



CITY OF SURPRISE
Planning and Zoning Commission Agenda
16000 N. Civic Center Plaza
Surprise, AZ 85374

Thursday, March 3, 2016 @ 6:00 PM
 COUNCIL CHAMBERS

* [Back](#) [Print](#)

CALL TO ORDER.

- A. Roll Call
- B. Pledge of Allegiance
- C. Current Events and Reports – Pursuant to A.R.S. §38-431.02(k) the chief administrator, presiding officer or a member of a public body may present a brief summary of current events without listing in the agenda the specific matters to be summarized, provided that 1) The summary is listed on the agenda; and 2) The public body does not propose, discuss, deliberate or take legal action at that meeting on any matter in the summary unless the specific matter is properly noticed for legal action.
- D. Staff Reports

Planning and Zoning Commission Agenda:

CALL TO THE PUBLIC:

INSTRUCTIONS: In order to address the Board\Commission, you will need to fill out a Call to the Public Form available at the front counter, and then turn it in to the Secretary before the meeting begins.

Note: A.R.S. 38-431.01(H) - During this time members of the public may address the Board\Commission on any item not on the agenda. At the conclusion of the open call, the Board\Commission may respond to criticism, may ask staff to review the matter or may ask that the matter be put on a future agenda. No discussion or action shall take place on any item raised.

- E. Approval of items on the Consent Agenda – all items with an asterisk (*) are considered to be routine matters and will be enacted by one motion and one roll call vote to the Board\Commission. There will be no separate discussion on these items unless a board member or commissioner requests, in which event the item will be removed from the consent agenda and considered in its normal sequence on the agenda.

CONSENT AGENDA:

REGULAR AGENDA ITEM - NON-PUBLIC HEARING:

STAFF
 RECOMMENDATION/

ITEM #	DISTRICT #	ITEM DESCRIPTION
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PRESENTED BY

- #1 District Internal Consideration and action pertaining to approval of the February 18, 2016 Planning and Zoning Commission minutes. Approve
Heather
Donaldson,
Community
Development

REGULAR AGENDA ITEM - PUBLIC HEARING:

			STAFF RECOMMENDATION/
ITEM #	DISTRICT #	ITEM DESCRIPTION	PRESENTED BY
#2	District 4	<u>Consideration and action regarding a Zone Change from CN/RL-5 split zoning to RL-5.</u>	Approve Sergio Angulo, Community Development
#3	District Internal	<u>Consideration and action on funding recommendations for Public Service Activities for the Community Development Block Grant Program Year 2016-17.</u>	Approve Christina Ramirez, Human Service and Community Vitality
#4	District Citywide	<u>Consideration and action pertaining to funding priorities for the Community Development Block Grant Program Annual Action Plan for 2016 and 2017.</u>	Approve Christina Ramirez, Human Service and Community Vitality
#5	District 4	<u>Consideration and action pertaining to a Conditional Use Permit for Grand Materials, a 7.38 acre property generally located east of the intersection of Dysart Road and Grand Avenue.</u>	Approve Hobart Wingard - Community Development
#6	District 4	<u>Consideration and action regarding a Major PAD Amendment/Rezone to the Canyon Ridge West PAD changing the zoning of the property from PAD (High Density Residential 9-22 DU/Ac) to PAD (Community Commercial).</u>	Approve Robert Kuhfuss, Community Development

OTHER BUSINESS:

- #7 District Internal Discussion pertaining to future agenda items. No Action
Eric Fitzer,
Community
Development

ADJOURNMENT:

SHERRY ANN AGUILAR, CITY CLERK, CMC

SPECIAL NOTE: PERSONS WITH SPECIAL ACCESSIBILITY NEEDS, INCLUDING LARGE PRINT MATERIALS OR INTERPRETER, SHOULD CONTACT THE CITY CLERK'S OFFICE @ 623.222.1200 OR TTY 623.222.1002, BY NO LATER THAN 24 HOURS IN ADVANCE OF THE REGULAR SCHEDULED MEETING TIME.



CITY OF SURPRISE
Planning and Zoning Commission

March 3, 2016 @ 6:00:00 PM

Back Print

Board Meeting Date:	March 3, 2016	Contact Person:	Heather Donaldson, Community Development
Submitting Department:	CD Boards and Commissions	District:	Internal
Staff Recommendations:	Approve		

Consent	Regular	x	Public Hearing	Report/Discussion
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Agenda Wording:

Consideration and action pertaining to approval of the February 18, 2016 Planning and Zoning Commission minutes.

Motion:

I move to approve the February 18, 2016 Planning and Zoning Commission minutes.

Background:

Financial Impact Statement:

No Financial Impact

ATTACHMENTS:

Click to download

☐ [2-18-16 P&Z Commission Meeting Minutes](#)

External Attachment Links:

Meeting Requirements:

Powerpoint	x	Video	x	White Board	x	Other	x
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Presentation Speaker Names (spelling and titles for TV captions):

**CITY OF SURPRISE
PLANNING AND ZONING COMMISSION**

MEETING MINUTES

February 18, 2016 / 6:00 PM

**COUNCIL CHAMBERS
16000 North Civic Center Plaza
Surprise, AZ 85374**

CALL TO ORDER.

Chair Ken Chapman called the Planning and Zoning Commission Meeting to order at 6:00 p.m. at Surprise City Hall, 16000 North Civic Center Plaza, Surprise, Arizona 85374, on Thursday, February 18, 2016.

A. ROLL CALL

In attendance were Chair Ken Chapman, Vice Chair Matthew Keating and Commissioners, Dennis Smith, Shari Martin, Jerry Hoyler and Steve Somers. Commissioner Jim Ferguson was absent.

STAFF PRESENT:

Community Development Assistant Director Chris Boyd, City Attorney Robert Wingo, Planner Hobart Wingard, Planner Robert Kuhfuss, Neighborhood Services Program Supervisor Christina Ramirez and Planning and Zoning Commission Secretary Heather Donaldson.

COUNCIL MEMBERS PRESENT:

None

B. PLEDGE OF ALLEGIANCE

C. CURRENT EVENTS REPORT

D. STAFF REPORT

None

CALL TO THE PUBLIC:

None

CONSENT AGENDA:

No Items

REGULAR AGENDA ITEMS NOT REQUIRING A PUBLIC HEARING:

Item 1 – INTERNAL – Consideration and action pertaining to approval of the January 21, 2016 Planning and Zoning Commission minutes.

Commissioner Smith made a motion to approve the January 21, 2016 Planning and Zoning Commission minutes. Commissioner Martin seconded the motion. The motion passed with 6 votes in favor and 1 absence (Ferguson).

REGULAR AGENDA ITEMS REQUIRING A PUBLIC HEARING:

Item 2 – DISTRICT 4 – Consideration and action pertaining to a Conditional Use Permit for Dysart Mini Storage, a property located at the Northeast corner of Dysart Road and Central Avenue.

Hobart Wingard, Planner, presented the project to the Commission.

The Commission discussed:

- Expansion of facility to the North
- Shared access with existing building to the North
- 2 access points
- Welcome addition to Dysart Road

Chair Chapman opened the Call to the Public. Hearing no comments, Chair Chapman closed the call to the public.

Vice Chair Keating made a motion to approve the Conditional Use Permit for Dysart Mini Storage as presented by staff. Commissioner Somers seconded the motion. The motion passed with 6 votes in favor and 1 absence (Ferguson).

Item 3 – CITYWIDE – Consideration and action pertaining to a Text Amendment to Chapter 113 of the Surprise Municipal Code removing political sign regulations.

Robert Kuhfuss, Planner, presented the project to the Commission.

The Commission discussed:

- Revision of line 64 of Staff Report (tense)
- Chapter 113.2 – What is the definition of date in that Chapter
- Determination of abandonment of signs
- Time period to pickup signs
- Process if candidate does not pick up signs on time
- Possibility of fine for not picking up signs on time

Chair Chapman opened the Call to the Public. Hearing no comments, Chair Chapman closed the call to the public.

Vice Chair Keating made a motion to recommend approval to City Council of a Text Amendment to Chapter 113 of the Surprise Municipal Code removing political sign regulations as presented by staff. Commissioner Martin seconded the motion. The motion passed with 6 votes in favor and 1 absence (Ferguson).

Item 4 – INTERNAL – Presentation and discussion pertaining to the Public Service Activities for the Community Development Block Grant Program Year 2016-17.

Christina Ramirez, Neighborhood Services Program Supervisor, gave an overview of the program, process timeline, CDBG goals for public services, the application descriptions and evaluations and the City's funding recommendations.

Public Service Application presentations were given by the following:

- Darrel Christenson - Ability 360
- Jaime Duarte – The Potter's House Surprise
- Joanne Thomson and Gwen Shawley – Benevilla
- Julie Turko – AASK (Aid to Adoption of Special Kids)
- Mike Hoover – SYEP (Surprise Youth Employment Program)
- Michelle Springer – M.I.K.I.D. (Mentally Ill Kids in Distress)
- Katia Brown – CASS (Central Arizona Shelter Services)

Chair Chapman opened the Call to the Public. Hearing no comments, Chair Chapman closed the call to the public.

OTHER BUSINESS:

Item 5 – INTERNAL - Discussion pertaining to future agenda items.

None

ADJOURNMENT:

Hearing no further business, Chair Chapman adjourned the Planning and Zoning Commission meeting at 7:14 p.m.

Chris Boyd
Community Development Assistant Director

Ken Chapman
Planning and Zoning Commission Chair

The foregoing instrument is a full, true and correct copy of the original document on file in the office of the City Clerk, City of Surprise, Arizona.

ATTEST BY:

Heather Donaldson, Commission Secretary

DATE:



CITY OF SURPRISE
Planning and Zoning Commission

March 3, 2016 @ 6:00:00 PM

Back Print

Board Meeting Date:	March 3, 2016	Contact Person:	Sergio Angulo, Community Development
Submitting Department:	CD Boards and Commissions	District:	4
Staff Recommendations:	Approve		

Consent	Regular	Public Hearing	x	Report/Discussion
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Agenda Wording:

Consideration and action regarding a Zone Change from CN/RL-5 split zoning to RL-5.

Motion:

Motion to recommend approval of the proposed Zone Change under case FS15-315 to the City Council.

Background:

The owner met with staff to discuss the possibility to use the property and existing building as a gathering place for youth functions and for the Door Christian Fellowship. This meeting was followed by a concept review meeting then by a formal submittal for a Zone Change of the property as outlined herein along with a related Final Plat. After the Commission recommends approval of the proposed Zone Change, the Zone Change and Final Plat will proceed to the City Council on April 5, 2016.

