

UNION OF VIETNAMESE STUDENT ASSOCIATIONS

OF SOUTHERN CALIFORNIA

2012 Garden Grove Tet Festival

Agreed-Upon Procedures

Fiscal Year Ended August 31, 2012

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Table of Contents

	<u>Page</u>
INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES	1
AGREED-UPON PROCEDURES	
Procedures Findings	3
Statement of Revenue Received and Expenses Paid	4
Statement of Community Assistance Payments	5
Notes to Statement of Revenue Received and Expenses Paid and Statement of Community Assistance Payments	8

JGD Davidson & Company

— CERTIFIED PUBLIC ACCOUNTANCY & CONSULTING —

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Honorable Members of the City Council
City of Garden Grove
Garden Grove, California

Engagement Objectives

We have performed the procedures enumerated below, which were agreed to by the management of the City of Garden Grove ("the City"), solely to assist the City in verifying the statement of revenue received and expenses paid, and the statement of community assistance payments made relating to the 2012 Tet Festival, as conducted by the Union of Vietnamese American Student Associations of Southern California ("the Union") for the fiscal year ended August 31, 2012, and pursuant to the agreement between the City and the Union. 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 this report. Consequently, we make no representations regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on the statement of revenue received and expenses paid, and the statement of community assistance payments made relating to the 2012 Tet Festival. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the City and is not intended to be used and should not be used by anyone other than those specified parties.

Basis of Accounting and Management's Presentation

The accompanying statements have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. All information included in these statements is the representation of the management of the Union.

Agreed-Upon Procedures

1. Review of statement of revenue received and expenses paid, and the statement of community assistance payments relating to the 2012 Tet Festival as conducted by the Union of Vietnamese American Student Association of Southern California ("the Union") for the period from September 1, 2011 through August 31, 2012, as recorded in the Union's bank account (Bank of America account #09324-20032), pursuant to the agreement between the City and the Union.
2. Verification of community assistance payments as listed on the statement of community assistance payments (2012 Tet Festival Funds Allocation) by performing the following procedures:
 - a. Obtain related canceled checks, verify the amounts, and determine that there were no unusual features such as unauthorized signatures of check signers, or improper endorsements, etc.
 - b. When canceled checks are not readily located or are unavailable due to missing records, to obtain either written or verbal confirmations from the payees, for such payments.



James G. Davidson
Certified Public Accountant
Westminster, California
October 1, 2013

UNION OF VIETNAMESE STUDENT ASSOCIATIONS OF SOUTHERN CALIFORNIA

2012 Garden Grove Tet Festival

Agreed-Upon Procedures Findings

Fiscal Year Ended August 31, 2012

Accounting Matters and Internal Control Deficiencies

The general ledger accounting system included disbursements only, no deposits.

Disbursements totaling \$14,475 that cleared the bank, were not recorded in the accounting system.

Not enough information was made available to clearly separate Tet Festival related disbursements from other UVSA disbursements.

Revenue, as supported by documentation, totaled \$337,574, compared to the total amount of revenue claimed to be received of \$496,696, representing 68.0%.

Community assistance payments totaled 100. Of that number, 18 payments were to individuals without the payee name also including "and organization".

Not all bank statements were made available.

None of the bank reconciliations requested, were made available.

Non-Compliance with Payroll and Independent Contractor Reporting Laws and Regulations

No payroll system existed that allowed for proper processing and reporting. Employees were paid as independent contractors, not as employees.

No evidence was made available that would indicate that required forms 1099 had been prepared and issued to independent contractors.

