

**TOWN OF
APPLE VALLEY, CALIFORNIA**

AGENDA MATTER

Subject Item:

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

Summary Statement:

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 approval of the Association’s Annual Budget 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.)

The Council approved the Association’s FY2011-12 Annual Budget Report on June 14, 2011. The Association remains accountable for all funds it directly administers and is required to submit expense reports and financial statements to the Town annually. Accordingly, an Agreed-Upon Procedures Report (Exhibit 1) covering FY2010-11 was completed by Starbuck Walsh, an independent Certified Public Accountant, on September 15, 2011 and approved by the Association Board on September 28, 2011. The report applies four (4) agreed upon procedures with accompanying findings and is attached for your information.

Recommended Action:

That the Town Council receive and file the FY2010-11 Annual Agreed Upon Procedures Report of the Apple Valley Village Property and Business Improvement District Association.

Proposed by: Economic and Community Development Department Item Number _____

Town Manager Approval: _____ Budgeted Item Yes No N/A

Council Meeting Date: 10/11/11

Exhibit 1

Annual Agreed Upon Procedures Report of the
Apple Valley Village Property and Business Improvement District Association
FY2010-11

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

Agreed-upon Procedures Report

June 30, 2011



Jennifer L. Starbuck, CPA

Joseph P. Walsh, CPA

Daija M. Trujillo

Alicia L. Lennartz

**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, 2011 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, 2010 to cash at June 30, 2011.

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.

Starbuck Walsh, LLP

Starbuck Walsh, LLP

September 14, 2011

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Members: American Institute of Certified Public Accountants / California Society of Certified Public Accountants

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, 2010 through June 30, 2011, and scheduled the disbursements by check number, date paid, payee and amount. We then vouched the disbursements to supporting documentation.

Findings

Fifty-seven disbursements totaling \$27,751 were made by checks and automatic withdrawal from the Association's checking account between July 1, 2010 and June 30, 2011. 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.

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	\$ 3,548
Cell phone	1,096
Consulting services	929
Contract services - secretarial	12,000
Filing fees	40
Insurance	1,668
Marketing	6,136
Meeting refreshments	8
Office equipment	72
Office supplies	235
Postage	393
Website	35

Total General and Administrative 26,160

Improvements

Aesthetics Rehabilitation Grant Program	1,540
Median improvement electricity	<u>51</u>

Total Improvements 1,591

Total Expenditures \$ 27,751

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, 2010 to cash at June 30, 2011.

Summary of Procedure Performance

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

Findings

	American Security Bank		ING Direct	Total
Balance - July 1, 2010	\$ 15,932		\$ 45,806	\$ 61,738
Cash Receipts				
Town of Apple Valley	\$ 27,585	\$ -		
Refund: Conference	1,400	-		
Refund: Trigger	5,000	-		
Interest	-	33,985	419	419
	<u> </u>		<u> </u>	<u> </u>
Transfers	-		-	-
Cash Disbursements	<u>(27,751)</u>		<u> </u>	<u>(27,751)</u>
Balance - June 30, 2011	<u>\$ 22,166</u>		<u>\$ 46,225</u>	<u>\$ 68,391</u>

Cash reported by the Association as of June 30, 2011 reconciled to the bank statements provided.

See agreed-upon procedures report.