

**TOWN OF
APPLE VALLEY, CALIFORNIA**

AGENDA MATTER

Subject Item:

APPROVAL FOR THE TRANSFER OF THE VICTOR VALLEY ECONOMIC DEVELOPMENT AUTHORITY TREASURER FUNCTION FROM THE CITY OF VICTORVILLE TO THE TOWN OF APPLE VALLEY

Summary Statement:

At the March 11, 2009 Victor Valley Economic Development Authority (VVEDA) Board meeting the recommendation and approval, pending approval of the Town of Apple Valley Council , to transfer the treasurer function from the City of Victorville to the Town of Apple Valley was made. The recommendation for transfer was based upon the results of the audited financial statements for VVEDA for the year ended June 30, 2008. The results of the audit disclosed that the auditor could not state an opinion on the financial statements due to a lack of internal controls at the City of Victorville.

Based on correspondence with the Executive Director of VVEDA it is estimated that Town of Apple Valley staff will spend approximately 150 hours annually to perform the function of treasurer for VVEDA. The Town will not be responsible for the annual reporting required by the State Controller. The Town will be responsible for the staffing and reporting requirements for the annual audit and preparation of quarterly financial statements.

The expenses incurred for the preparation of the State Controllers report and the annual audit will be budgeted as an administrative expense of VVEDA and will be shared by all member agencies.

The fiscal impact for the Town of Apple Valley taking over the treasurer function of VVEDA is estimated to be \$12,800 annually. This is based on the estimated time to record cash receipts, cash disbursements, prepare quarterly financial statements and assist the audit function.

Recommended Action:

Approve the recommendation of staff to transfer the VVEDA treasurer function from the City of Victorville to the Town of Apple Valley.

Proposed by: William B. Pattison Assistant Town Manager **Item Number** _____

T. M. Approval: _____ **Budgeted Item** Yes No N/A