

Apple Valley

Community Resource Foundation



A public benefit corporation

2012-2013 ANNUAL REPORT



COVER PHOTOS:

TOP PHOTO:

Sunset Concert Series

MIDDLE PHOTO:

2013 Event Sponsor

BOTTOM PHOTO:

Civic Center Dog Park



2012-2013

ANNUAL REPORT

December 2013

Prepared by:

- **Public Information Office**
 - Kathie Martin, Marketing & Public Affairs Officer; AVCRF Executive Director
- **Department of Finance**
 - Marc Puckett, Assistant Town Manager
 - Kofi Antobam, Assistant Director of Finance
 - Christina Rudsell, Executive Secretary

AVCRF

...making a difference



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MESSAGE to the Community

From the Executive Director

Local needs require local action. In 2001, the Apple Valley Town Council authorized formation of the Apple Valley Community Resource Foundation (AVCRF), providing a new avenue to encourage donations and support from our citizens, businesses and corporate partners. Through this not-for-profit public benefit corporation, doors to new opportunities have opened – both for funding sources, as well as opportunities to serve our community.



We are proud to present this first Annual Report for the

▶ **“.....Watch our impact grow in Apple Valley, and join in with your own resources.”**

- KATHIE MARTIN, EXECUTIVE DIRECTOR

AVCRF. The launch of our first Support Apple Valley Events (SAVE) campaign in

2012 greatly raised our visibility and activity, and

we realized the need to share our story with the community we serve. Read more in this Annual Report to learn of our successes and goals.

We believe that impact attracts resources. As we recount our successes in these pages, we also prepare to take the lead on major program and capital campaigns in the coming year. Watch our impact grow in Apple Valley, and join in with your own resources. Together, local action *can* meet local needs.

Kathie Martin

A handwritten signature in black ink that reads "Kathie Martin". The signature is written in a cursive, flowing style.

Executive Director

Purpose

The Apple Valley Community Resource Foundation was organized to *lessen the burdens* of government and to *promote and support* the cultural, recreational and human services needs of the Town of Apple Valley.

Parks and Recreation

To support and create opportunities to participate in quality programs and events for the community, including recreational programs for children and persons with disabilities.



Animal Care

To provide programs and services to advance the understanding and care of animals in our community and in our shelter.



Community and Human Services

To create programs that benefit families, individuals and children in need, including the elderly, low-income and disabled.



Arts and Culture

To promote and develop projects that provide a representation of the various cultures in Apple Valley through architectural design, art and community events.



Description of Programs

The AVCRF serves as a repository for donations to support a wide-range of programs in each of the four focus areas. Below are highlights from a few of these.

▶ Parks and Recreation

HEALTHY APPLE VALLEY

This initiative has been the largest beneficiary of support in the area of parks and recreation. This year, donations from the Paul Swick Family Center and St. Joseph Health-St. Mary provided funding for low-income children to participate in healthy recreation programs free of charge.



PARK IMPROVEMENTS

Donations and fundraisers, including the annual Equine Festival of Apple Valley, contribute to projects to improve our parks. One example was the planting of trees at Horsemen's Center.

▶ Animal Care

PAWS N' CLAWS PET FAIR

The Paws 'n' Claws Pet Fair, a free-admission community event; provides a primary outreach opportunity to pet owners and animal lovers in Apple Valley. In 2013, more than 2,500 attendees were given free access to animal health services, obedience training and information for responsible pet ownership. The ultimate goal of the event is to protect the health and safety of residents and animals in the Town of Apple Valley.

ANIMAL ADOPTIONS AND MEDICAL ASSISTANCE

Funds donated by warm-hearted souls and selfless businesses, with a soft spot for those creatures that can't speak for themselves, have provided the ability to pay for emergency veterinary care and other measures that wouldn't be feasible under our standard operating budget. These funds also subsidize adoptions, spay/neuter programs and pet care items, to help us place more pets in loving, permanent

FUR BALL

The largest fundraiser for animal care resources is the annual Fur Ball, a themed dinner dance raising awareness of our animal shelter services and the needs of homeless pets in our community.



The AVCRF has proven to be an important resource in gathering donations for animal care.