Financial Impact Statement:

All activity related to ongoing development in the City of Surprise has an economic and fiscal impact on the city and the region.

ATTACHMENTS:

Click to download

- ☐ [FS15-315 - The Door Christian Fellowship - Rezone - Public Engagement Form](#)
- ☐ [FS15-315 - The Door Christian Fellowship - Rezone - Staff Report](#)
- ☐ [FS15-315 - The Door Christian Fellowship - Rezone - Case Map](#)
- ☐ [FS15-315 - The Door Christian Fellowship - Rezone - Vicinity Map](#)

- ☐ [FS15-315 - The Door Christian Fellowship - Rezone - Luke AFB Letter](#)
- ☐ [FS15-315 - The Door Christian Fellowship - Rezone - Rezone Document](#)
- ☐ [FS15-315 - The Door Christian Fellowship - Rezone - Presentation](#)

External Attachment Links:

Meeting Requirements:

Powerpoint x Video x White Board x Other x

Presentation Speaker Names (spelling and titles for TV captions):

Sergio Angulo, Planner I

Eric Fitzer, Director

PUBLIC ENGAGEMENT FORM

PROJECT TITLE: FS15-315 The Door Christian Fellowship Rezone and Final Case

OVERALL PUBLIC INVOLVEMENT LEVEL:

The citizen outreach meeting took place October 22, 2015 at the project location. Two neighboring property owners attended to ask information about the project and to support the project.

IDENTIFY STAKEHOLDERS:

Neighboring Property Owners

OBJECTIVES:

This rezone and final plat will bring this parcel into conformance with the SUDC and permit for the property to be used as a gathering place for youth functions. If the City Council chooses to not approve the rezone and final plat the property will continue to remain inoperable due to its nonconforming status.

PUBLIC ENGAGEMENT STRATEGIES & TOOLS:

Public Engagement & Project timeline:

Public outreach time frame (when to when) October 22, 2015

Future Council Work Session/Meetings target dates April 5, 2016 Regular Meeting

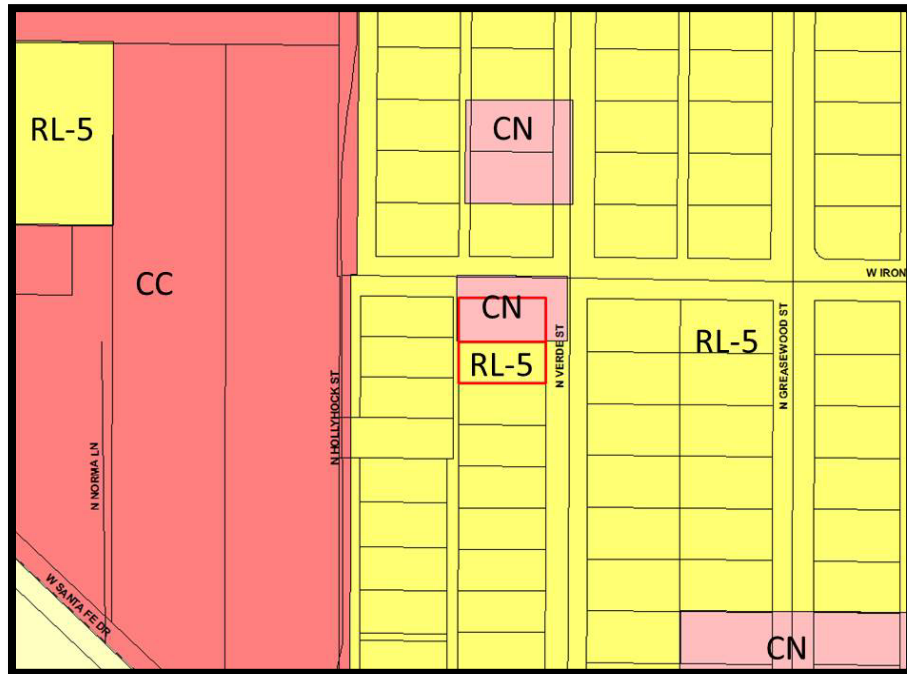
Election dates (if applicable) N/A

Project start/completion dates N/A

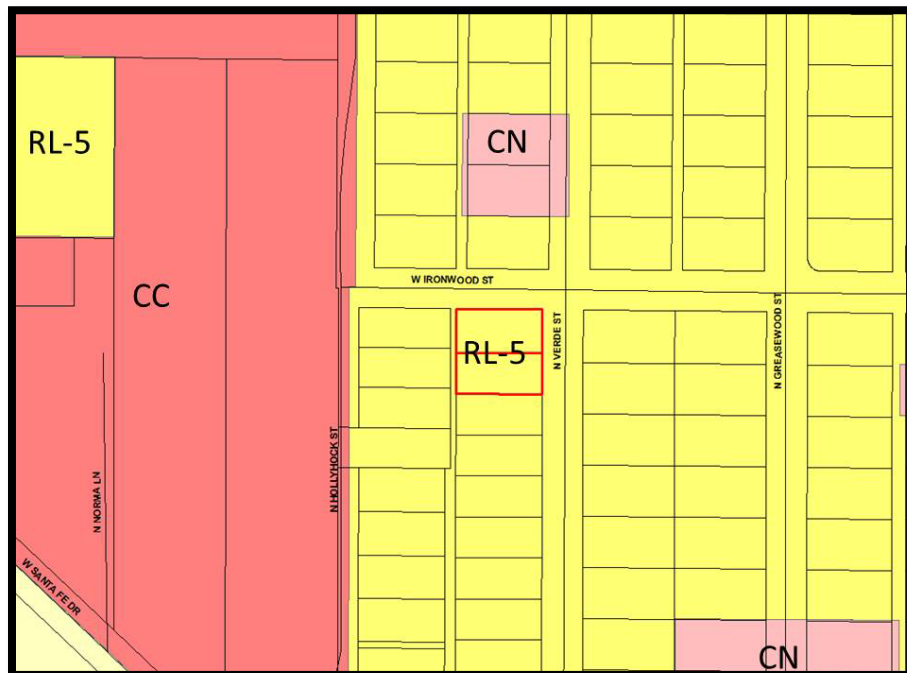
Communication Tools and Technique options: (which do you plan to use?)

- ☐ Press releases
- ☐ Public meetings (video/photos, poster boards, fact sheet(s) *do you need Spanish version?)
- ☒ Presentations to boards and commissions, other interested community partners/stakeholders
- ☐ Third-party consultant/moderator (pending budget)
- ☐ Survey (online/paper/both?)
- ☐ Social media
- ☐ Surprise 11
- ☐ Notify Me email/ Council newsletters (opt-in audience)
- ☒ Paid advertising (pending budget)
- ☐ Surprise Progress (mailed quarterly and tied to print deadlines)
- ☐ Booth at city events
- ☒ Paid mailings (pending budget)
- ☐ Creation of a subcommittee/task force
- ☐ Youth/adult activities, registration, or orientation (HOA Academy)
- ☐ Website updates

25 **Existing Zoning:**



26 **Proposed Zoning:**



27 **Background:**

28 **November 20, 2014:** Staff met with the applicant to discuss the project during a regularly scheduled
29 Concept Review meeting under CR14-374.

30 **July 27, 2015:** The applicant filed a request for a Rezone and a Final Plat under case FS15-315, the
31 subject case.

32 **October 22, 2015:** The applicant held a neighborhood outreach meeting to discuss the project.

33 **Citizen Review:**

34 As noted above, the applicant held a Citizen Review meeting on October 22, 2015 in which two (2)
35 neighboring property owners attended to support the project. Staff is not aware of any opposition
36 regarding this request.

37 **Analysis and Discussion:**

38 The subject property consists of two (2) lots ; lots 9 and 10 of the T.W. Feltner Subdivision, a
39 subdivision approved by the City Council on February 9, 1961. The subject property has split zoning;
40 the northern half is zoned CN while the southern half is zoned RL-5. The SUDC does not permit split
41 zoning therefore the subject property is currently a nonconforming parcel. The applicant is
42 proposing to rezone the subject property completely to RL-5 and to combine lots 9 and 10 to bring
43 the property into compliance with the SUDC.

44 There is an existing vacant building on site which is located on both parcels with the property line
45 running through the middle of the building. The existing zoning district boundaries also cause the
46 building to be in two different zoning districts, another factor contributing to the nonconforming
47 status of the parcel.

48 The proposed Rezone is consistent with the Surprise General Plan 2035 which shows the subject as
49 lying within the Neighborhood Character Area. The applicant's intent is to use the property as a
50 community facility and gathering place for youth functions which is a permitted use in a RL-5 zoning
51 district. The Specific Plan for the Revitalization of the Original Townsite approved by City Council on
52 May 23, 2002, calls for lands uses that will appropriately serve the community. Staff believes the
53 proposed use meets the expectations of the Specific Plan.

54 **Summary:**

55 Staff believes the proposed Rezone and Final Plat will meet the requirements of the SUDC and the
56 General Plan.

57 **Findings:**

- 58 • The proposed Rezone is consistent with the Surprise General Plan 2035.
59 • The proposed Rezone will meet the provisions of the SUDC.

60 **Recommendation:**

61 Based on the findings noted above, staff then recommends the Commission move to recommend
62 **approval** of the proposed Rezone under case **FS15-315** to the City Council.

63 However, should the Commission wish to deny of the request, the Commission should make its
64 own findings and base its decision on those alternative findings.