Statistical Information of Identified 2012 Tet Festival Related Disbursements

Disbursement Categories	Payroll Transactions		Expense Reimbursement Transactions		Vendor Disbursement Transactions		Community Assistance Transactions		Total Transactions	
	This Category	Supporting	This Category	Supporting	This Category	Supporting	This Category	Supporting	Total Amount Examined	Supporting Documents Not Available
	Out of the	Documents	Out of the	Documents	Out of the	Documents	Out of the	Documents		
	Total Amount Examined	Not Available	Total Amount Examined	Not Available	Total Amount Examined	Not Available	Total Amount Examined	Not Available		
Quantity of Transactions	12	12	101	7	186	165	100	0	399	184
Percentage	3.0%	100.0%	25.3%	6.9%	46.6%	88.7%	25.1%	0.0%	100.0%	46.1%
Dollar Amount of Transactions	\$ 5,611	\$ 5,611	\$ 14,185	\$ 947	\$ 254,351	\$ 153,450	\$ 99,842	0	\$ 373,989	\$ 160,008
Percentage	1.5%	100.0%	3.8%	6.7%	68.0%	60.3%	26.7%	0.0%	100.0%	42.8%

See accountant's report on agreed-upon procedures and accompanying notes.

**UNION OF VIETNAMESE STUDENT ASSOCIATIONS
OF SOUTHERN CALIFORNIA**
2012 Garden Grove Tet Festival
Statement of Revenue Received and Expenses Paid
Fiscal Year Ended August 31, 2012

Revenue Received:

Ticket sales	\$ 254,206
Booth sales	117,750
Sponsorships	120,103
Other	<u>4,637</u>
Total Revenue Received	496,696

Expenses Paid:

Administration and insurance	\$ 20,040
Contest	1,076
Decorations	1,257
Entertainment	48,116
Finance	3,494
Information technology and media	1,505
Lang VN	20,028
Marketing	20,033
Non Song magazine	9,207
Opening ceremony	3,745
Operations	75,995
Pageant	10,560
Services - City of Garden Grove	36,940
Sponsorship	10,474
Vendors	7,588
Volunteers	<u>622</u>
Total Expenses Paid	<u>270,680</u>

Net Revenue Received Over Expenses Paid **226,016**

2013 Tet Festival starting cash	<u>60,000</u>
2012 Operating budget	166,016
Designated for community assistance payments - 50%	<u>83,008</u>
Remaining for UVSA operations - 50%	<u><u>\$ 83,008</u></u>

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**UNION OF VIETNAMESE STUDENT ASSOCIATIONS
OF SOUTHERN CALIFORNIA**
2012 Garden Grove Tet Festival
Statement of Community Assistance Payments
Fiscal Year Ended August 31, 2012

<u>Payment Date</u>	<u>Check Number</u>	<u>Organization or Individual Representing Organization</u>	<u>Amount</u>
09/05/11	1241	Hong Tien Tran	\$ 2,500
06/28/12	1466	Cau Lac Bo Tinh Nghe Si	400
06/28/12	1467	Center for Asian American Wellness	500
06/28/12	1468	City of Garden Grove	1,000
06/28/12	1469	City of Garden Grove Fire Department	1,500
06/28/12	1470	Vietnamese Refugee Community of Los Angeles	1,300
06/28/12	1471	Hoi Ho Cuu Tru TPB	3,000
06/28/12	1472	DTN Phan Boi Chau	5,000
06/28/12	1473	Education for the Poor	1,000
06/28/12	1474	Fullerton Fire Department	400
06/28/12	1475	City of Garden Grove - CERT	400
06/28/12	1476	General Association for Development of World Marital Arts	400
06/28/12	1477	G.I. Joe Search and Rescue	400
06/28/12	1478	Family of the Vietnamese Red Berets	600
06/28/12	1479	Lyly T. Tran	450
06/28/12	1480	HSV Guong Nau	400
06/28/12	1481	Hoa Ai Huu Hai Quan Cuu Long	500
06/28/12	1482	Hoa Ai Huu Quan Canh Nam Cali	400
06/28/12	1483	South Vietnamese Marines Association	1,400
06/28/12	1484	Kim Pham	400
06/28/12	1485	Asian American Senior Citizen Association	400
06/28/12	1486	Hoi CTSQ Nam Cali	600
06/28/12	1487	Hope Community Services, Inc.	500
06/28/12	1488	ICCVS	700
06/28/12	1489	KBC Hai Ngoai	400
06/28/12	1490	Lien Doan Chi Linh	200
06/28/12	1491	Pack 901	200
06/28/12	1492	Hoa Lu Troop 997	1,500
06/28/12	1493	Girl Scout Troop 1956	500
06/28/12	1494	Lien Doan Huong Dao Truong Son	3,000
06/28/12	1495	Lien Doan Huong Dao Van Lang	2,500
06/28/12	1496	COVA	3,200
06/28/12	1497	Little Saigon Foundation	400
06/28/12	1498	Vietnam Human Rights Network	1,000

