
Interior Finishes	0.25-47.83	318,018
Interior Projects	0.08-17.92	70,127
Lights	1.58-18.08	75,726
Non-Asset Activities	0.00-7.42	13,963
Out Structure/Buildings	0.92-33.75	328,373
Paint Exterior	0.08-9.92	65,914
Paint Interior	2.08-8.08	17,664
Paving/Asphalt/Concrete	0.50-23.50	423,762
Retired Assets	4.58-18.08	49,997
Roofing	3.50-38.42	192,571
Signage	1.92-16.33	14,490
Vehicle	0.00-7.58	503,810
		<u>\$ 9,363,782</u>

The fund balance allocation at June 30, 2009 is \$1,341,787

The 2008-09 projected replacement fund assessment is \$795,675



***Siebert Botkin Hickey
& Associates, LLP***

September 29, 2009

Bear Valley Springs Association
29541 Rolling Oak
Tehachapi, CA 93561

Enclosed is the Association's audit report for the year ended **June 30, 2009**. Also enclosed is a resolution to accept the audit report, which should be adopted and attached to the minutes of the meeting in which it is adopted. This form is designed to assist the Association in documenting its actions.

We recognize that our presence in performing the audit is disruptive to normal operations, so we want to thank the staff for their courtesy and assistance in answering questions, and congratulate them on the excellent condition of the accounting records.

Furthermore, listed below are a group of informational articles that are intended to provide guidance to the Board and Association in establishing policies that document the Association's intent and actions. Please contact us if you wish to have a copy of any or all of the articles and we will be happy to provide them to you.

- Records retention checklist
- Guideline to establishing a resolutions manual
- Explanation of directors financial responsibilities
- Comparison of compilation, review, and audit services
- Conflicts of interest Policy, Annual disclosure statement, and Resolution to adopt
- Overview of reserve study theories
- California Civil Statutes Compliance

We appreciate your business, and look forward to a long relationship with you. Our philosophy is to develop relationships providing mutual benefit. Our goal is to provide long-range benefit for our clients. Much of this effort is aimed at adequately documenting the association's actions and compliance with laws and Association controlling documents. Please feel free to contact us with questions on any of the enclosed material, or for any other areas where we may be of assistance to you.

Sincerely,

Travis Hickey

Travis C. Hickey, CPA
Siebert Botkin Hickey & Associates, LLP

Enclosures

COPY

BEAR VALLEY SPRINGS ASSOCIATION

Resolution to Accept Audit Report

For The Year Ended June 30, 2009

The Board of Directors of **Bear Valley Springs Association** hereby resolves to accept the Association's audit report for the year ended **June 30, 2009**, as prepared by Siebert Botkin Hickey & Associates, LLP

Resolution attested:

Date President or other Officer

Date Secretary or other Officer

Attach this form to minutes of meeting where approved





***Siebert Botkin Hickey
& Associates, LLP***

September 29, 2009

Bear Valley Springs Association
29541 Rolling Oak
Tehachapi, CA 93561

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Sincerely,

Travis Hickey

Travis C. Hickey, CPA
Siebert Botkin Hickey & Associates, LLP

Enclosures

BEAR VALLEY SPRINGS ASSOCIATION

Resolution to Accept Audit Report

For The Year Ended June 30, 2009

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Resolution attested:

2/20/10 _____
Date *Jeanne D. Gray*
President or other Officer

2/20/10 _____
Date *Karen Fugimbell*
Secretary or other Officer

Attach this form to minutes of meeting where approved