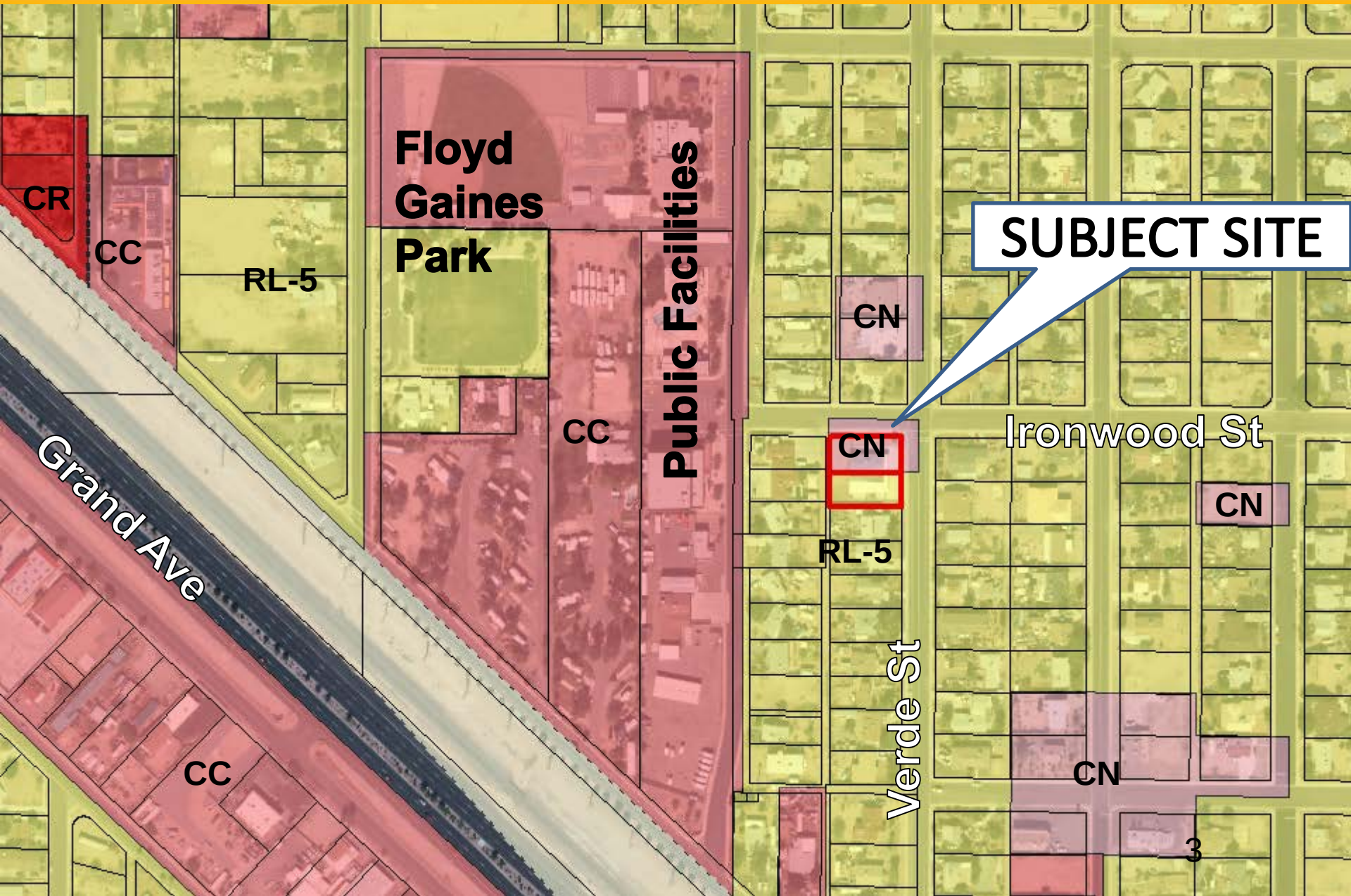
65 **Attachments:**

66 Case Map
67 Vicinity Map
68 Luke AFB comments

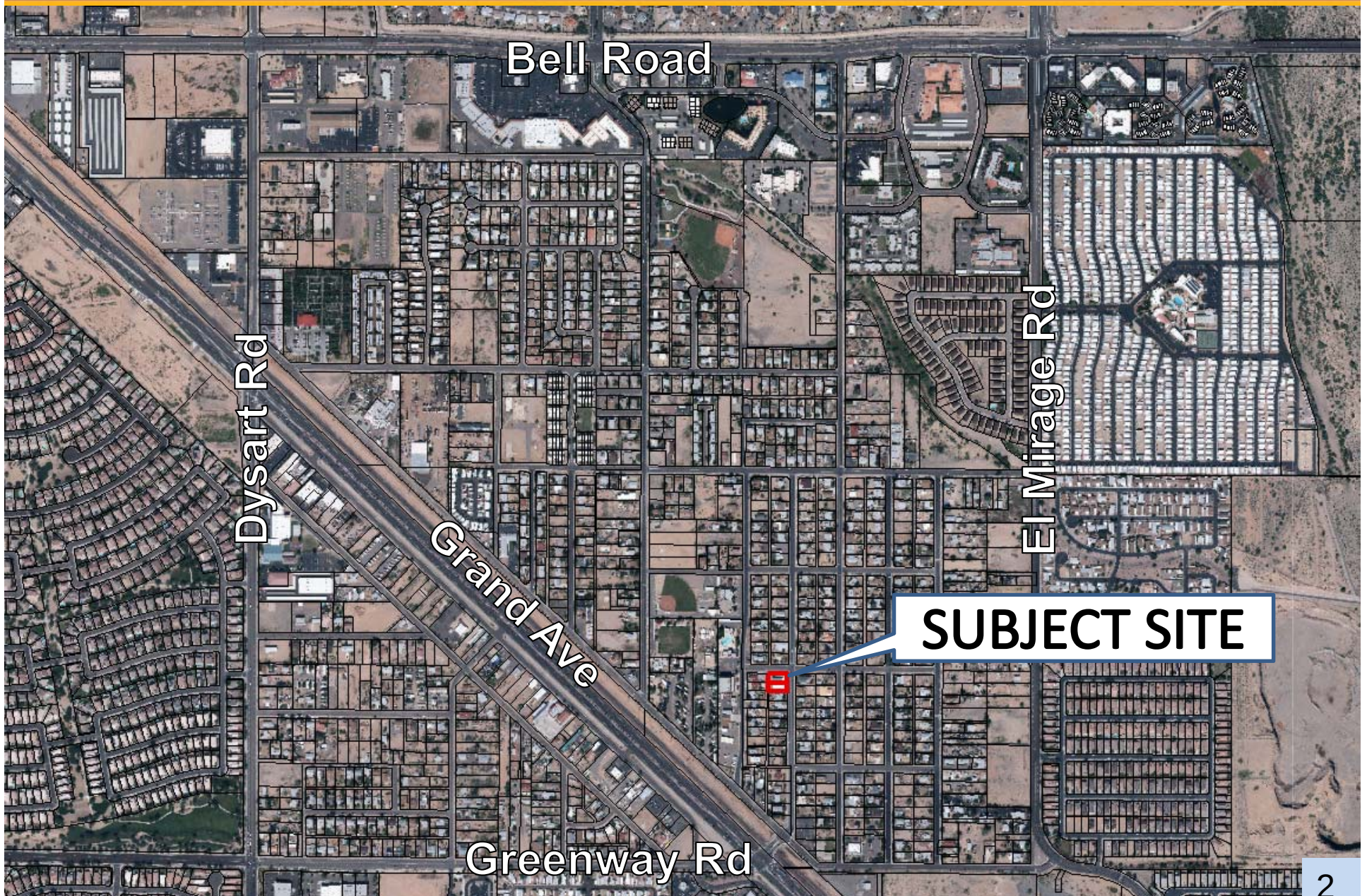
69 **Enclosures:**

70 Rezone Document

CASE MAP



VICINITY MAP





**DEPARTMENT OF THE AIR FORCE
AIR EDUCATION AND TRAINING COMMAND**

20 August 2015

Mr. James R. Mitchell
Director, Community Initiatives Team
56th Fighter Wing
14185 West Falcon Street
Luke AFB AZ 85309-1629

Ms. Jamie Sullivan
City of Surprise Planning Department
16000 North Civic Center Plaza
Surprise AZ 85374

Re: Case #FS15-315: The Door Christian Fellowship

Dear Ms. Sullivan

Thank you for the opportunity to provide comments on the Rezone and Final Plat application for The Door Christian Fellowship. The church is located at 15646 N. Verde Street in Surprise AZ. It is the intention of the Door Christian Fellowship to remodel and use the existing facility as Community Facilities for a gathering place for youth functions, fellowship, etc. Currently the site is split zoned with a portion being CN(C-1): Neighborhood Commercial, and the other portion being RL-5(R1-5): Low Density Residential. The request is that the combined parcel be rezoned to RL-5(R1-5): Low Density Residential. The site is approximately one mile outside the 1988 JLUS 65 Ldn, "high noise or accident potential zone" as defined by A.R.S. § 28-8461 and is within the "territory in the vicinity of a military airport" also defined by A.R.S. § 28-8461.

As described, the rezone and remodel/additions to the church will not negatively impact the flying operations at Luke AFB. Since the Church Complex is located within the "territory in the vicinity of a military airport," it will be subjected to approximately 165 over flights a day, with some as low as 1,500 feet above ground level. We recommend you review the sound attenuation requirements found in A.R.S. § 28-8482. In addition, a strong notification program on the part of the applicant is essential to inform tenants about Luke AFB operations.

If you have any questions, please contact my Community Planner, Ms. Barbara Plante, at (623) 856-9981.

Sincerely

A handwritten signature in black ink, appearing to read "James R. Mitchell", is written over a horizontal line.

JAMES R. MITCHELL

cc:

Ms. Cindy L. Calderon, GS-13, General and Environmental Law Attorney, 56th Fighter Wing



Buckeye, AZ (623) 332-8000 - Planchkpro@CenturyLink.net

A Rezone for

The Door Christian Fellowship
15646 N. Verde St. Surprise, AZ 85378

Address: 15646 N. Verde St. Surprise, AZ 85378

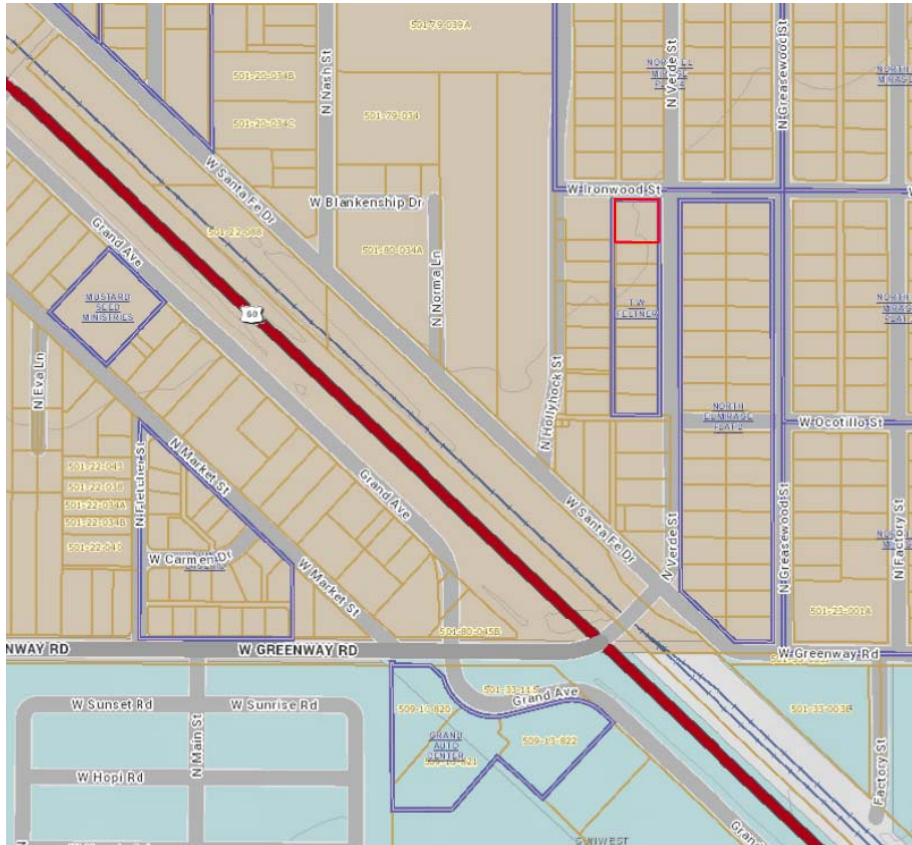
APN: 501-80-056A

Subdivision: T W FELTNER SUB MCR 99-33 LOTS 9 & 10

Lot: 10

RTS: 2 3N 1W

Vicinity Map



Legal Description

LOT 9 AND LOT 10 OF T.W. FELTNER SUBDIVISION AS RECORDED IN BOOK 99 OF MAPS, PAGE 33 OF RECORDS OF THE MARICOPA COUNTY ARIZONA RECORDER, BEING A PORTION OF THE SOUTHEAST QUARTER OF SECTION 2, TOWNSHIP 3 NORTH, RANGE 1

