

APPLE VALLEY COMMUNITY RESOURCE FOUNDATION
APPLE VALLEY, CALIFORNIA
BASIC FINANCIAL STATEMENTS
AND ACCOUNTANT'S COMPILATION REPORT
JUNE 30, 2021



APPLE VALLEY COMMUNITY RESOURCE FOUNDATION
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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors
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, 2021, 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.

Harshwal & Company LLP

**San Diego, California
May 23, 2022**

APPLE VALLEY COMMUNITY RESOURCE FOUNDATION
STATEMENT OF NET POSITION
JUNE 30, 2021

ASSETS

Current Assets:

Cash	\$ <u>250,585</u>
Total Current Assets	<u>250,585</u>
Total Assets	<u>250,585</u>

LIABILITIES

Current Liabilities:

Accounts Payable	<u>30,387</u>
Total Current Liabilities	<u>30,387</u>
Total Liabilities	<u>30,387</u>

NET POSITION

Unrestricted	<u>220,198</u>
Total Net Position	<u>\$ <u>220,198</u></u>

The accompanying notes are an integral part of these financial statement.

APPLE VALLEY COMMUNITY RESOURCE FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues		Governmental Activities Net (Expenses) Revenues
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
Animal Services	\$ 34,514	\$ -	\$ 32,765	\$ (1,749)
Recreation	3,912	-	5,616	1,704
Special Events	74,498	-	37,636	(36,862)
Public Information	-	-	250	250
Administration	<u>5,651</u>	<u>-</u>	<u>868</u>	<u>(4,783)</u>
Total governmental activities	<u>\$ 118,575</u>	<u>\$ -</u>	<u>\$ 77,135</u>	<u>(41,440)</u>
General revenues:				
Interest Earnings				<u>1,248</u>
Total General Revenues				<u>1,248</u>
Change in Net Position				(40,192)
Net Position, Beginning of Year				<u>260,390</u>
Net Position, Ending of Year				<u>\$ 220,198</u>

The accompanying notes are an integral part of these financial statement.

APPLE VALLEY COMMUNITY RESOURCE FOUNDATION
BALANCE SHEET - GOVERNMENTAL FUND
JUNE 30, 2021

ASSETS	
Cash	\$ <u>250,585</u>
Total Assets	<u>250,585</u>
LIABILITIES	
Accounts Payable	<u>30,387</u>
Total Liabilities	<u>30,387</u>
FUND BALANCES	
Unassigned	<u>220,198</u>
Total Fund Balances	<u>220,198</u>
Total Liabilities and Fund Balances	\$ <u><u>250,585</u></u>

The accompanying notes are an integral part of these financial statement.

APPLE VALLEY COMMUNITY RESOURCE FOUNDATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

REVENUES

Donations:		
Animal Services	\$	32,765
Recreation		5,616
Special Events		37,636
Public Information		250
Administration		868
Interest Income		<u>1,248</u>
Total Revenues		<u>78,383</u>

EXPENDITURES

Current:		
Animal Services		34,514
Recreation		3,912
Special Events		74,498
Administration		<u>5,651</u>
Total Expenditures		<u>118,575</u>
Net Change in Fund Balances		(40,192)
Fund Balance, Beginning of Year		<u>260,390</u>
Fund Balance, End of Year	\$	<u><u>220,198</u></u>

The accompanying notes are an integral part of these financial statement.

APPLE VALLEY COMMUNITY RESOURCE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 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 Annual Comprehensive 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.

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 non-fiduciary 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.

APPLE VALLEY COMMUNITY RESOURCE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

B. Basis of Accounting and Measurement Focus (Cont'd)

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.

The Reconciliation 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. The estimated useful life of 15 years is used in computing the depreciation of machinery and equipment. However, as of June 30, 2021, the Foundation does not report any capital assets.

APPLE VALLEY COMMUNITY RESOURCE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

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, 2021, the Foundation does not report any long-term obligations.

F. Net Position

In the Government-Wide Financial Statements, the 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 the net position that does not meet the definition of "Net Investment 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 a 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 the restricted net position to have been depleted before unrestricted net position.

APPLE VALLEY COMMUNITY RESOURCE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

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 the assigned fund balance. The 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.

NOTE 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.

NOTE 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 Annual Comprehensive Financial Report.