Description of Programs

► Community and Human Services

BLIGHT REDUCTION

Community Clean Up and Neighborhood Blight Reduction Days are two services provided by the Town of Apple Valley which benefited from donations to the AVCRF. In 2013, two Community Clean Up days resulted in the collection and disposal of 48 tons of trash and 2.7 tons of recyclable metal.



HOLIDAY CHEER

Payroll deductions and contributions by Town of Apple Valley staff and others have allowed employees to identify families who find themselves in dire straits during the holidays, providing gifts for the kids as well as food. Funds are also used to support projects of other local agencies serving the neediest of our area.

Donations to the AVCRF have been given on behalf of a number of specific programs serving the community and human resource needs of Apple Valley.

► Arts and Culture

25TH ANNIVERSARY CELEBRATION

In 2013, we celebrated the 25th Anniversary of the incorporation of the Town of Apple Valley. Generous corporate sponsorships, donated through the AVCRF, allowed us to stage the first-ever Apple Valley History Expo, bringing together 15 local families, pioneers, historical societies and organizations. Displays showcased everything from our accomplishments since incorporation, to our modern day founders and more distant homesteaders.



The Public Information Department and Recreation Department of the Town of Apple Valley offer a wide range of events celebrating holidays, performing arts and the heritage of our area.

CONCERTS

Two concert series provide 15 or more opportunities each year for residents to enjoy live music at two local venues. The Concerts in the Courtyard, held under a gazebo at a local shopping center food court, offer a more intimate setting for a variety of musical styles including folk, classical, bluegrass, country and more. On average, 200 people attend, patronizing the local eateries before, during and after the shows. The Sunset Concert Series is held in the Civic Center Park Amphitheater, and attracts as many as 2,000 attendees on Thursdays, seven weeks each summer.

[ANNUAL REPORT 2012-2013](#)

Accomplishments

While many programs and projects are supported by funds raised through the AVCRF, here are a few highlights of our accomplishments in 2013.

Parks and Recreation

- Assisted with funding of outdoor fitness stations at Civic Center Park
- Improvements made to James Woody ball fields, and new field signs purchased

Animal Care

- Provided 1000 free rabies vaccinations
- Provided 1000 reduced cost spay/neuter services

Community and Human Services

- Supported two community clean up days. Between 800 volunteers and a bulky item drop-off location, 48 tons of trash and 1.7 tons of recyclable material was disposed of.
- More than 100 community volunteers were honored at an ice cream social, for the contributions they have made to Apple Valley.

Arts and Culture

- Achieved a 34% cost recovery of PIO special event costs in the Recreation budget
- Provided 16 concert experiences with a total audience of approximately 14,000 people



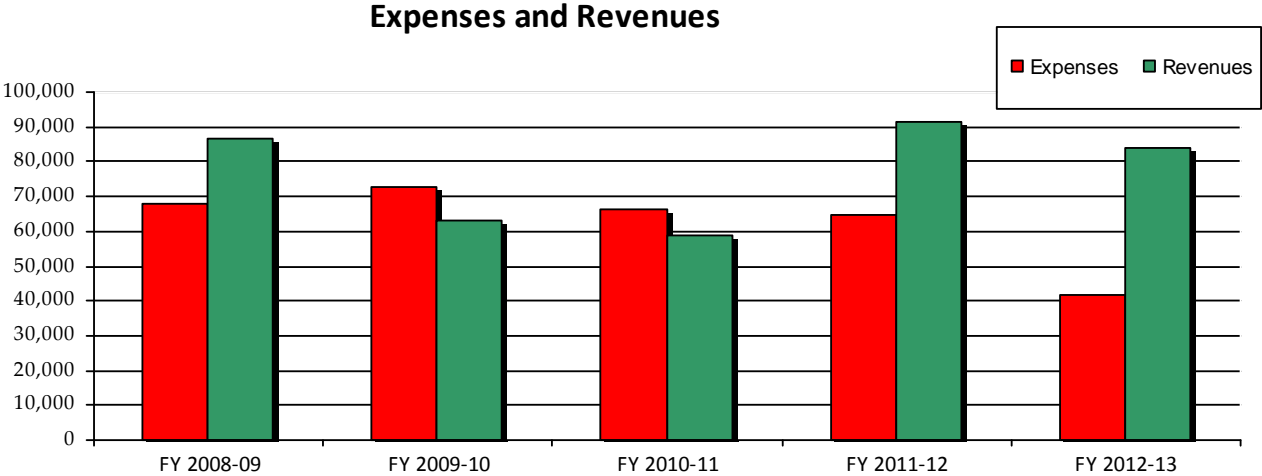
Future Goals

We anticipate an exciting year in 2014, with plans for some of our most ambitious projects yet. Some of our goals include:

Parks and Recreation: To install walking trail signs in Civic Center Park, and develop active amenities at other park locations, in line with the objectives of the Healthy Apple Valley Initiative. As we encourage expanded use of existing parks, we are developing plans for an announcer's booth for the rodeo arena at Horsemen's Center.

Arts and Culture: The Town is set to launch a capital campaign to bring a shade structure and other improvements to the Civic Center Park Amphitheater. Concurrently, we are spearheading an effort to produce the first live theater musical in that facility, when we partner with Hannett-Thorn productions for "The Music Man" in June 2014.

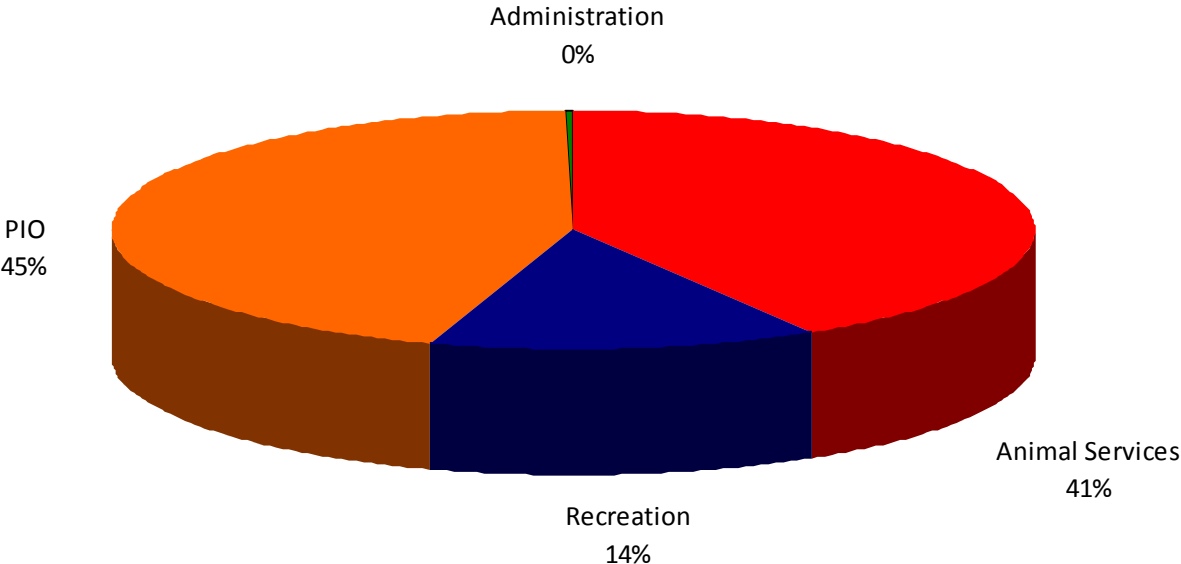
Financial Highlights



For the five year period ended, June 30, 2013, the Foundation received a total of \$383,375 in grants and contributions. During that same period, a total of \$313,659 was expended on programs supported by the Foundation. In total, contribution revenues exceeded program expenditures during these five fiscal years by \$69,716. These funds are dedicated to future programming for the purposes for which they were donated.