Prepared By David Johnson, Mayfair Design
6/3/15

WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 10, MONUMENTED WITH A ONE HALF INCH REBAR AND CAP MARKED VAUGHN RLS 14216;

THENCE SOUTH 00 DEGREES 06 MINUTES 50 SECONDS WEST (AN ASSUMED BASIS OF BEARING), ALONG THE EAST LINE OF SAID LOT 10 AND LOT 9, A DISTANCE OF 123.92 FEET TO THE SOUTHEAST CORNER OF SAID LOT 9, MONUMENTED WITH A ONE HALF INCH REBAR AND CAP MARKED VAUGHN RLS 14216

THENCE NORTH 89 DEGREES 12 MINUTES 12 SECONDS WEST, ALONG THE SOUTH LINE OF SAID LOT 9, A DISTANCE OF 126.47 FEET, TO THE SOUTHWEST CORNER OF SAID LOT 9, MONUMENTED WITH A ONE INCH PIPE AND CAP MARKED VAUGHN RLS 14216;

THENCE NORTH 00 DEGREES 07 MINUTES 12 SECONDS EAST, ALONG THE WEST LINE OF SAID LOT 9 AND LOT 10, A DISTANCE OF 123.58 FEET TO THE NORTHWEST CORNER OF SAID LOT 10, MONUMENTED WITH A ONE HALF INCH REBAR AND CAP MARKED VAUGHN RLS 14216;

THENCE SOUTH 89 DEGREES 21 MINUTES 23 SECONDS EAST, ALONG THE NORTH LINE OF SAID LOT 10, A DISTANCE OF 126.45 FEET, TO THE POINT OF BEGINNING.

Surrounding Parcel Zoning

All parcels in direct proximity are currently zoned R1-5, low density residential. The neighborhood surrounding the project consists primarily of parcels zoned R1-5, low density residential.

The proposed zoning is compatible with the current zoning directly adjacent to the property and the other properties found in the neighborhood.

Rezone Compatibility With Land Uses In General Plan

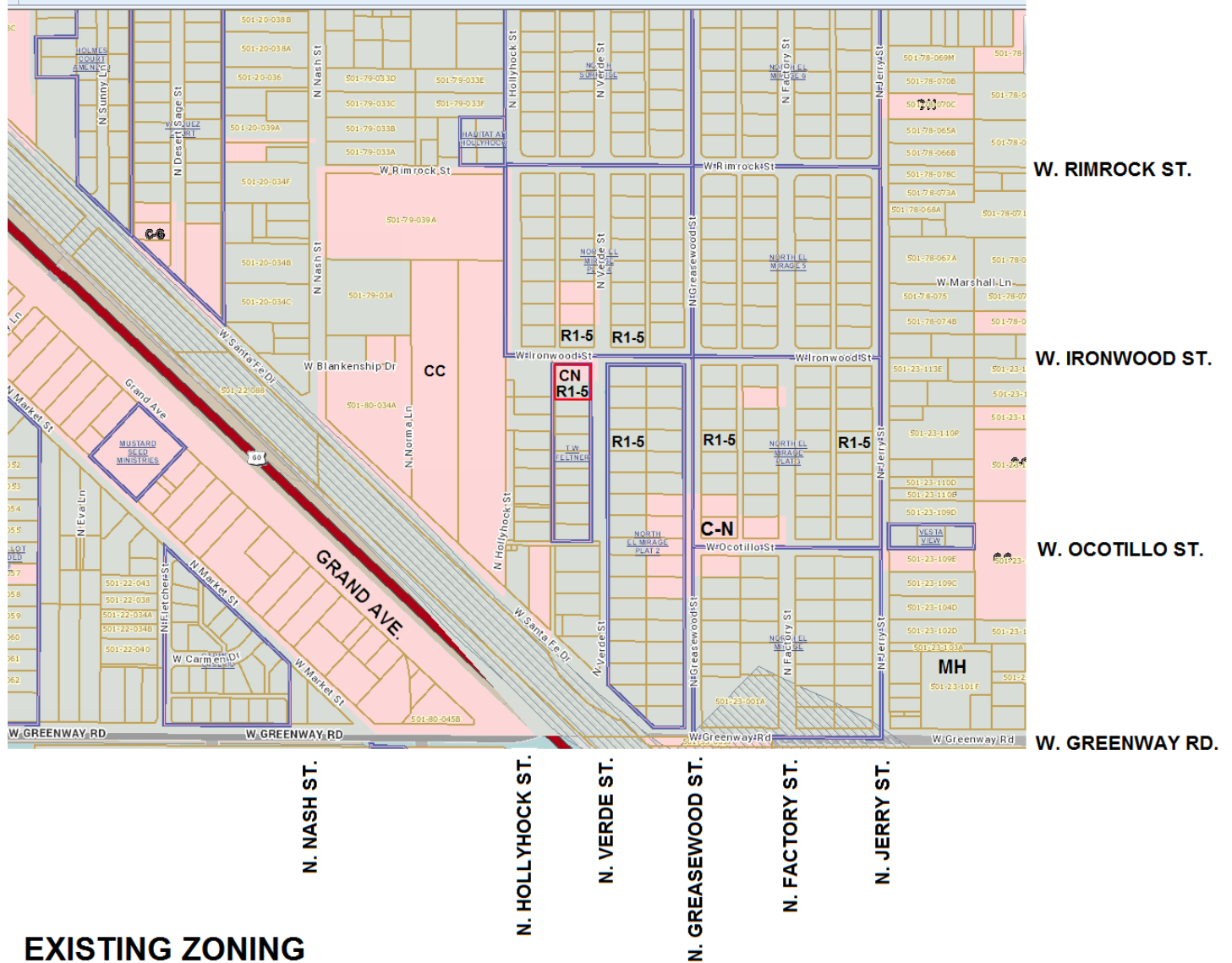
The rezoning of the parcel is in conformance and compatible with the General Plan Land Use requirements of low density residential.

