

**APPLE VALLEY COMMUNITY  
RESOURCE FOUNDATION  
APPLE VALLEY, CALIFORNIA**

**BASIC FINANCIAL STATEMENTS  
AND ACCOUNTANT'S COMPILATION REPORT**

Year Ended June 30, 2018

**Apple Valley Community Resource Foundation  
Financial Statements  
Year Ended June 30, 2018**

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## INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

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

Management is responsible for the accompanying financial statements of the governmental activities and the general fund of the Apple Valley Community Resource Foundation, California (the "Foundation") (a nonprofit organization), as of and for the year ended June 30, 2018, and the related notes to the financial statements which collectively comprise the Foundation's basic financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was not subject to our compilation engagement. We do not express an opinion, a conclusion, nor provide any assurance on such information.

*Van Lant & Fankhanel, LLP*

February 8, 2019

## **BASIC FINANCIAL STATEMENTS**

**Apple Valley Community Resource Foundation**  
**Statement of Net Position**  
**June 30, 2018**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Current Assets:	
Cash	\$ 354,433
Interest Receivable	1,000
Total Current Assets	355,433
Noncurrent Assets:	
Total Noncurrent Assets	-
Total Assets	355,433
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	8,969
Total Current Liabilities	8,969
Noncurrent Liabilities:	
Total Noncurrent Liabilities	-
Total Liabilities	8,969
<b>NET POSITION</b>	
Unrestricted	346,464
Total Net Position	\$ 346,464

See accompanying notes and accountant's compilation report.

**Apple Valley Community Resource Foundation  
Statement of Activities  
Year Ended June 30, 2018**

Functions/Programs	Expenses	Program Revenues			Governmental Activities Net (Expenses) Revenues
		Charges for Services	Operating Grants and Contributions	Total	
Governmental Activities:					
Animal Services	\$ 26,683	\$ -	\$ 36,119	\$ 36,119	\$ 9,436
Recreation	44,886	-	41,564	41,564	(3,322)
Public Information	-	-	5,896	5,896	5,896
Administration	2,497	-	44,000	44,000	41,503
<b>Total Governmental Activities</b>	<b>\$ 74,066</b>	<b>\$ -</b>	<b>\$ 127,579</b>	<b>\$ 127,579</b>	<b>53,513</b>
General Revenues:					
					3,247
					<u>3,247</u>
					56,760
					<u>289,704</u>
					<u>\$ 346,464</u>

See accompanying notes and accountant's compilation report.

**Apple Valley Community Resource Foundation  
Balance Sheet  
Governmental Fund  
June 30, 2018**

	<u>General Fund</u>
<b>ASSETS</b>	
Cash	\$ 354,433
Interest Receivable	<u>1,000</u>
Total Assets	<u><u>\$ 355,433</u></u>
<b>LIABILITIES AND FUND BALANCES</b>	
Liabilities:	
Accounts Payable	<u>\$ 8,969</u>
Total Liabilities	<u>8,969</u>
Fund Balances:	
Unassigned	<u>346,464</u>
Total Fund Balances	<u>346,464</u>
Total Liabilities and Fund Balances	<u><u>\$ 355,433</u></u>

See accompanying notes and accountant's compilation report.

**Apple Valley Community Resource Foundation  
Reconciliation of the Governmental Fund Balance Sheet to the  
Government-Wide Statement of Net Position  
June 30, 2018**

Fund balances - total governmental fund	\$ 346,464
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.	<u>-</u>
Net Position of Governmental Activities	<u><u>\$ 346,464</u></u>

See accompanying notes and accountant's compilation report.



**Apple Valley Community Resource Foundation**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Fund**  
**Year Ended June 30, 2018**

	<u>General Fund</u>
<b>REVENUES</b>	
Donations:	
Animal Services	\$ 36,119
Recreation	41,564
Public Information	5,896
Administration	44,000
Interest Income	<u>3,247</u>
Total Revenues	<u>130,826</u>
<b>EXPENDITURES</b>	
Animal Services	26,683
Recreation	44,886
Public Information	-
Administration	<u>2,497</u>
Total Expenditures	<u>74,066</u>
Net Change in Fund Balances	56,760
Fund Balance, Beginning of Year	<u>289,704</u>
Fund Balance, End of Year	<u><u>\$ 346,464</u></u>

See accompanying notes and accountant's compilation report.

**Apple Valley Community Resource Foundation**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund**  
**Balance of Governmental Fund to the Statement of Activities**  
**Year Ended June 30, 2018**

Net change in fund balances - governmental fund	\$	56,760
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>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.</p>	-	-
<p>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.</p>	-	-
Change in net position of governmental activities	<u>\$</u>	<u>56,760</u>

See accompanying notes and accountant's compilation report.

**Apple Valley Community Resource Foundation**  
**Notes to Financial Statements**  
**Year Ended June 30, 2018**

**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 Valley, 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.

The Foundation is a component unit of the Town and, accordingly, the financial statements of the Foundation are included in the financial statements of the Town. The Foundation is an integral part of the reporting entity of the Town. The funds of the Foundation have been blended within the financial statements of the Town because the Town Council is the governing board of the Foundation and exercises control over the operations of the Foundation. Only the funds of the Foundation are included herein; therefore, these financial statements do not purport to represent the financial position or results of operations of the Town. The Foundation has the same fiscal year as the Town. The Comprehensive Annual Financial Report of the Town can be obtained from the Finance Department of the Town.

**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.

**Apple Valley Community Resource Foundation**  
**Notes to Financial Statements**  
**Year Ended June 30, 2018**

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Government-wide Financial Statements*

The Foundation's government-wide financial statements include a Statement of Net Position and a Statement of Activities. 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 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.