Financial Highlights

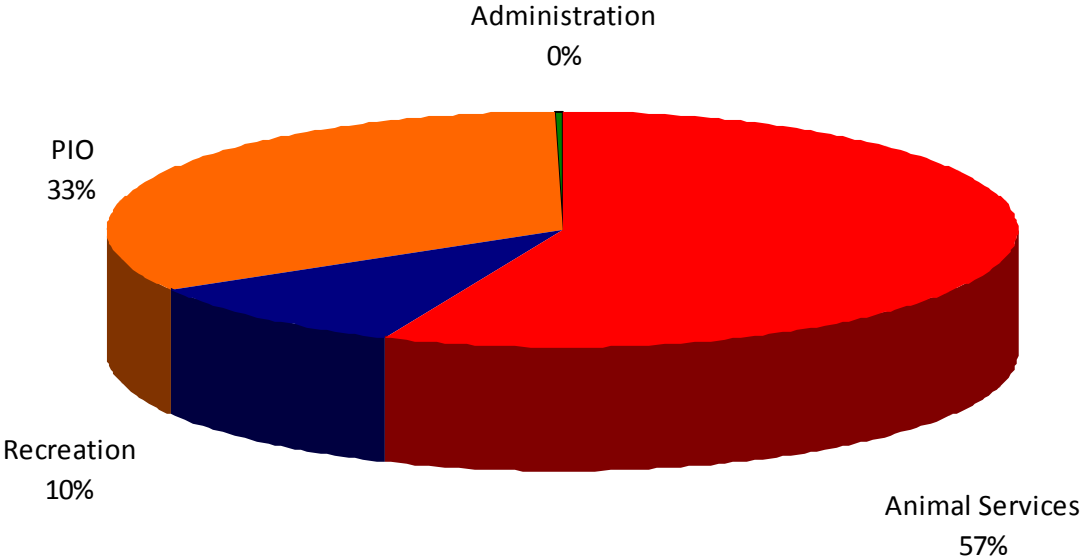
Revenues by Department - FY 2012-13



For Fiscal Year 2012-13, total revenues from grants and contributions amounted to \$83,808. Of this amount, 45% or \$37,714 was dedicated for special events such as the Summer Concert Series and Concerts in the Courtyard supported by the Public Information Office. A total of \$34,361 or 41% of the FY12-13 contributions were dedicated for programming such as the Pet Fair, Cruisin’ for Critters, Night at the Shelter, the Fur Ball and many other adoption events conducted by the Animal Services staff. The remaining 14% or \$11,733 was donated to Recreation programming such as the Paul Swick Family Center on the campus of Yucca Loma Elementary School in support of the Healthy Apple Valley program.

Financial Highlights

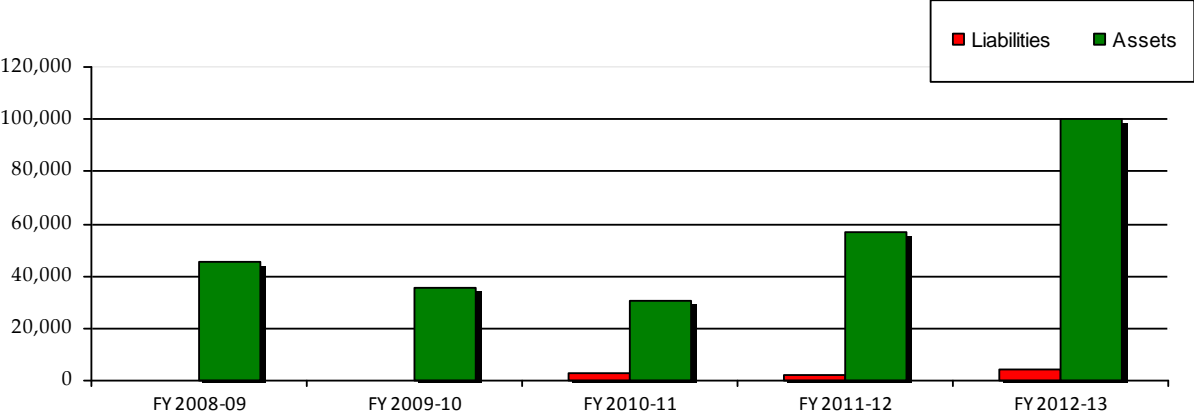
Expenses by Department - FY 2012-13



Of the total expenditures during Fiscal Year, 2012-13, 57% or \$23,898 of the total expenditures were spent on Animal Services programming activities. A total of \$13,836 or 33% of expenditures were spent on special events supported by the Public Information Office and 10% or \$4,193 of the expenditures were spent in support of activities conducted by the Recreation department.

Financial Highlights

Assets and Liabilities



Total assets amounted to \$100,175 as of the end of the 2012-13 fiscal year. Total assets exceeded total liabilities as of the end of the fiscal year by \$96,088. The net position (net assets) of the Foundation increased by \$41,881 or 77% as of the end of the 2012-13 fiscal year.