General Plan Designation Within Three (3) Miles - Map



Prepared By David Johnson, Mayfair Design
6/3/15

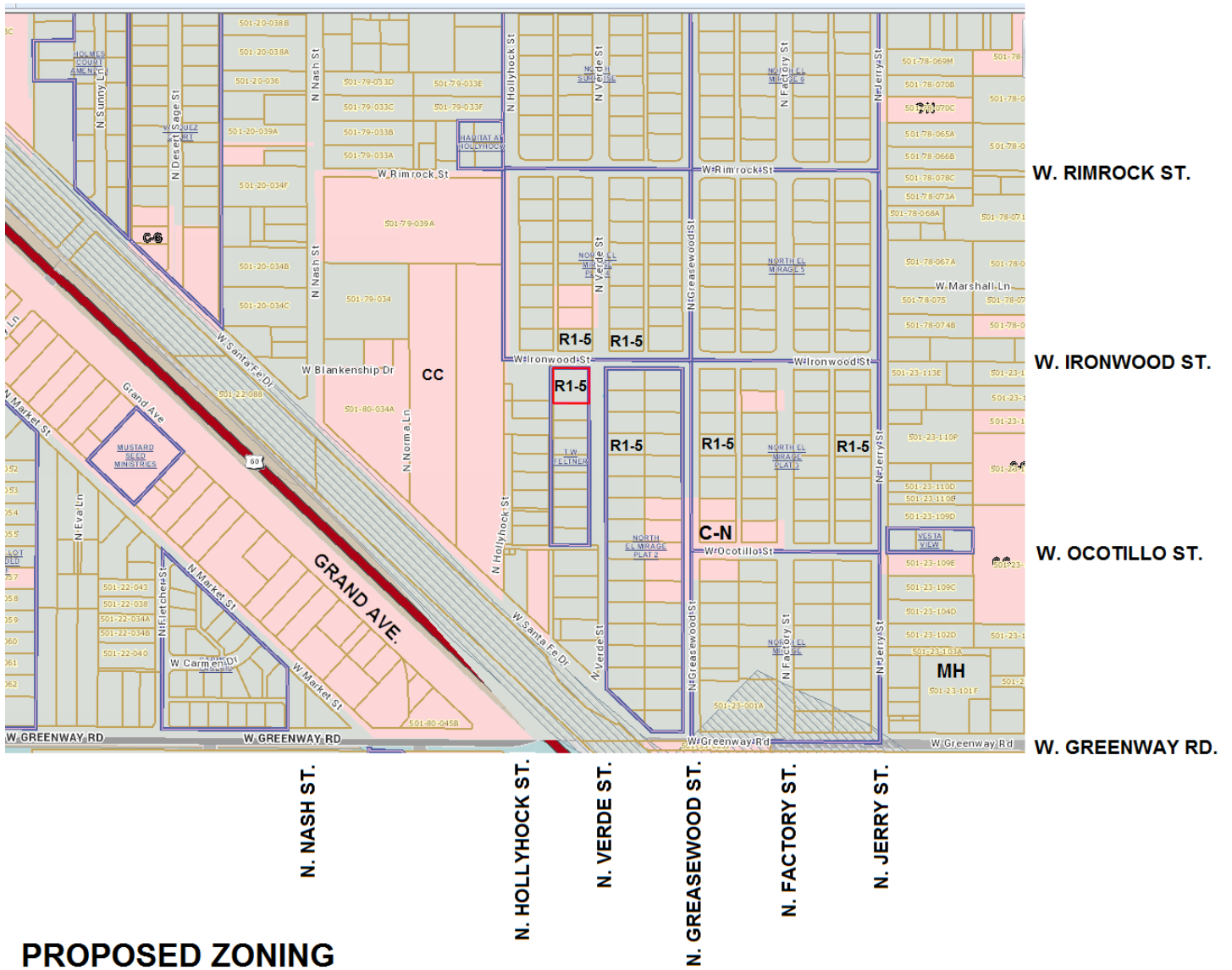
Existing Zoning - Map



EXISTING ZONING

Proposed Zoning – Map

Prepared By David Johnson, Mayfair Design
6/3/15



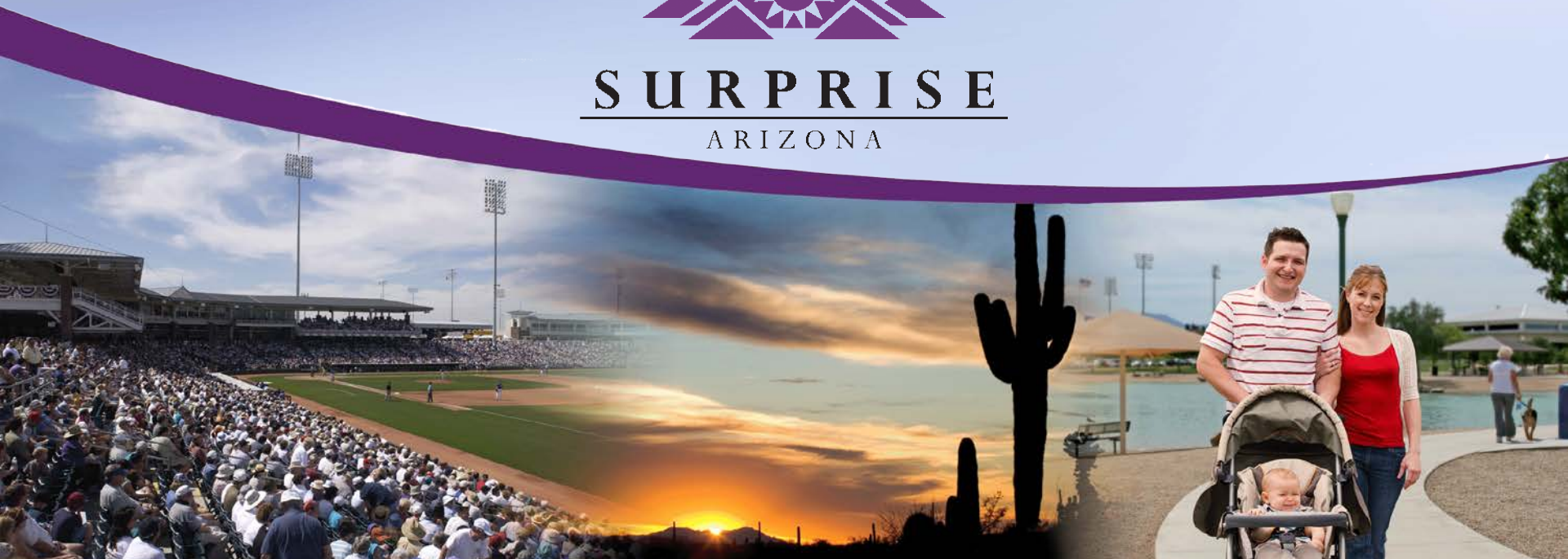
Prepared By David Johnson, Mayfair Design
6/3/15

