

UNION OF VIETNAMESE STUDENT ASSOCIATIONS

OF SOUTHERN CALIFORNIA

2010 Garden Grove Tet Festival

Agreed-Upon Procedures

Fiscal Year Ended August 31, 2010

**UNION OF VIETNAMESE STUDENT ASSOCIATIONS
OF SOUTHERN CALIFORNIA**
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JGD Davidson & Company

— CERTIFIED PUBLIC ACCOUNTANCY & CONSULTING —

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Member of American Institute of Certified Public Accountants

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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 2010 Tet Festival, as conducted by the Union of Vietnamese American Student Associations of Southern California ("the Union") for the fiscal year ended August 31, 2010, 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 2010 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.

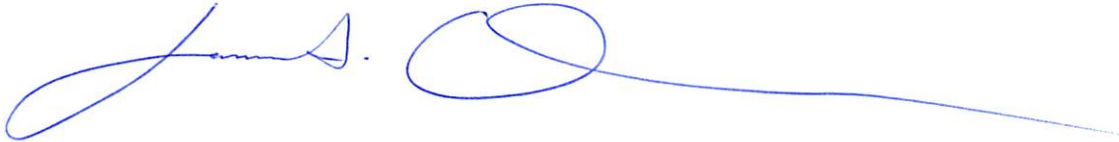
This report is intended solely for the use of the City and is not intended to be used and should not be used by anyone other than those specified parties.

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 2010 Tet Festival as conducted by the Union of Vietnamese American Student Association of Southern California ("the Union") for the period from September 1, 2009 through August 31, 2010, 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 (2010 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.

A handwritten signature in blue ink, consisting of a stylized 'J' followed by a series of loops and a long horizontal stroke.

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

UNION OF VIETNAMESE STUDENT ASSOCIATIONS OF SOUTHERN CALIFORNIA

2010 Garden Grove Tet Festival
Agreed-Upon Procedures Findings
Fiscal Year Ended August 31, 2010

Accounting Matters and Internal Control Deficiencies

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

Disbursements totaling \$17,080 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 \$115,763, compared to the total amount of revenue claimed to be received of \$481,470, representing 24.0%.

Community assistance payments totaled 78. Of that number, 13 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 2010 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	13	8	102	12	166	160	78	1	359	181
Percentage	3.6%	61.5%	28.4%	11.8%	46.2%	96.4%	21.7%	1.3%	100.0%	50.4%
Dollar Amount of Transactions	\$ 6,150	\$ 3,989	\$ 30,646	\$ 10,753	\$ 259,030	\$ 226,876	\$ 72,700	\$ 500	\$ 368,526	\$ 242,118
Percentage	1.7%	64.9%	8.3%	35.1%	70.3%	87.6%	19.7%	0.7%	100.0%	65.7%

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

**UNION OF VIETNAMESE STUDENT ASSOCIATIONS
OF SOUTHERN CALIFORNIA**
2010 Garden Grove Tet Festival
Statement of Revenue Received and Expenses Paid
Fiscal Year Ended August 31, 2010

Revenue Received:

Ticket sales	\$ 246,997
Booth sales	132,973
Sponsorships	<u>101,500</u>
Total Revenue Received	<u>481,470</u>

Expenses Paid:

Administration and insurance	\$ 23,234
Contest	1,283
Decorations	6,808
Entertainment	44,498
Finance	2,391
Hospitality	2,683
Information technology and media	1,148
Lang VN	15,504
Marketing	16,225
Non Song magazine	9,740
Opening ceremony	3,299
Operations	73,079
Pageant	8,579
Services - City of Garden Grove	43,194
Sponsorship	5,729
Vendors	21,051
Volunteers	<u>42</u>
Total Expenses Paid	<u>278,487</u>
Net Revenue Received Over Expenses Paid	202,983

2011 Tet Festival starting cash	<u>60,000</u>
2010 Operating budget	142,983
Designated for community assistance payments - 50%	<u>71,492</u>
Remaining for UVSA operations - 50%	<u><u>\$ 71,491</u></u>