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**UNION OF VIETNAMESE STUDENT ASSOCIATIONS
OF SOUTHERN CALIFORNIA**

2012 Garden Grove Tet Festival

Statement of Community Assistance Payments

Fiscal Year Ended August 31, 2012

<u>Payment Date</u>	<u>Check Number</u>	<u>Organization or Individual Representing Organization</u>	<u>Amount</u>
06/28/12	1499	MEMO	\$ 700
06/28/12	1500	Westview Services	600
06/28/12	1501	New Hope 2008	400
06/28/12	1502	Orange County Child Abuse Prevention Center	400
06/28/12	1503	OCA - Greater Los Angeles	400
06/28/12	1504	OCAPICA	500
06/28/12	1505	OCAVMHAS	500
06/28/12	1506	PIHP	400
06/28/12	1508	Project Motivate	400
06/28/12	1509	Senhoa	200
06/28/12	1510	Saint Anselm's Cross - Cultural Community Center	800
06/28/12	1511	BSA Crew 299	400
06/28/12	1512	TAVIET - LCS	3,500
06/28/12	1513	The Cut Studios Foundation	200
06/28/12	1514	BSA Troop 901	400
06/28/12	1515	Girl Scout Troop 3997	400
06/28/12	1516	VEYS	1,500
06/28/12	1517	VEYS - St. Barbara	400
06/28/12	1518	VEYS - Jimmy Nguyen	500
06/28/12	1519	Michael Pham	1,100
06/28/12	1520	UNAVSA	2,500
06/28/12	1521	Uy Ban Bao Toan Dat To	1,000
06/28/12	1522	VAALA	900
06/28/12	1523	Vietnamese American Youth Committee	342
06/28/12	1524	Viet Bao Foundation	1,300
06/28/12	1525	Viet Olympiad	2,500
06/28/12	1526	Vietnam War Museum of America Foundation	800
06/28/12	1527	Vietnamese American Cancer Foundation	400
06/28/12	1528	Vietnamese American Women's Association	500
06/28/12	1529	ASUCLA	400
06/28/12	1530	Vietnamese Community of Orange County	400
06/28/12	1531	Vietnamese Community of Pomona Valley	500
06/28/12	1532	VNLC	400
06/28/12	1533	Vietnamese Professionals Society	1,700

