



Town Council Agenda Report

Date: January 12, 2020 Item No: 7

To: Honorable Mayor and Town Council

Subject: ANNUAL AGREED-UPON PROCEDURES REPORT OF THE APPLE VALLEY VILLAGE PROPERTY AND BUSINESS IMPROVEMENT DISTRICT (“PBID”) ASSOCIATION

From: Doug Robertson, Town Manager

Submitted by: Kenneth Sousa, Public Relations Specialist

Budgeted Item: Yes No N/A

RECOMMENDED ACTION:

That the Town Council receive and file an independent accountant’s Agreed-Upon Procedures Report (AUP) for Fiscal Year 2020-21 of the Apple Valley Village Property and Business Improvement District Association.

SUMMARY:

Each year the Town receives an AUP Report (“Exhibit A”) completed by an independent and certified public accountant for the Village PBID Assessment District Association (PBID). The AUP must:

1. Vouch expenditures to supporting documentation.
2. Classify expenditures by category.
3. Compare expenditures to the Management District Plan.
4. Reconcile cash at June 30, 2019 to cash at June 30, 2020.

Accordingly, an annual AUP was completed by Richard J. Ardito, an independent Certified Public Accountant, on October 23, 2020, and approved by the Association Board on November 18, 2020.

Accordingly, staff recommends the Town Council receive and file the report in the Town Clerk’s Office for public review.

BACKGROUND:

The Apple Valley Village Property and Business Improvement District (“PBID”) Association (“Association”) entered into an Agreement for Services (“Agreement”) with the Town in December of 2008, in order to receive assessment revenues and implement activities in accordance with the Association’s Management District Plan (“District Plan”). The Agreement requires the Town remit to the Association the PBID assessment revenues (collected by the County of San Bernardino and distributed to the Town) on an as-needed basis and upon Town Council review of the Association’s Annual Budget Report and an Agreed-Upon Procedures Report (components of the budget that are directly administered by the Town are paid directly by the Town; components that are directly administered by the Association are paid directly by the Association.)

FISCAL IMPACT:

Professional accounting services necessary to complete the AUP Report were funded by the PBID Association using budgeted PBID funds.

ATTACHMENTS:

Exhibit A: Agreed Upon Procedures Report, June 30, 2020

Attachment 1

Agreed Upon Procedures Report

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

Agreed-upon Procedures Report

June 30, 2020

**Independent Accountants' Report
On Applying Agreed-upon Procedures**

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

We have performed the procedures enumerated below, which were agreed to by the Apple Valley Village Property and Business Improvement District Association (the Association) and the Town of Apple Valley as of June 30, 2020 and for the year 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 this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this procedure has been requested or for any other purpose.

Procedure

1. Vouch expenditures to supporting documentation.
2. Classify expenditures by category.
3. Compare expenditures to *Management District Plan*.
4. Reconcile cash at June 30, 2019 to cash at June 30, 2020.

We were not engaged to, and did not, conduct an audit, the objective of which would have been an expression of an opinion, on the accounting records. Accordingly, we do express such an opinion. Had we 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 the Town of Apple Valley and is not intended to be and should not be used by anyone other than those specified parties.



Richard J. Ardito, CPA
October 23, 2020
Apple Valley, CA 92307

Apple Valley Village Property and Business Improvement District Association
Agreed-upon Procedures Report
June 30, 2020

Procedure 1: 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. We obtained check stubs for disbursements made from July 1, 2019 through June 30, 2020, and scheduled the disbursements by check number, date paid, payee and amount. We then vouched the disbursements to supporting documentation.

Findings

One hundred sixty seven disbursements totaling \$161,300 were made by checks and automatic withdrawal from the Association's checking account between July 1, 2019 and June 30, 2020. We were able to locate supporting documentation for all of the disbursements, and that documentation supported the nature, timing, and amount of the disbursements.

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See agreed-upon procedures report.

Apple Valley Village Property and Business Improvement District Association
 Agreed-upon Procedures Report
 June 30, 2020

Procedure 2: Classify expenditures by category.

Summary of Procedure Performance

We classified the expenditures described in Procedure 1 into categories based on the nature of the expenditure.

Findings

General and Administrative Expenditures	
Accounting and audit fees	\$ 1,100
Cell phone	645
Consulting services	46,140
Contract services - management	17,071
Contract services - secretarial	1,600
Fees and permits	330
Insurance	3,299
Marketing	26,675
Meeting refreshments	3,900
Office expenses	840
Printing	9,576
Prizes and awards	3,115
Website	<u>3,292</u>
Total General and Administrative	<u>117,583</u>
Improvements	
Aesthetics Rehabilitation Grant Program	2,679
Signs	3,822
Capital Improvements	-
Median improvements- engineering	36,774
Median improvements- utilities	<u>443</u>
Total Improvements	<u>43,718</u>
Total Expenditures	<u>\$ 161,301</u>

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See agreed-upon procedures report.

Apple Valley Village Property and Business Improvement District Association
 Agreed-upon Procedures Report
 June 30, 2020

Procedure 3: Compare expenditures to *Management District Plan*.

Summary of Procedure Performance

We compared disbursements to disbursements allowable per the *Management District Plan*.

Findings

All disbursements were deemed allowable.

Procedure 4: Reconcile cash at June 30, 2019 to cash at June 30, 2020.

Summary of Procedure Performance

We reconciled beginning cash in the custody of the Association to ending cash.

Findings

	Citizens Business Bank	Capital One	Total
Balance - June 30, 2020	\$ 33,573	\$ 399,551	\$ 433,124
Cash Receipts			
Town of Apple Valley	378,250	-	378,250
Interest	-	2,095	2,095
Kiosk sign advertising	1,515	-	1,515
Parade entry fees	90	-	90
Street fair vendors	1,373	-	1,373
Transfers	(200,000)	200,000	-
Cash Disbursements	<u>(161,301)</u>	<u>-</u>	<u>(161,301)</u>
Balance - June 30, 2019	<u>\$ 53,500</u>	<u>\$ 601,646</u>	<u>\$ 655,146</u>

Cash reported by the Association as of June 30, 2020 reconciled to the bank statements provided.

See agreed-upon procedures report.