NOTE 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, 2021, 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
STATEMENT OF REVENUES AND EXPENDITURES - BY DEPARTMENT
FOR THE YEAR ENDED JUNE 30, 2021
FUND 8610**

Dept	Program	Fund Balance July 1, 2020	Revenues	Expenditures	Fund Balance June 30, 2021
Animal Services					
8080	Adoptions	\$ 6,189	\$ 1,035	\$ -	\$ 7,224
1004	Accessories	1,004	-	-	1,004
8090	Bird Aviary	22	-	-	22
8100	Crusin' Fur Critters	5,635	-	-	5,635
	Elsa the Great Dane Medical				
8105	Fund	71	1,248	-	1,319
8110	Fur Ball	27,390	-	-	27,390
8115	Me and My Shadow	10,668	-	41	10,627
	Medical Assistance/Animal				
8120	Care	899	18,357	13,037	6,219
8125	New Shelter Facility	151	-	-	151
8130	Night at the Shelter	57	-	-	57
8140	Pet Fair	5,765	-	-	5,765
8150	Public Education	-	88	-	88
8170	Spay Day USA	690	-	-	690
8195	Undesignated Shelter	<u>85,973</u>	<u>12,037</u>	<u>21,436</u>	<u>76,574</u>
	Animal Services Totals	<u>144,514</u>	<u>32,765</u>	<u>34,514</u>	<u>142,765</u>
Recreation					
8203	AV Aquatic Center	895	-	-	895
8205	AV Triathlon	37,873	470	1,897	36,446
8216	AV Wave - Swim Suits	354	-	-	354
8218	AV Wave - Undesignated	49	-	-	49
	Horseman's Center				
8219	Improvements	3,500	-	-	3,500
8220	James Woody Park	198	-	-	198
8221	Healthy Apple Valley	4,568	(1,874)	-	2,694
8223	Heartgames	824	-	-	824
8225	Hoppy Trails 5K	2,322	-	-	2,322
8250	Recreation - Undesignated	(1,270)	-	-	(1,270)
8260	Special Apples	11,880	2,146	-	14,026
8263	St Mary's Scholarship	1,031	-	-	1,031
8264	Teen Zone	5,940	-	15	5,925
8265	Vantastic	2,693	-	-	2,693
8267	Yucca Loma Scholarship	251	-	-	251
8270	Wellness Room	165	-	-	165
8271	Michael H. Martin Gymnasium	(63)	-	-	(63)
8272	Sports Fields	768	-	-	768
	Undesignated - Recreation				
8280	Events	(44)	-	-	(44)
8335	Golf Course	2	1,000	-	1,002
8346	Mayor's Weight Loss Challenge	<u>(1,874)</u>	<u>3,874</u>	<u>2,000</u>	<u>-</u>
	Recreation Totals	<u>70,062</u>	<u>5,616</u>	<u>3,912</u>	<u>71,766</u>

**APPLE VALLEY COMMUNITY RESOURCE FOUNDATION
STATEMENT OF REVENUES AND EXPENDITURES - BY DEPARTMENT
FOR THE YEAR ENDED JUNE 30, 2021
FUND 8610**

<u>Dept</u>	<u>Program</u>	<u>Fund Balance July 1, 2020</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Fund Balance June 30, 2021</u>
Continued...					
Special Events					
8310	Community Clean Up	(4,300)	-	-	(4,300)
8315	Concert in the Courtyard	5,285	-	-	5,285
8320	Equine Festival	4,718	-	-	4,718
8325	Freedom Festival	(1,142)	20,000	26,242	(7,384)
8360	Sunset Theater	3,697	-	-	3,697
8360	Sunset Concerts	9,435	4,750	31,001	(16,816)
8370	Undesignated Events	10,692	10,386	14,967	6,111
8390	Winter Wonderland	4,523	2,500	2,288	4,735
8370	AV Rider Challenge	517	-	-	517
	Special Events Totals	<u>33,425</u>	<u>37,636</u>	<u>74,498</u>	<u>(3,437)</u>
PIO					
8330	Green Apple Calendar	2	-	-	2
8350	Military Banners	12	-	-	12
8340	Holiday Cheer	1,367	-	-	1,367
8352	Historical Society	-	250	-	250
	PIO Totals	<u>1,381</u>	<u>250</u>	<u>-</u>	<u>1,631</u>
Administration					
0000	Non-Departmental	9,978	1,756	5,651	6,083
8317	Emergency Preparedness Fair	2,718	-	-	2,718
8380	Volunteer Program	128	-	-	128
8400	Undesignated Administration	(857)	360	-	(497)
8411	Equestrian Committee	30	-	-	30
8420	Mojave River Walk	(989)	-	-	(989)
	Administration Totals	<u>11,008</u>	<u>2,116</u>	<u>5,651</u>	<u>7,473</u>
	GRAND TOTAL	<u>\$ 260,390</u>	<u>\$ 78,383</u>	<u>\$ 118,575</u>	<u>\$ 220,198</u>