The Door Christian Fellowship

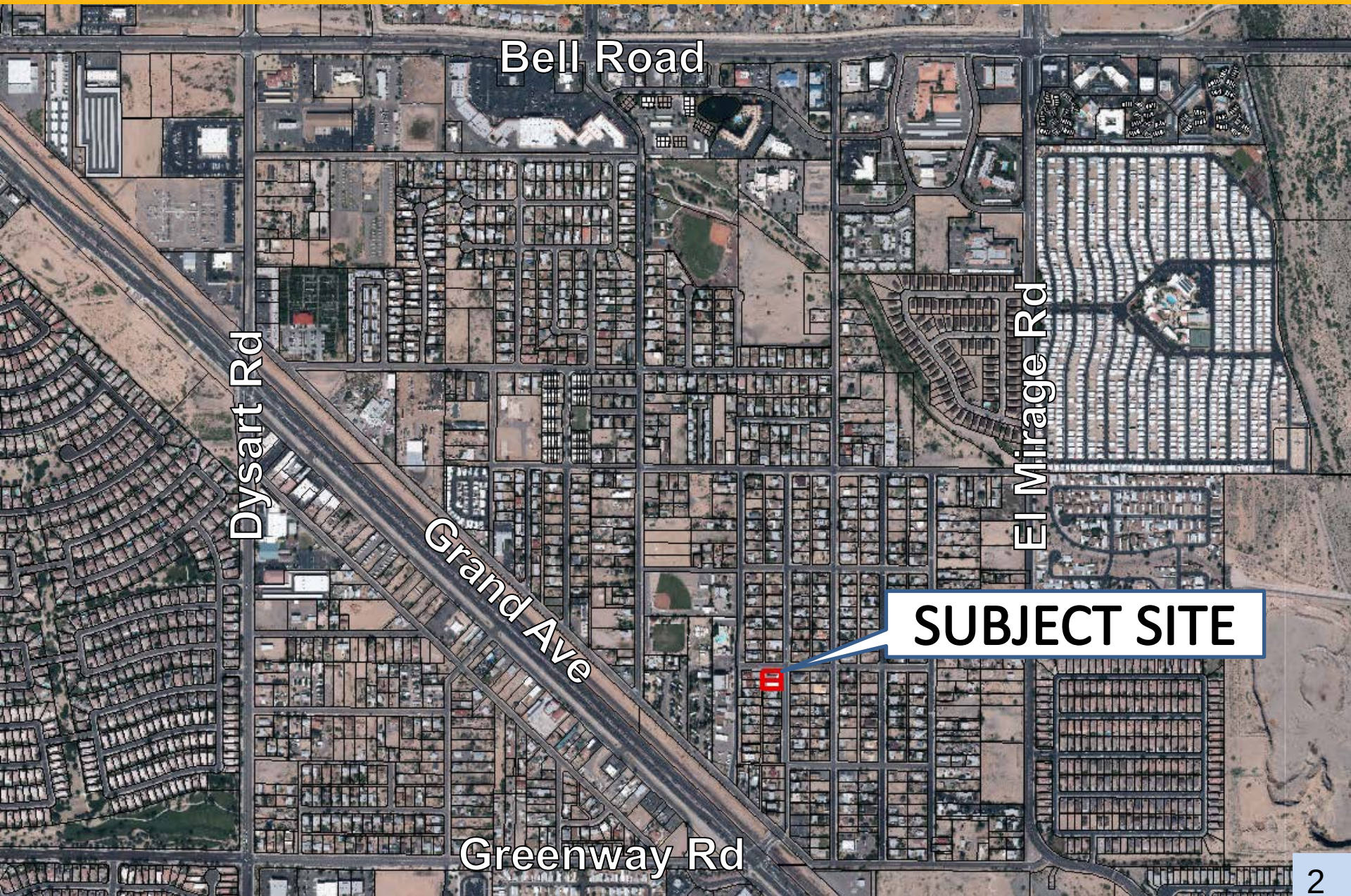
FS15-315

Planning and Zoning Commission

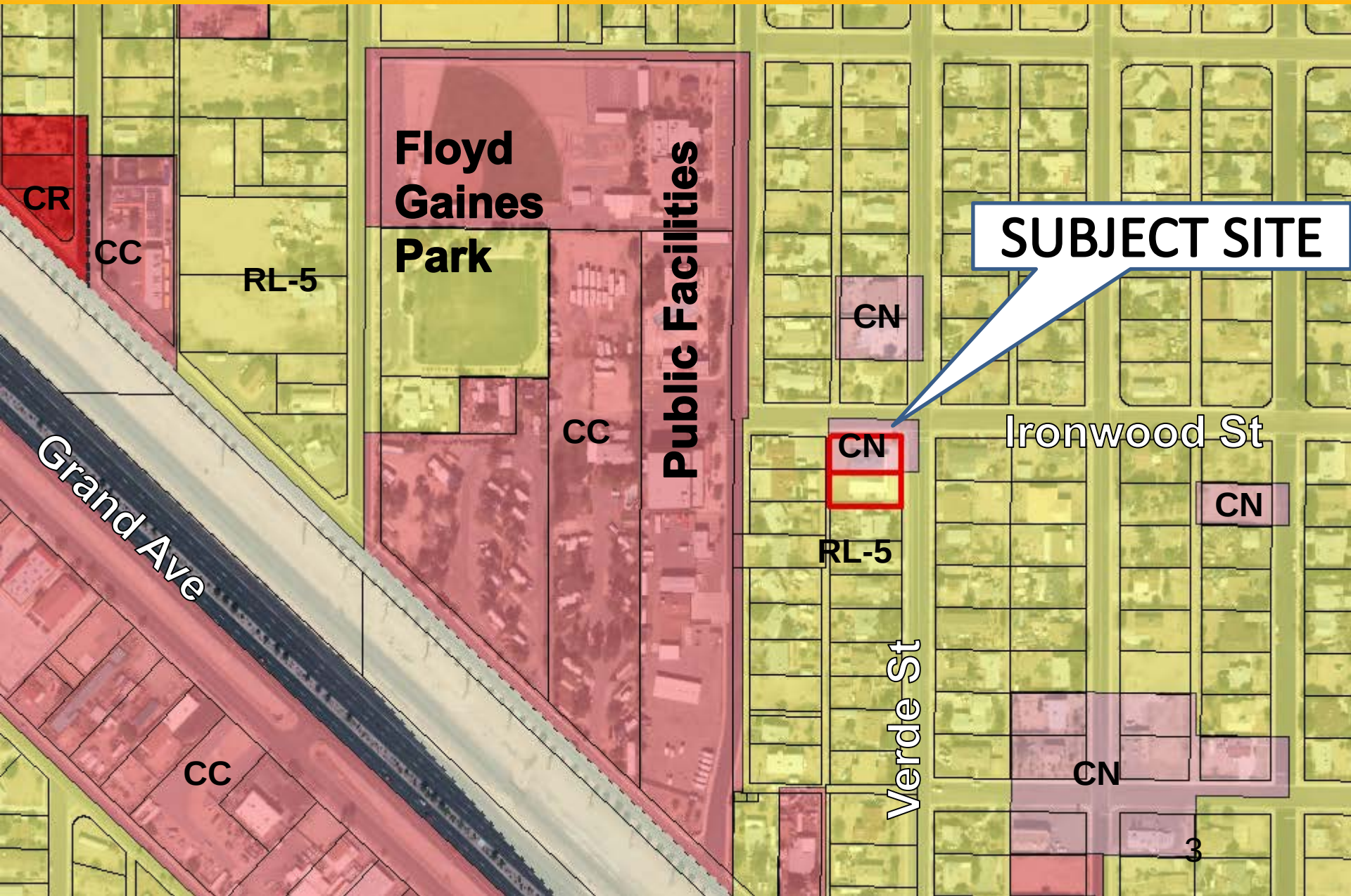
March 3, 2016



VICINITY MAP



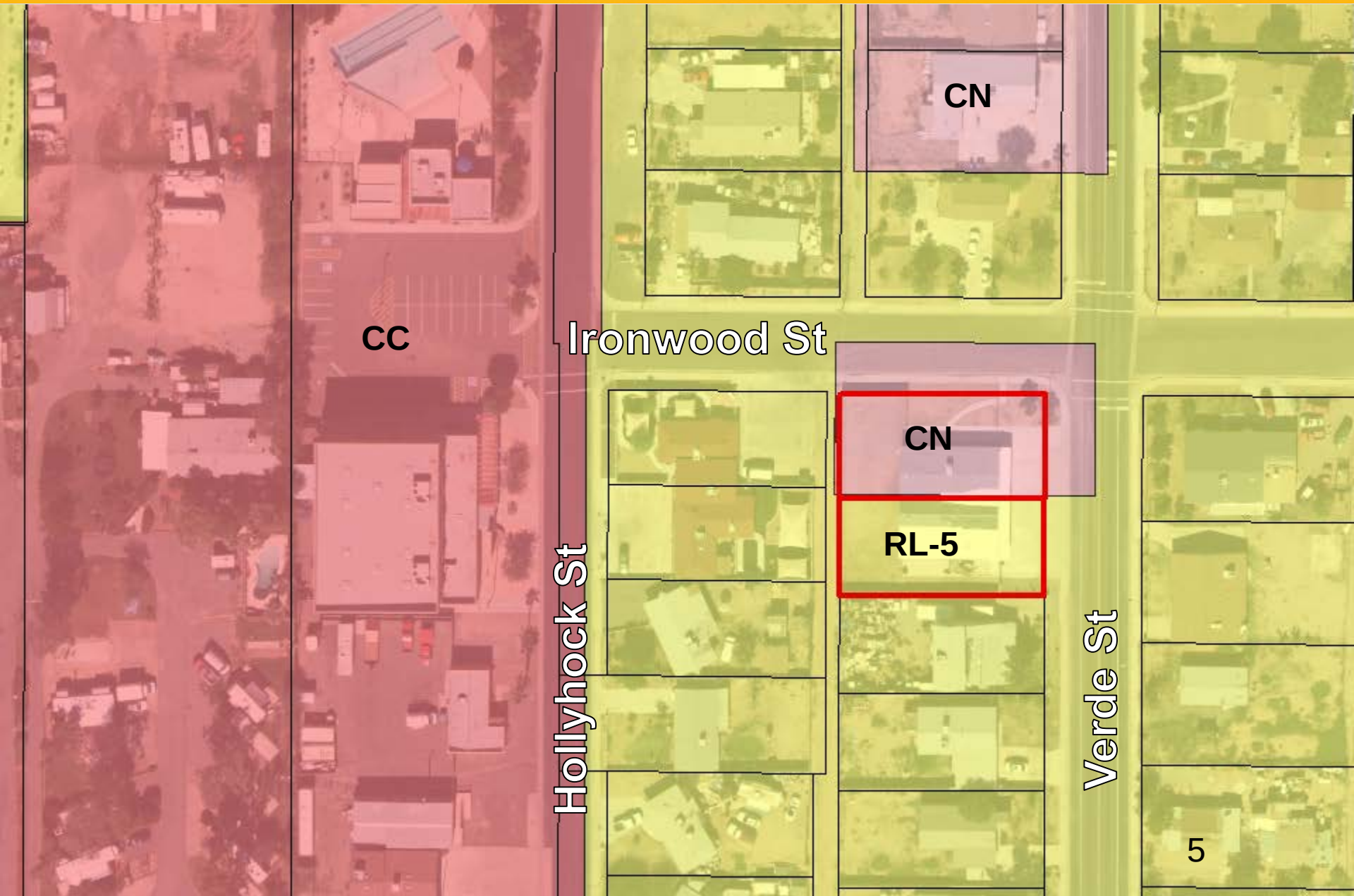
CASE MAP



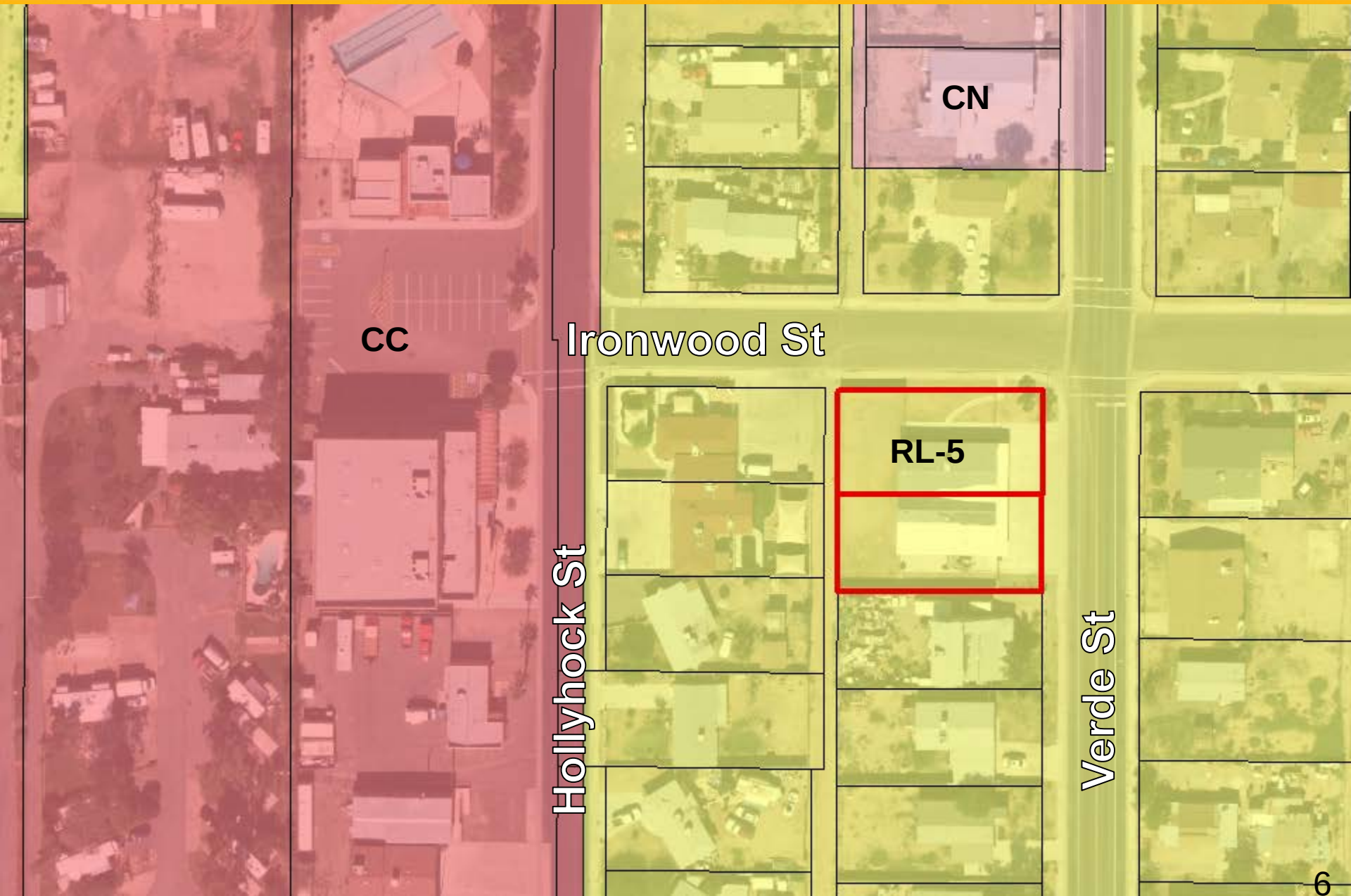
SITE MAP



Current Zoning



Proposed Zoning



CC

Ironwood St

CN

RL-5

Hollyhock St

Verde St

Proposed Replat



THE DOOR CHRISTIAN FELLOWSHIP

AN ASSEMBLAGE OF
LOTS 9 & 10, T.W. FELTNER SUBDIVISION,
RECORDED IN BOOK 99 OF MAPS, PAGE 33, M.C.R.
BEING
A PORTION OF THE SOUTHEAST QUARTER OF SECTION 2,
TOWNSHIP 3 NORTH, RANGE 1 WEST,
OF THE GILA AND SALT RIVER BASE AND MERIDIAN,
MARICOPA COUNTY,
CITY OF SURPRISE, ARIZONA.

ORIGINAL PARCEL DESCRIPTION

LOTS 9 AND 10 AS PER THE PLAT OF "T.W. FELTNER SUBDIVISION" AS RECORDED IN BOOK 99 OF MAPS, PAGE 33, M.C.R.

NEW PARCEL DESCRIPTION

LOT 9 AND LOT 10 OF T.W. FELTNER SUBDIVISION AS RECORDED IN BOOK 99 OF MAPS, PAGE 33 OF RECORDS OF THE MARICOPA COUNTY ARIZONA RECORDER, BEING A PORTION OF THE SOUTHEAST QUARTER OF SECTION 2, TOWNSHIP 3 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

CERTIFICATION

I, Jay N. Vaughn, hereby certify that I am a Registered Land Surveyor in the State of Arizona; that this map, consisting of 2 sheets, correctly represents a survey done under my supervision during the month of February, 2015, that the survey is true and complete as shown; that the monuments shown actually exist as shown or will be set; that their positions are correct and accurate as shown; and that said monuments are sufficient to enable the survey to be retraced.