Independent Accountant's Compilation Report



INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Members of the Board of Directors
of the Apple Valley Community Resource Foundation
Apple Valley, California

We have compiled the accompanying financial statements of the governmental activities and the general fund of the Apple Valley Community Resource Foundation (a nonprofit organization) as of and for the year ended June 30, 2013. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Van Lant & Fankhanel, LLP

December 6, 2013

Statement of NET POSITION

June 30, 2013

ASSETS	Governmental Activities
Current Assets:	
Cash	\$ 100,130
Interest Receivable	45
Total Current Assets	100,175
Noncurrent Assets:	-
Total Noncurrent Assets	-
TOTAL ASSETS	100,175
LIABILITIES	
Current Liabilities:	
Accounts Payable	4,087
Total Current Liabilities	4,087
Noncurrent Liabilities	-
Total Noncurrent Liabilities	-
TOTAL LIABILITIES	4,087
NET POSITION	
Unrestricted	96,088
TOTAL NET POSITION	96,088

Statement of ACTIVITIES

Year Ended June 30, 2013

Program Revenues					Governmental Activities Net (Expenses) Revenues
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Total	Governmental Activities
Governmental Activities: Cultural & Recreation	\$ 41,927	\$ -	\$ 83,644	\$ 83,644	\$ 41,717
Total Governmental Activities	\$ 41,927	\$ -	\$ 83,644	\$ 83,644	41,717
	General Revenues:				
	Interest Income				164
	Total General Revenues				164
	Change in Net Position				41,881
	Net Position - Beginning				54,207
	Net Position - Ending				\$ 96,088

See accompanying notes and accountant's compilation report.

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Balance Sheet Governmental Fund

June 30, 2013

ASSETS	General Fund
Cash	\$ 100,130
Interest Receivable	45
TOTAL CURRENT ASSETS	100,175
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts Payable	\$ 4,087
TOTAL LIABILITIES	4,087
Fund Balances:	96,088
Unassigned	
TOTAL FUND BALANCES	96,088
TOTAL LIABILITIES AND FUND BALANCES	\$ 100,175

Reconciliation of the Governmental Fund Balance Sheet to the **Government-Wide Statement of Net Position**

June 30, 2013

Fund balances - total governmental fund	\$ 96,088
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Amounts reported for governmental activities in the statement of net position are different because:

- Capital assets used in governmental activities are not financial resources. Therefore, they are not reported in the fund financial statements. -
- Long-term liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds. -

Net position of Governmental Activities	\$ 96,088
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Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Fund

Year Ended June 30, 2013

REVENUES	General Fund
Donations	\$ 83,644
Interest Income	164
TOTAL REVENUES	83,808
EXPENDITURES	
Culture and Recreation	41,927
TOTAL EXPENDITURES	41,927
Net Change in Fund Balances	41,881
Fund Balance, Beginning of Year	54,207
Fund Balance, End of Year	\$ 96,088

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Fund to the Statement of Activities

Year Ended June 30, 2013

Net change in fund balances - governmental fund	\$ 41,881
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Amounts reported for governmental activities in the Statement of Activities are different because:

- Governmental funds report capital outlays as expenditures. However in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation of \$-0- exceeded capital outlay of \$-0- in the current period. -
- Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. -

Change in net position of governmental activities.	\$ 41,881
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Apple Valley Community Resource Foundation Notes to Financial Statements

Year Ended June 30, 2013

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Apple Valley Community Resource Foundation (Foundation) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Foundation's accounting policies are described below.

A. Nature of Business and Reporting Entity

The Foundation (a California nonprofit corporation) was created on August 14, 2001 by the Town of Apple, to lessen the burdens of government and to promote and support cultural, recreational, and human services needs in the Town of Apple Valley (Town). The Town Council appoints the Foundation's Board Members and management positions. The Foundation is primarily supported by donations from the general public. It is exempt from federal income taxes under Section 501(C)(3) of the Internal Revenue Code. It is also exempt from State income taxes, subject to compliance with applicable laws and regulations.

B. Basis of Accounting and Measurement Focus

The accounts of the Foundation are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The balances and activity of the Foundation are recorded in the General Fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Since the Foundation is not required to account for activity in another fund, all activity of the Foundation is recorded in the General Fund.

