

**UNION OF VIETNAMESE STUDENT ASSOCIATIONS**  
**OF SOUTHERN CALIFORNIA**  
**2011 Garden Grove Tet Festival**  
**Agreed-Upon Procedures**  
**Fiscal Year Ended August 31, 2011**

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OF SOUTHERN CALIFORNIA**  
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# *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 2011 Tet Festival, as conducted by the Union of Vietnamese American Student Associations of Southern California ("the Union") for the fiscal year ended August 31, 2011, 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 2011 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 2011 Tet Festival as conducted by the Union of Vietnamese American Student Association of Southern California ("the Union") for the period from September 1, 2010 through August 31, 2011, 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 (2011 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**

2011 Garden Grove Tet Festival

Agreed-Upon Procedures Findings

Fiscal Year Ended August 31, 2011

## **Accounting Matters and Internal Control Deficiencies**

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

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

Revenue, as supported by documentation, totaled \$137,460, compared to the total amount of revenue claimed to be received of \$524,894, representing 26.2%.

Community assistance payments totaled 83. Of that number, 12 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 Analysis of Identified 2011 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	Supporting
	Out of the	Documents	Out of the	Documents	Out of the	Documents	Out of the	Documents		
	Total Amount	Not	Total Amount	Not	Total Amount	Not	Total Amount	Not		
	Examined	Available	Examined	Available	Examined	Available	Examined	Available	Examined	Available
Quantity of Transactions	13	12	63	1	205	185	83	0	364	198
Percentage	3.6%	92.3%	17.3%	1.6%	56.3%	90.2%	22.8%	0.0%	100.0%	54.4%
Dollar Amount of Transactions	\$ 7,472	\$ 6,569	\$ 15,994	\$ 350	\$ 321,502	\$ 267,415	\$ 91,800	0	\$ 436,768	\$ 274,334
Percentage	1.7%	87.9%	3.7%	2.2%	73.6%	83.2%	21.0%	0.0%	100.0%	62.8%

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

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

2011 Garden Grove Tet Festival  
Statement of Revenue Received and Expenses Paid  
Fiscal Year Ended August 31, 2011

Revenue Received:

Ticket sales	\$ 280,088
Booth sales	145,806
Sponsorships	<u>99,000</u>
Total Revenue Received	<u>524,894</u>

Expenses Paid:

Administration and insurance	\$ 17,711
Contest	1,177
Decorations	6,872
Entertainment	47,004
Finance	2,849
Information technology and media	1,794
Lang VN	16,579
Marketing	17,406
Non Song magazine	7,995
Opening ceremony	3,368
Operations	85,243
Pageant	6,214
Services - City of Garden Grove	42,945
Sponsorship	6,325
Vendors	18,823
Volunteers	<u>2,483</u>
Total Expenses Paid	<u>284,788</u>

Net Revenue Received Over Expenses Paid 240,106

2012 Tet Festival starting cash 60,000

2011 Operating budget 180,106

Designated for community assistance payments - 50% 90,053

Remaining for UVSA operations - 50% \$ 90,053

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

**UNION OF VIETNAMESE STUDENT ASSOCIATIONS  
OF SOUTHERN CALIFORNIA**  
2011 Garden Grove Tet Festival  
Statement of Community Assistance Payments  
Fiscal Year Ended August 31, 2011

<u>Payment Date</u>	<u>Check Number</u>	<u>Organization or Individual Representing Organization</u>	<u>Amount</u>
09/25/10	3171	City of Garden Grove Fire Department	\$ 1,000
09/25/10	3172	Department of Engineering	300
09/25/10	3173	VNLC	400
10/17/10	3177	Alpha Phi Omega	300
01/25/11	3225	James Monroe - PTA	300
07/07/11	1162	Acacia Adult Day Services	800
07/07/11	1163	American Red Cross OC Chapter	900
07/07/11	1164	Asian American Seniors Association in Pomona Valley	400
07/07/11	1165	Asian American Senior Citizen Association	1,000
07/07/11	1166	TAVIET - LCS	4,000
07/07/11	1167	Tami Le	1,000
07/07/11	1168	Hoa Lu Troop 997	1,500
07/07/11	1169	Chau Dao California	1,000
07/07/11	1170	St. Jude Medical Center - Caregiver Resource Center	1,000
07/07/11	1171	Cau Lac Bo Hung Su Viet	2,000
07/07/11	1172	Center for Asian American Wellness	500
07/07/11	1173	Center for the Pacific Asian Family	500
07/07/11	1174	City of Garden Grove	1,000
07/07/11	1175	City of Garden Grove Fire Department	1,500
07/07/11	1176	Garden Grove Community Foundation	1,000
07/07/11	1177	COVA	3,200
07/07/11	1178	Hoi Ho Cuu Tru TPB	3,000
07/07/11	1179	Education for the Poor	1,000
07/07/11	1180	Vinh Nguyen	1,200
07/07/11	1181	Family of the Vietnamese Red Berets	700
07/07/11	1182	Hoi CTSQ Nam Cali	700
07/07/11	1183	La Quinta High School	500
07/07/11	1184	Victoria Le	700
07/07/11	1185	Lyly T. Tran	500
07/07/11	1186	GSMDM	400
07/09/11	1187	Hoi Ai Huu Hai Quan Cuu Long	600
07/09/11	1188	Institute of Vietnamese Studies	1,250
07/09/11	1189	ICCVS	600
07/09/11	1190	Len Duong Youth Network	4,000