Registered Land Surveyor
Jay N. Vaughn
P.O. Box 20111
Mesa, Arizona 85277
Reg. No. 14216

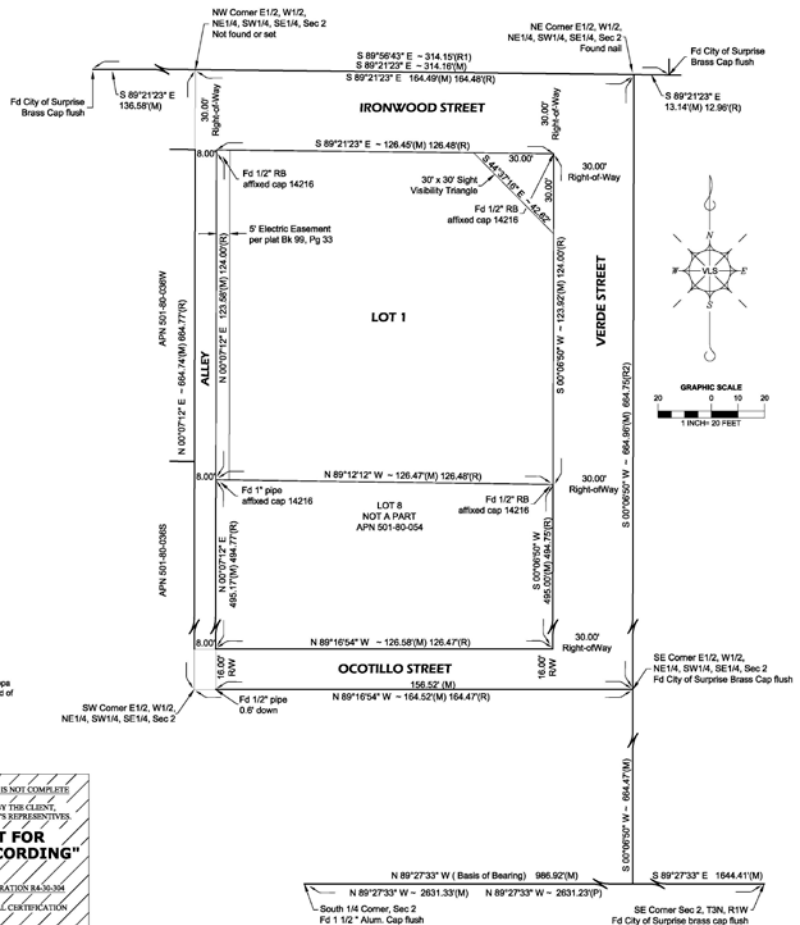
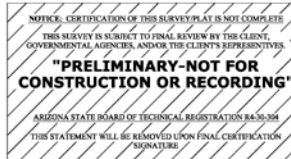


BASIS OF BEARING

The Basis of Bearing is the South Line of the Southeast Quarter of Section 2, Township 3 North, Range 1 West, of the G&S&M, Maricopa County Arizona being South 89°27'48" East as shown on the Record of Survey, recorded in Book 668 of Maps, Page 41, M.C.R.

REFERENCE MATERIALS

- (R1) RECORD OF SURVEY
BOOK 1080 OF MAPS, PAGE 42, M.C.R.
LOT ONE OF FREEDOM CHURCH INTERNATIONAL
BOOK 962 OF MAPS, PAGE 24, M.C.R.
- (R) T.W. FELTNER SUBDIVISION
BOOK 99 OF MAPS, PAGE 33, M.C.R.
NORTH EL MIRAGE PLAT 4
BOOK 55 OF MAPS, PAGE 34, M.C.R.
- (R2) NORTH EL MIRAGE PLAT 2
BOOK 49 OF MAPS, PAGE 30, M.C.R.
- RECORD OF SURVEY
BOOK 668 OF MAPS, PAGE 41, M.C.R.



REVISION	SUBMITTED BY:	DATE
2015/10/19 City Comments	A. Chavira	
2015/12/15 City Comments	J.N. Vaughn	
2016/01/28 City Comments	J.N. Vaughn	

Subdivision	Plat	Section 2
Township 3 North	Range 1 West	Meridian G&S&M
P.O. Box 20111 Mesa, Arizona 85277 Phone (480) 921-1565 Fax (480) 921-1567		

DATE: March 3, 2015
FILE: 2307 Church.DWG
TAB: Plat
JOB: VLSA 2307

SHEET
2 OF 2

- Outreach meeting on October 22, 2015
- Two neighbors attended to support
- No opposition known

Staff Recommends the Commission to Recommend Approval of the Rezone Case FS15-367

Questions or Comments?



CITY OF SURPRISE
Planning and Zoning Commission

March 3, 2016 @ 6:00:00 PM

Back Print

Board Meeting Date:	March 3, 2016	Contact Person:	Christina Ramirez, Human Service and Community Vitality
Submitting Department:	CD Boards and Commissions	District:	Internal
Staff Recommendations:	Approve		

Consent	Regular	Public Hearing	x	Report/Discussion
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Agenda Wording:

Consideration and action on funding recommendations for Public Service Activities for the Community Development Block Grant Program Year 2016-17.

Motion:

I move to recommend to the Mayor and City Council the 2016-2017 Community Development Block Grant Public Service Funding recommendations as discussed.

Background:

As an entitlement city, Surprise receives a yearly allotment of Community Development Block Grant (CDBG) funding from the U.S. Department of Housing and Urban Development (HUD). Per grant guideline, the city has the ability to designate up to 15% of the grant award to fund eligible public services with the intent of serving low to moderate-income persons within the City of Surprise.

Financial Impact Statement:

CDBG public service grant funds will be utilized to fund the approved applicants. CDBG Public Service funding is limited to 15% of the annual CDBG allocation for the program year (PY). Funding from HUD for PY 2015-16 is not yet determined. The anticipated amount under discussion is \$82,650.

ATTACHMENTS:

Click to download

- ☐ [Rubric](#)
- ☐ [Evaluation](#)

- ☐ [Ability 360 Application](#)
- ☐ [Potter's House Application](#)
- ☐ [Benevilla Application](#)
- ☐ [AASK Application](#)
- ☐ [SYEP Application](#)
- ☐ [M.I.K.I.D. Application](#)
- ☐ [CASS Application](#)
- ☐ [Public Engagement Form](#)
- ☐ [Staff Report](#)
- ☐ [Presentation](#)

External Attachment Links:

Meeting Requirements:

Powerpoint x Video x White Board x Other x

Presentation Speaker Names (spelling and titles for TV captions):

Christina Ramirez, Neighborhood Services Supervisor

	Program Design and Community Impact (50 PTS)						Experience and Capacity (35 Points)				Leveraging (10 Points)		Reference (5)		Requested Amount by Org.	Recommended Funding Amount
Organization	Evidence of Need (10 Points)	High Priority in Consolidated Plan (10 Points)	Feasible as presented (10 Points)	Sustainable (5 Points)	Assisting Priority Population (10 Points)	Program can be completed within 12 months (5 Points)	Existing ongoing Program (10 Points)	Readiness (5 Points)	Sufficient Experienced Staff (10 Points)	Experience working with Federal Programs (10 Points)	Letters of Commitment for Additional Funds Needed (5 Points)	Pledge of Leveraging Resources (5 Points)	Letters of Reference (5 Points)	TOTAL	Requested Total Amount: \$125,905	Available Grant Amount: \$82,650
AASK	8.33	8.33	9.67	4	8.67	5	10	5	10	8.67	5	5	5	92.67	\$5,000	\$5,000
Benevilla	8	9.33	9.33	2.67	9	4	9	4.33	9.67	9.67	4.67	4.67	5	89.34	\$24,998.50	\$20,000
SYEP	10	10	10	3.33	10	5	9	4.33	10	10	1.67	5	0	88.33	\$15,000	\$13,000
Ability 360	9.33	9	9.67	4	9.67	4.67	10	5	10	10	0	2.67	0	84.01	\$35,378	\$25,000
MIKID	9	8.67	8.67	4.33	9	5	7.67	4.67	10	6.67	1.67	4.67	0	80.02	\$15,000	\$5,000
The Potter's House	8.67	8.67	8	3.67	8	5	8.67	3.67	8.67	4.67	4.67	4.67	1.67	78.7	\$20,528	\$7,650
CASS	8	6.33	8.67	4.33	7.33	4.33	10	5	10	8.33	0	3.33	0	75.65	\$10,000	\$7,000
															\$125,905	\$82,650



Applicant	Project Name	Project Description	Awarded Points (100)	Remarks
Ability 360 aka Arizona Bridge to Independent Living (ABIL)	Surprise Program for Home Accessibility (SPHA)	Provide handicap modifications to disabled homeowners Funding Request: \$35,378 Recommend: \$25,000	84.01	High priority need in Consolidated Plan. Has current contract. City of Surprise has funding for this type of project.
Aid to Adoption to Special Kids	Building and Strengthening Program	Train families caring for special needs foster children. Funding Request: \$5,000 Recommend: \$5,000	92.67	Not listed as a high priority in Consolidated Plan, however there is great need for this service. Agency does receive CDBG funding from City of Peoria and Gilbert.
Central Arizona Shelter Services, Inc. (CASS)	Regional Emergency Shelter for Single Adults and Families with Children	Services to homeless persons. 1,200 shelter nights for 30 Surprise clients. Funding Request: \$10,000 Recommend: \$7,000	75.65	Not a high priority in Consolidated Plan, but a high priority with Council. Need to assure participants are Surprise residents. Has current contract.
Benevilla	Intergenerational family support center/information and referral services	Services to youth/seniors/families. 1,545 possible units of service. Funding Request: \$24,998.50 Recommend: 20,000	89.34	667 Home delivered meals, 50 days of adult day and approx. 2,321 days child day care assistance. -Surprise Community Outreach Program Recipient. -Have been funded for the past five grant cycles.



Applicant	Project Name	Project Description	Awarded Points (100)	Remarks
City of Surprise	SYEP –Summer Youth Employment Program	Job training for 26 Surprise youth. Funding Request: \$15,000 Recommend: \$13,000	88.33	High priority in Consolidated Plan. Expansion of current program.
Mentally Ill Kids in Distress	M.I. K.I.D.	Peer support, specialized mental/behavioral health support services. Funding Request: \$15,000 Recommend: \$5,000	80.02	High priority in Consolidated Plan. New applicant. Established program in other communities.
Potter's House	Surprise D.R.E.A.M. Team	Mentoring, community out- reach and English classes. Funding Request: \$20,528 Recommend: \$20,000	78.7	Currently housed in strip mall Bell Cross Roads. New facility will be in OTS (Verde/Ironwood)

NOTE: Scoring panel consisted of 3 individual reviewers.



