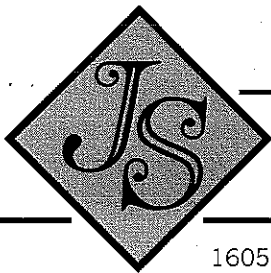


**APPLE VALLEY VILLAGE PROPERTY  
AND BUSINESS IMPROVEMENT DISTRICT ASSOCIATION**

**Agreed-upon Procedures Report**

**June 30, 2009 and 2008**



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**Jennifer Starbuck, CPA**  
*Certified Public Accountant*

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**Independent Accountant's Report  
On Applying Agreed-upon Procedures**

To the Board of Directors  
Apple Valley Village Property and Business Improvement District Association

I have performed the procedures enumerated below, which were agreed to by the Apple Valley Village Property and Business Improvement District Association as of June 30, 2009 and 2008 and for the years then ended. The Apple Valley Village Property and Business Improvement District Association is responsible for the Association's accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedure 1 consisted of preparing the federal and state exempt organization information returns for the fiscal years ending June 30, 2008 and 2009. The returns have been prepared as "application pending" returns.

Procedures 2a, 2b, 2c, and 2d are described as Procedures and Findings 2a through 2d on pages 2 through 6 of this report.

I was not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion, on the accounting records. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the information and use of the Apple Valley Village Property and Business Improvement District Association and is not intended to be and should not be used by anyone other than those specified parties.

*Jennifer Starbuck*

Jennifer Starbuck CPA  
October 29, 2009

**Procedure 2a: Vouch property tax receipts to County of San Bernardino remittance advices.**

Summary of Procedure Performance

The Association's property assessments are collected by the County of San Bernardino, and remitted to the Town of Apple Valley. They are recorded by the Town of Apple Valley's finance department in a fund established for the Association. I obtained schedules detailing the allocation of tax and assessments received by the Town of Apple Valley. I was able to trace all assessments received per the schedules to the general ledger maintained for the Association. I also received a confirmation from the County of the total assessment revenues collected by the County on behalf of the Association for both fiscal years.

Findings

Assessment revenues are appropriately recorded.

**Procedure 2b: Vouch expenditures to supporting documentation.**

Summary of Procedure Performance

Disbursements are made directly from the Association via the checking account in Treasurer Donna Gilmore's custody. Disbursements are also made from Association cash in the custody of the Town of Apple Valley. I obtained detail of all disbursements from both sources. I agreed each of the individual disbursements to source documents, noting the accuracy of the amount paid and the appropriate classification of the expenditure.

Findings

Disbursements made between July 1, 2007 and June 30, 2009 were appropriately recorded as to amount and classification.

**Procedure 2c: Compare expenditures to *Management District Plan* to determine allowability.**

Summary of Procedure Performance

I obtained supporting documentation for all expenditures recorded in the Association's accounting records.

Findings

All expenditures were allowable per terms of the *Management District Plan*.

**Procedure 2d: Present in fund financial statement format.**

Summary of Procedure Performance

I combined the accounting records maintained by the Association with those maintained by the Town of Apple Valley.

Findings

See pages 3-6.

APPLE VALLEY VILLAGE PROPERTY AND BUSINESS IMPROVEMENT DISTRICT

Balance Sheet

June 30, 2008

ASSETS

Cash	\$ 256,573
Receivables:	
Assessments	4,704
Interest	<u>2,440</u>
Total Assets	<u>\$ 263,717</u>

LIABILITIES AND FUND BALANCES

Liabilities	
Accounts payable	\$ 2,000
Fund Balance	
Unreserved fund balance	<u>261,717</u>
Total Liabilities and Fund Balance	<u>\$ 263,717</u>

**APPLE VALLEY VILLAGE PROPERTY AND BUSINESS IMPROVEMENT DISTRICT**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**For the Year Ended June 30, 2008**

Revenues		
Assessments		\$ 282,886
Interest		<u>5,731</u>
Total Revenues		<u>288,617</u>
Expenditures		
General and Administrative		
Contract services - Organization of district		<u>16,900</u>
Total General and Administrative		<u>16,900</u>
Improvements		
Renderings		<u>10,000</u>
Total Improvements		<u>10,000</u>
Total Expenditures		<u>26,900</u>
Excess Revenues Over (Under) Expenditures		261,717
Fund Balance, July 1, 2007		<u>-</u>
Fund Balance, June 30, 2008		<u><u>\$ 261,717</u></u>

**APPLE VALLEY VILLAGE PROPERTY AND BUSINESS IMPROVEMENT DISTRICT**

**Balance Sheet**

**June 30, 2009**

**ASSETS**

Cash and investments	\$ 539,877
Receivables:	
Assessments	1,278
Interest	<u>1,950</u>
Total Assets	<u>\$ 543,105</u>

**LIABILITIES AND FUND BALANCES**

**Liabilities**

Accounts payable	\$ 6,990
Fund Balance	
Unreserved fund balance	<u>536,115</u>
Total Liabilities and Fund Balance	<u>\$ 543,105</u>

**APPLE VALLEY VILLAGE PROPERTY AND BUSINESS IMPROVEMENT DISTRICT**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**For the Year Ended June 30, 2009**

Revenues		
Assessments	\$	286,772
Interest		8,906
Other		<u>1,450</u>
Total Revenues		<u>297,128</u>
Expenditures		
General and Administrative		
Cell phone		673
Conferences		1,706
Contract services - secretarial		11,200
Filing fees		20
Insurance		1,612
Meeting refreshments		200
Postage		97
Rental		74
Supplies		<u>158</u>
Total General and Administrative		<u>15,740</u>
Improvements		
Median improvement		<u>6,990</u>
Total Improvements		<u>6,990</u>
Total Expenditures		<u>22,730</u>
Excess Revenues Over (Under) Expenditures		274,398
Fund Balance, July 1, 2008		<u>261,717</u>
Fund Balance, June 30, 2009	\$	<u><u>536,115</u></u>