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2011 Garden Grove Tet Festival  
Statement of Community Assistance Payments  
Fiscal Year Ended August 31, 2011

<u>Payment Date</u>	<u>Check Number</u>	<u>Organization or Individual Representing Organization</u>	<u>Amount</u>
07/09/11	1191	James Monroe - PTA	\$ 500
07/09/11	1192	Uy Ban Bao Toan Dat To	1,300
07/09/11	1193	KBC Hai Ngoai	300
07/09/11	1194	Girl Scout Troop 1956	400
07/09/11	1195	Lien Doan Huong Dao Van Lang	2,500
07/09/11	1196	Parents of Troop 963	400
07/09/11	1197	Hung Le Couture	800
07/09/11	1198	MEMO	800
07/09/11	1199	Westview Services	400
07/09/11	1200	Muscatel ASB	500
07/09/11	1201	Ngan Khoi Chorus	500
07/09/11	1202	OCAPICA	800
07/09/11	1203	OCAVMHAS	600
07/09/11	1204	Mary Nguyen	550
07/09/11	1205	DTN Phan Boi Chau	5,000
07/09/11	1206	Planned Parenthood of OC and SB Counties	500
07/09/11	1207	Minh Tang	300
07/09/11	1208	Savice	350
07/09/11	1209	LDHD Truong Son	3,200
07/09/11	1210	South Vietnamese Marines Association	1,200
07/09/11	1211	Saint Anselm's Cross - Cultural Community Center	1,000
07/09/11	1212	UNAVSA	3,000
07/09/11	1213	USAVR	300
07/09/11	1214	Viet Bao Foundation	3,000
07/09/11	1215	Viet Olympiad	2,700
07/09/11	1216	Vietnam Human Rights Network	1,200
07/09/11	1217	VAALA	1,000
07/09/11	1218	Vietnamese American Women's Association	600
07/09/11	1219	Vietnamese Community of Pomona Valley	500
07/09/11	1220	VEYS	2,000
07/09/11	1221	Vietnamese Professionals Society	1,800
07/09/11	1222	Vietnamese Refugee Community of Los Angeles	1,400
07/09/11	1223	TQLC	800
07/09/11	1224	Vovi Friendship Association	400

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<u>Payment Date</u>	<u>Check Number</u>	<u>Organization or Individual Representing Organization</u>	<u>Amount</u>
07/09/11	1225	Westminster Police Explorer Post #810	\$ 750
07/09/11	1226	Youth Leadership America	500
07/09/11	1227	CPP VSA	600
07/09/11	1228	Emma Phan or CSUF VSA	1,300
07/09/11	1229	CSULA VSA	700
07/09/11	1230	Michael Nguyen / Jaclyn Mach or CSULB VSA	1,000
07/09/11	1231	Christy Thi Nguyen or Golden West College VSA	800
07/09/11	1232	UCI VSA	1,200
07/09/11	1233	UCLA VSU	1,000
07/09/11	1234	Kennedy Ngotran or UCR VSA	1,100
07/09/11	1235	Qua Nguyen / Danielle Phan or UCSB VSA	700
07/09/11	1236	UCSD VSA	900
07/09/11	1237	USC VSA	700
07/23/11	1239	Vincent Le	500
07/23/11	1240	Center for Ethnic Vietnamese Culture and Art	700
			<u><u>\$ 91,800</u></u>

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**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, 2011

**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 \$91,800 for community assistance payments during the period from September 1, 2010 through August 31, 2011, which is \$1,747 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 13, 2011, that being 150 days after the 2011 festival ending date of February 13, 2011. 81 payments, out of a total of 83, were made by the June 28, 2012, required payment date.