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

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

2010 Garden Grove Tet Festival
Statement of Community Assistance Payments
Fiscal Year Ended August 31, 2010

<u>Payment Date</u>	<u>Check Number</u>	<u>Organization or Individual Representing Organization</u>	<u>Amount</u>
05/23/10	4673	UCR VSA	\$ 500
07/12/10	3088	Alzheimer's Association	300
07/12/10	3089	American Red Cross - Orange County Chapter	750
07/12/10	3090	Asian American Seniors Association in Pomona Valley	300
07/12/10	3091	TAVIET - LCS	4,000
07/12/10	3092	Tami Le	700
07/12/10	3093	Hoa Lu Troop 997	1,000
07/12/10	3094	CSUF Department of Engineering	300
07/12/10	3095	Chau Dao California	500
07/12/10	3096	St. Jude Medical Center - Caregiver Resource Center	800
07/12/10	3097	Mary T. Nguyen for Caritas Ministry	300
07/12/10	3098	Cau Lac Bo Hung Su Viet	1,900
07/12/10	3099	City of Garden Grove - Fire Department	1,000
07/12/10	3100	City of Garden Grove	300
07/12/10	3101	COVA	3,000
07/12/10	3102	Compassion USA Foundation	300
07/12/10	3103	Vu Nguyen or CSUF VSA	1,000
07/12/10	3104	CSULA VSA	700
07/12/10	3105	Thomas Nguyen or CSULB VSA	1,000
07/12/10	3106	Vietnamese Student Association CSULB	800
07/12/10	3107	Hoi Ho Cuu Tru TPB	2,500
07/12/10	3108	Education for the Poor	700
07/12/10	3109	Our Lady of LA Vang Catholic Church	300
07/12/10	3110	Vinh Nguyen	800
07/12/10	3111	Hoi CTSQ Nam Cali	600
07/12/10	3112	Garden Grove Community Foundation - c/o CERT	600
07/12/10	3113	Garden Grove Community Foundation	550
07/12/10	3114	Garden Grove Police Explorers	500
07/12/10	3115	Lyly T. Tran	400
07/12/10	3116	Kieu Cong Lang	300
07/12/10	3117	Hope Community Services, Inc.	500
07/12/10	3118	Hope Today	1,000
07/12/10	3119	Institute of Vietnamese Studies	1,250
07/12/10	3120	Uy Ban Bao Toan Dat To	1,000

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<u>Payment Date</u>	<u>Check Number</u>	<u>Organization or Individual Representing Organization</u>	<u>Amount</u>
07/12/10	3121	Girl Scout Troop 1956	\$ 300
07/12/10	3122	Lien Doan Huong Dao Van Lang	2,000
07/12/10	3123	MEMO	500
07/12/10	3124	Nicole Vlassoff / MAPS	300
07/12/10	3125	James Monroe - PTA	400
07/12/10	3126	OCAPICA	750
07/12/10	3127	OCAVMAS	300
07/12/10	3128	Paint Your Heart Out, Inc.	300
07/12/10	3130	DTN Phan Boi Chau	5,000
07/12/10	3131	Que Huong Scholarship Foundation	300
07/12/10	3132	Saint Boniface Catholic Church	300
07/12/10	3133	Kim Nguyen	300
07/12/10	3134	South Vietnamese Marines Association	1,000
07/12/10	3135	Saint Anselm's Cross - Cultural Community Center	500
07/12/10	3136	Hoi Thu Duc	500
07/12/10	3137	Lien Doan Huong Dao Truong Son	3,000
07/12/10	3138	Trung Vuong Alumnae Association	400
07/12/10	3139	UCI VSA	1,300
07/12/10	3140	UCLA VSA Student Union	900
07/12/10	3141	Albert Tran or UCR VSA	1,100
07/12/10	3142	Qua Nguyen or Danielle Phan or UCSB VSA	500
07/12/10	3143	UCSD VSA	800
07/12/10	3144	UNAVSA	3,000
07/12/10	3145	USAVR	300
07/12/10	3146	USC VSA	600
07/12/10	3147	Viet Bao Foundation	1,200
07/12/10	3148	Viet Olympiad	2,500
07/12/10	3149	Vietnam Human Rights Network	1,000
07/12/10	3150	VietACT	3,000
07/12/10	3151	VAALA	1,000
07/12/10	3152	Vietnamese American Heritage Foundation	500
07/12/10	3153	Vietnamese American Women's Association	400
07/12/10	3154	Vietnamese Community of Pomona Valley	300
07/12/10	3155	Lan Pham / Hoang Hoan	300

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<u>Payment Date</u>	<u>Check Number</u>	<u>Organization or Individual Representing Organization</u>	<u>Amount</u>
07/12/10	3156	Jolean Matsumoto	\$ 300
07/12/10	3157	Thieu Nhi Thanh The	1,750
07/12/10	3158	Vietnamese Graduation Committee (UCI)	400
07/12/10	3159	VNLC	400
07/12/10	3160	Vietnamese Professionals Society	1,500
07/12/10	3161	Vietnamese Refugee Community of Los Angeles	1,250
07/12/10	3162	Vietnamese Special Forces Association	300
07/12/10	3163	TQLC	500
07/12/10	3164	Thomas Thanh Pham	500
07/12/10	3165	Thomas Thanh Pham	500
			<u>\$ 72,700</u>

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2010 Garden Grove Tet Festival
Notes to Statement of Revenue Received and Expenses Paid and
Statement of Community Assistance Payments
Fiscal Year Ended August 31, 2010

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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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 \$72,700 for community assistance payments during the period from September 1, 2009 through August 31, 2010, which is \$1,208 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 July 14, 2010, that being 150 days after the 2010 festival ending date of February 14, 2010. All 78 payments were made before the July 14, 2010, required payment date.