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<u>Payment Date</u>	<u>Check Number</u>	<u>Organization or Individual Representing Organization</u>	<u>Amount</u>
06/28/12	1534	TQLC	\$ 900
06/28/12	1535	Duong Thi Bay	400
06/28/12	1536	Vovinam Nguyen Ba Hoc	400
06/28/12	1537	Westminster Police Explorer Post #810	800
06/28/12	1538	Chi Nguyen	400
06/28/12	1539	Youth Leadership America	500
06/28/12	1543	DTN Phan Boi Chau	5,000
06/28/12	1761	Acacia Adult Day Services	800
06/28/12	1762	Tami Le	1,000
06/28/12	1763	Boy Scouts of America	500
06/28/12	1764	BPSOS	200
06/28/12	1765	Anthony Hua	200
06/28/12	1766	Chau Dao California	2,200
06/28/12	1767	St. Jude Medical Center - Caregiver Resource Center	800
06/28/12	1768	Cau Lac Bo Hung Su Viet	2,000
07/02/12	1544	Mary Nguyen	700
07/15/12	1546	Yen Hoang	800
07/15/12	1547	Scotty Cramer	500
07/15/12	1548	Tam Le	300
07/15/12	1549	UCI VSA	700
07/15/12	1550	Vietnamese Student Union	300
07/15/12	1551	Vicki Chu	550
07/15/12	1552	CSULA VSA	650
07/15/12	1553	Jessica Nguyen	700
07/15/12	1554	Vietnamese Student Association Leeanne	350
07/15/12	1555	Daniel Tea	350
07/15/12	1556	Edward Luong	350
07/15/12	1557	Joey Huynh	1,200
07/15/12	1558	Luan Bach	700
07/15/12	1559	Christopher Alanis	800
07/25/12	1560	Hoi Ai Huu Quan Canh Nam Cali	400
08/02/12	1564	DTN Phan Boi Chau	10,000
			<u>\$ 99,842</u>

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Notes to Statement of Revenue Received and Expenses Paid and
Statement of Community Assistance Payments
Fiscal Year Ended August 31, 2012

NOTE 1 – NATURE AND PURPOSE OF THE ORGANIZATION

The Union of Vietnamese Student Associations of Southern California (“the Union”) is a non-profit corporation that is organized under the non-profit public benefit corporation law for public and charitable purposes. The Union is composed of students from universities, colleges, and high schools in the Southern California area. The Union’s goal is to:

- Bring together students from different colleges in order to build unity and solidarity between Vietnamese youths in Southern California.
- Represent the diverse and dynamic Vietnamese youth population by encouraging interaction, participation, and activism in the Vietnamese American Community.
- Promote awareness of the Vietnamese culture, language, and history.
- Encourage a growth of leadership and service amongst Vietnamese youths.

Functioning as a non-profit organization, the Union services the Vietnamese American community of Southern California, working collaboratively with local colleges and high schools to promote community service, cultural awareness, and leadership with youth organizations. As a means to accomplish these objectives, the Union provides opportunities, such as the annual Tet Festival, for youths to learn more about their heritage, while, at the same time, serving the community at large.

The net proceeds from the Tet Festival were not only used to support the Union’s non-profit activities throughout the year, but also used to award other charity and non-profit organizations in the local community.

NOTE 2 – REVENUE AND EXPENSES

The Union’s policy is to prepare its statement of revenue received and expenses paid, and the statement of community assistance payments on the cash basis of accounting; consequently, certain revenue and the related assets are recognized when received, rather than when earned and certain expenses are recognized when paid, rather when the liabilities are incurred. Accordingly, such accompanying statements are not intended to be presented in conformity with accounting principles generally accepted in the United States of America.

NOTE 3 – INCOME TAXES

The Union is organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, and is exempt from income taxes for all activities that do not generate unrelated business income (UBI).

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Fiscal Year Ended August 31, 2012

NOTE 4 – COMMUNITY ASSISTANCE PAYMENTS

In accordance with the agreement with the City of Garden Grove in July 2008, for each Tet Festival event during the years 2009 through 2013, the Union must distribute 50% of its revenue over expenses (after deducting approximately \$60,000 start-up costs for the following year's Tet Festival) to local not-for-profit, non-political community groups that serve Southern California residents. These distributions are to be made within 150 days after the event of the current year. We noted the following:

- The Union paid \$99,842 for community assistance payments during the period from September 1, 2011 through August 31, 2012, which is \$16,834 more than 50% of revenue over expenses after deducting approximately \$60,000 start-up costs for the following year's Tet Festival.
- The Union was required to make its community assistance payments by June 28, 2012, that being 150 days after the 2012 festival ending date of January 29, 2012. 83 payments, out of a total of 100, were made by the June 28, 2012, required payment date.