Government-wide Financial Statements

The Foundation's government-wide financial statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These financial statements present summaries of activities for the Foundation.

The Government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given

Apple Valley Community Resource Foundation

Notes to Financial Statements

Year Ended June 30, 2013

function or segment are offset by program revenues. Direct expenses are expenses that are clearly identifiable with a specific program, project, function or segment. Program revenues of the Foundation include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The government-wide financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balance for all governmental funds. All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheets. The Statement of Revenues, Expenditures and Changes in Fund Balance presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. Expenditures are recorded in the accounting period in which the related fund liability is incurred. The Reconciliations of the Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the differences created by the integrated approach of GASB Statement No. 34.

Charges for services, intergovernmental revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual, and therefore have been recognized as revenues within the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received.

The Foundation reports a single governmental fund – the General Fund.

C. Cash

The Foundation's cash consists of deposits with financial institutions.

Apple Valley Community Resource Foundation

Notes to Financial Statements

Year Ended June 30, 2013

D. Capital Assets

Capital assets consist of machinery and equipment which is stated at historical cost, net of accumulated depreciation, except for the portions acquired by contribution, which are recorded at fair value at the time received. The Foundation utilizes a capitalization threshold of \$5,000. Depreciation is recorded using the straight-line method. Estimated useful life of 15 years is used in computing depreciation of machinery and equipment. However, as of June 30, 2013, the Foundation does not report any capital assets.

E. Long-Term Obligations

In the Government-wide Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities. The fund financial statements do not present long-term debt. However, as of June 30, 2013, the Foundation does not report any long-term obligations.

F. Net Position

In the Government-Wide Financial Statements, net position is classified in the following categories, as applicable:

Net Investment in Capital Assets - This amount consists of capital assets net of accumulated depreciation.

Restricted Net Position - This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments.

Unrestricted Net Position - This amount represents net position that does not meet the definition of "Invested in Capital Assets" or "Restricted Net Position."

G. Fund Balance

In the Fund Financial Statements, the General Fund reports unassigned fund balance, a category that is used for balances that have no restrictions placed on them.

H. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Foundation currently has no items that qualify for reporting in this category.

Apple Valley Community Resource Foundation

Notes to Financial Statements

Year Ended June 30, 2013

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Foundation currently has no items that qualify for reporting in this category.

I. Net Position Flow Assumption

Sometimes the Foundation will fund outlays for a particular purpose from both restricted (e.g. restricted grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the statement of net position, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Foundation's policy to consider restricted net position to have been depleted before unrestricted net position.

J. Fund Balance Assumption

Sometimes the Foundation will fund outlays for a particular purpose from both restricted and unrestricted resources (total fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Foundation's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

K. Use of Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires Foundation management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

2) CASH AND INVESTMENTS

The Foundation's cash represents deposits with financial institutions (checking account), which is insured by the FDIC. The Foundation does not have a deposit policy for custodial credit risk.

The Foundation currently does not maintain any other deposits or investments.

Apple Valley Community Resource Foundation
Notes to Financial Statements

Year Ended June 30, 2013

3) RISK MANAGEMENT

The Foundation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Foundation participates in the Town's risk management program, which includes membership in the California Joint Powers Insurance Authority (JPA). Disclosures relating to the Town's participation in the JPA can be found in the Town's Comprehensive Annual Financial Report.

4) COMMITMENTS AND CONTINGENCIES

The **Foundation** is subject to litigation arising in the normal course of business. In the opinion of the Foundation's management, there is no pending litigation that is likely to have a material adverse effect on the financial position of the Foundation.

As of June 30, 2013, in the opinion of Foundation management, there were no other outstanding matters that would have a significant effect on the financial position of the Foundation.

Acknowledgements

AVCRF Board of Directors



(l to r) Barb Stanton, Board Member; Curt Emick, Board Member; Larry Cusack, Board Vice-Chairman; Scott Nassif, Board Member; Art Bishop, Board Chairman

AVCRF

...making a difference





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www.applevalley.org
www.facebook.com/AppleValleyCA

It's easy to S.A.V.E - just give!



We invite you to help preserve "A Better Way of Life" with a tax-deductible donation to our Special Events fund. For more information on becoming a community partner, visit www.AppleValleyEvents.org or call (760) 240-7000 x 7070.