**Apple Valley Community Resource Foundation**  
**Notes to Financial Statements**  
**Year Ended June 30, 2018**

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

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.

**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, 2018, 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, 2018, 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."

**Apple Valley Community Resource Foundation**  
**Notes to Financial Statements**  
**Year Ended June 30, 2018**

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**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.

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.

**Apple Valley Community Resource Foundation**  
**Notes to Financial Statements**  
**Year Ended June 30, 2018**

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**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.

**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, 2018, 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.

## **SUPPLEMENTARY INFORMATION**



**Apple Valley Community Resource Foundation**  
**Year to Date Summary 2017-18**  
**Fund 8610**

Dept	Program	Fund Balance	FY 2017-2018		Transfers	Fund Balance
		July 1, 2017	Revenue	Expense		June 30, 2018
<b>Animal Services</b>						
8080	Adoptions	6,517.21	46.59	159.90		6,403.90
8085	Accessories	1,000.00	3.91			1,003.91
8090	Bird Aviary	36.54	17.88	32.80		21.62
8100	Crusin' Fur Critters	6,302.75	49.24	716.89		5,635.10
8105	Elsa the Great Dane Medical Fund	917.96	31.00			948.96
8110	Fur Ball	35,136.73	14,309.78	7,920.95		41,525.56
8115	Me and My Shadow	6,328.11	3,055.72	4,776.25		4,607.58
8120	Medical Assistance/Animal Care	845.34	1,124.00	239.00		1,730.34
8125	New Shelter Facility	151.21				151.21
8130	Night at the Shelter	57.37				57.37
8140	Pet Fair	895.42	7,344.89	5,098.15		3,142.16
8170	Spay Day USA	590.00	100.00			690.00
8195	Undesignated Shelter	95,108.07	10,035.61	7,897.59		97,246.09
	<b>Animal Services Totals</b>	<b>153,886.71</b>	<b>36,118.62</b>	<b>26,841.53</b>		<b>163,163.80</b>
<b>Recreation</b>						
8203	AV Aquatic Center	5,961.03	(13.13)	-		5,947.90
8205	AV Triathlon	34,940.20	20,891.76	11,939.49	181.24	43,711.23
8210	AV Wave - Coaches Fund	(111.00)			(111.00)	-
8212	AV Wave - Incentives	-				-
8216	AV Wave - Swim Suits	465.28			111.00	354.28
8218	AV Wave - Undesignated	49.34				49.34
8219	Horseman's Center Improvements	3,500.00				3,500.00
8220	James Woody Park	568.43		62.53	307.66	198.24
8221	Healthy Apple Valley	3,047.93	760.00	822.03		2,985.90
8223	Heartgames	2,104.25	1,293.66	1,954.04		1,443.87
8250	Recreation - Undesignated	5,117.84		234.04	(181.24)	5,065.04
8260	Special Apples	3,670.21	5,029.12	631.76		8,067.57
8263	St Mary's Scholarship	1,058.48		27.70		1,030.78
8264	Teen Zone	(124.95)	6,712.30			6,587.35
8265	Vantastic	4,801.60		282.88		4,518.72
8267	Yucca Loma Scholarship	251.00				251.00
8270	Wellness Room	165.44				165.44
8271	Michael H. Martin Gymnasium	(370.19)			(307.66)	(62.53)
8272	Sports Fields		740.13	727.31		12.82
8280	Undesignated - Recreation Events	284.11	150.00	478.04		(43.93)
	<b>Recreation Totals</b>	<b>65,379.00</b>	<b>35,563.84</b>	<b>17,159.82</b>	<b>-</b>	<b>83,783.02</b>
<b>PIO</b>						
8310	Community Clean Up	(1,408.57)	1,000.00	1,924.16	(2,582.73)	250.00
8315	Concert in the Courtyard	3,802.81	5,000.00	5,475.50		3,327.31
8317	Emergency Preparedness Fair	1,392.61	1,500.00	174.90		2,717.71
8320	Equine Festival	4,717.66				4,717.66
8323	Evening on the Town	(795.86)			(795.86)	(0.00)
8325	Freedom Festival	(2,394.83)			(1,794.83)	(600.00)
8330	Green Apple Calendar	1.83				1.83
8335	Golf Course	2.00				2.00
8340	Holiday Cheer	1,365.44	2.00			1,367.44
8346	Mayor's Weight Loss Challenge	(13.41)			(13.41)	0.00
8350	Military Banners	12.00				12.00
8353	Sunset Theater	3,697.60				3,697.60
8355	PD Gym Equipment	-				-
8360	Sunset Concerts	(11,686.22)	4,384.10	1,065.55	(11,860.67)	3,493.00
8370	Undesignated Events	58,080.70	44,000.00	18,827.22	17,047.50	66,205.98
8380	Volunteer Program	128.72				128.72
8390	Winter Wonderland	11,006.94		259.75		10,747.19
8411	Equestrian Committee	30.50				30.50
8410	AV Rider Challenge	506.64	10.00			516.64
	<b>PIO Totals</b>	<b>68,446.56</b>	<b>55,896.10</b>	<b>27,727.08</b>	<b>-</b>	<b>96,615.58</b>
<b>Administration</b>						
0000	Non-Departmental	3,837.75	3,247.45	2,337.56		4,747.64
8400	Undesignated Administration	(857.00)				(857.00)
8420	Mojave River Walk	(989.57)				(989.57)
	<b>Administration Totals</b>	<b>1,991.18</b>	<b>3,247.45</b>	<b>2,337.56</b>		<b>2,901.07</b>
<b>GRAND TOTAL</b>		<b>289,703.45</b>	<b>130,826.01</b>	<b>74,065.99</b>	<b>-</b>	<b>346,463.47</b>