HUMAN SERVICE AND COMMUNITY VITALTY

Date: March 3, 2016

To: Planning and Zoning Commission Members

From: Seth Dyson, Director
Christina Ramirez, Neighborhood Services Supervisor
Alicia Rubio, Neighborhood Services Coordinator

Re: CDBG-Funded Public Service Activities

Introduction

As an entitlement city, Surprise receives a yearly allotment of Community Development Block Grant (CDBG) funding from the U. S. Department of Housing and Urban Development (HUD). Per grant guidelines, the city has the ability to designate up to 15% of the grant award to fund eligible public services with the intent of serving low to moderate income persons within the City of Surprise.

This Planning and Zoning Commission Public Hearing meeting is aimed at assisting the Commission on recommending applicant(s) to City Council from the pool of applicants. Upon approval by City Council, the CDBG Public Services Activities will be submitted to HUD as part of the Annual Action Plan for 2016-17.

Background

CDBG Public Service Activities can be carried out by either city departments or qualified nonprofit organizations that are interested in providing services that address one or more of the public service needs targeted in the city's Consolidated Plan. CDBG public service funds can be used to provide a variety of public services, such as child care, health services, job training, youth services, and recreation activities for low to moderate income individuals and families.

According to HUD regulations, CDBG funds may be used to provide public services (including labor, supplies, materials and other costs), provided the public service is:

- A new service or a quantifiable increase in the level of a service (for city-initiated projects only).
- Serve low- to moderate-income persons in the City of Surprise through area benefit or serving a particular clientele like seniors or homeless persons.

Funding Limit

CDBG Public Service funding is limited to 15% of the annual CDBG allocation for the program year (PY). For example, the CDBG allocation for City of Surprise for the PY 2015-16 was \$551,309, thus the funding awarded to applicants did not exceed \$82,696.00. Funding from

HUD for PY 2016-17 is approximately \$585,139. Recommendations today are based on this anticipated allocation amount.

Previous Actions

Last year the city awarded funding to four area non-profits, to include:

- St. Mary's Food Bank was awarded \$11,480 to provide emergency food assistance,
- Benevilla was awarded \$10,000 to provide adult day care, preschool and food delivery assistance
- Arizona Bridge to Independent Living was awarded \$15,580 to provide home modifications for residents with disabilities
- Central Arizona Shelter Services was awarded \$5,000 to provide emergency shelter services
- Arizona Charter Academy was awarded \$12,539 for recreation and after school program
- Aid to Adoption of Special Kids was awarded \$3,000 for foster parent counseling
- Tumbleweed was awarded \$8,200 for homeless teen outreach

Updated Actions

The Request for Application for CDBG Public Service Activities for PY 2016-17 was released on January 7, 2016. Applications were due January 26, 2016. Staff has evaluated the eligible applications as per the scoring rubric (Attachment 1) approved by the Planning and Zoning Commission.

Staff's funding recommendations are as follows:

Ability 360	\$27,560
CASS	\$ 7,000
Benevilla	\$22,560
Aid to Adoption of Special Kids	\$ 5,000
Potter's House	\$ 7,650
Surprise SYEP	\$13,000
Mentally Ill Kids	\$ 5,000
Total Public Service Funding	\$87,770
Total CDBG allocation	<u>\$585,139</u>

Future Actions

- City Council Workshop: April 5, 2016
- City Council Public Hearing and approval April 19, 2016
- Submission to HUD as part of Annual Action Plan 2016-17 by May 16, 2016.

Recommendations

Approval of Public Service funding recommendations.

Planning and Zoning Commission Public Services Grant Public Hearing



February 19, 2015



Today's Objectives



- CDBG Public Services Grant Process
- Application Evaluation
- Funding Discussion

CDBG Public Services Grant



Background

- City of Surprise is a Direct CDBG Entitlement Community
- Yearly Funding Through CDBG program
 - Received \$551,309 for 2015-16
 - Funding amount for 2016-17 (anticipated) \$551,309
- 15 % of Allotment- For **Public Services**
 - Estimated \$82,650 available

Process Timeline



January 7, 2016 –
January 26, 2016

Application Period

February 18, 2016

P & Z Public
Hearing

March 3, 2016

P & Z Public
Hearing and
Recomm.



Process Timeline



April 5 and 19, 2016

Council Workshop,
Public Hearing and
Recommendation

May 16, 2016

Submit Action Plan to HUD



National Objectives Surprise Will Meet

- Benefit Low to Moderate Income (LMI) Persons
- Area benefit
- Limited Clientele

Note: If a Project Doesn't Meet the Above Criteria, it Doesn't Qualify.

Funding Beneficiaries



- **Area Benefit**

- 51% Residents in the Area Must be Low/Mod Income
- Activities Targeted only for Original Townsite Area-OTS

- **Limited Clientele**

- A Certain Group of People:
Seniors/Homeless/Disabled Adults
- 51% of Low/Mod Income Persons

Application Description



Applicant	Project Name	Requested Amount	Eligibility
Arizona Bridge to Independent Living	Surprise Program for Home Accessibility	\$34,378	Low/Mod Clientele
Benevilla	Adult Day, HD Meals, Child Dev. Center, Family Resource Center	\$24,998.50	Low/Mod Clientele
Central Arizona Shelter Services	Regional Emergency Shelter	\$10,000	Limited Clientele
Potter's House	Mentor Program	\$20,528	Low/Mod Clientele
Aid to Adoption to Special Kids (AASK)	Train Foster Care Families	\$5,000	Low/Mod Clientele
Mentally Ill Kids in Distress	Peer Support	\$15,000	Low/Mod Clientele
City of Surprise	SYEP –Summer Youth Employment Program	\$15,000	Low/Mod Clientele
	Request Total	\$124,904.50	

Application Evaluation



Applicant	Project Name	Description		Remarks
Arizona Bridge to Independent Living (ABIL)	Surprise Program for Home Accessibility (SPHA)	Provide handicap modifications to senior homeowners	84	High priority need in Consolidated Plan. City has funding for this type of project. Prior CDBG Awards: \$34,558
Aid to Adoption to Special Kids	Building and Strengthening Program	Train families caring for special needs foster children.	93	Not listed as a high priority in Consolidated Plan, however there is great need for this service. Agency does receive CDBG funding from City of Peoria and Gilbert. Prior CDBG Award: \$3,000
Central Arizona Shelter Services, Inc. (CASS)	Regional Emergency Shelter for Single Adults and Families with Children	Services to homeless persons. 1,200 shelter nights for 30 Surprise residents.	76	Not a high priority in Consolidated Plan, but a high priority with Council. Need to assure participants are Surprise residents. Has current contract. Prior CDBG Award: \$8,000
Benevilla	Intergenerational family support center/information and referral services	Services to youth/seniors/fam. 1,545 possible units of service.	89	Home delivered meals, adult day and child day care assistance. Past performance issues with timely expenditure of funding. Prior CDBG Awards: \$78,967 Surprise Comm. Outreach Funding FY13 \$10,000 & FY14 \$10,000
City of Surprise	SYEP –Summer Youth Employment Program	Job training for 26 Surprise youth.	88	High priority in Consolidated Plan. Expansion of current program. Previous CDBG Funding: \$26,889
Mentally Ill Kids in Distress	M.I. K.I.D.	Peer support, specialized mental/behavioral health support services. Funding Request: \$15,000 Recommend: \$5,000	80	High priority in Consolidated Plan. Established program in other communities. New applicant
Potter's House	Surprise D.R.E.A.M. Team	Mentoring, community out- reach and English classes Funding Request: \$20,528 Recommend: \$7,650	79	Currently housed in strip mall Bell Cross Roads. New facility will be in OTS (Verde/Ironwood). New applicant.

Funding Recommendations



Ability 360	\$25,000	\$ 27,560
Aid to Adoption to Special Kids		\$ 5,000
Central Arizona Shelter Services		\$ 7,000
Benevilla	\$ 20,000	\$ 22,560
Mentally Ill Kids in Distress		\$ 5,000
Potter's House		\$ 7,650
SYEP		\$ 13,000

Draft Total	\$82,650
New Total	\$87,770

Difference	\$5,120
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Summary



- Funding recommendation to Council for the March 3, 2016
- Applicant Presentations

APPLICATION FOR CDBG-FUNDED PUBLIC SERVICES ACTIVITIES

Please complete & submit this form to the Welcome Center,
City of Surprise,
16000 N. Civic Center Plaza
Surprise, AZ 85374

We do not accept e-mail or electronic submissions

Organization Information			
Name of Organization:	Ability360		
Contact Person:	Darrel Christenson		
Contact Person Title:	Vice President of Community Integration		
Mailing Address:	5025 E. Washington St., Suite 200, Phoenix, AZ 85034-7439		
Street Address (if different from mailing):	SAME		
Phone:	(602) 296-0530		
Fax:	(602) 254-6407		
E-mail:	DarrelC@ability360.org		
Website URL (if applicable):	www.ability360.org		
Legal Status of Applicant: ☐ State-Certified CHDO ☒ Non-Profit (non-CHDO) ☐ Public Housing Authority ☐ State Agency ☐ Local Government ☐ Tribal Government ☐ Council of Government ☐ General Partnership ☐ Limited Partnership ☐ Limited Liability Company ☐ Corporation			
Applicant's Qualifications:	Yes	No	NA
Drug Free Policies	X		
Fair Housing Policies	X		
Equal Employment Opportunity Employer	X		



Project Description

Proposed Project Title:	Surprise Program for Home Accessibility (SPHA)
--------------------------------	--

Check applicable priority area(s) that the project addresses:

- | | |
|--|---|
| ☐ Child care
☐ Youth Services
☐ Health Care
☐ Job training/job creation
☐ Literacy programs
☐ Recreation programs
☐ Education programs
☐ Public safety services
☐ Fair housing activities
☒ Services for senior citizens | ☐ Services for homeless persons
☐ Drug abuse counseling and treatment
☐ Qualified Veteran Services
☐ Welfare (as defined by CDBG)
☐ Code Enforcement Services
☐ Transportation/Transit
☒ Other
If Other, describe Other: Persons with Disabilities _____ |
|--|---|

Describe the problem or need to be addressed by proposed project. (Please attach an extra sheet if needed)

For persons with disabilities, securing accessible and affordable housing is always universally considered the biggest impediment to living independently in the community. Currently, many people with disabilities have difficulty moving about in their homes due to architectural barriers and there are long waiting lists for ready-made accessible units. According to a study published in the American Journal of Public Health, Arizona has the highest prevalence of adults with disabilities at 25.9% and the Valley being the third highest metropolitan statistical area at 25.6%. As our population ages, the percentage of persons with disabilities will increase, therefore the demand for accessible housing will continue to grow.

Persons with disabilities who need accessible housing have additional barriers to obtaining and retaining adequate and reasonably priced housing, over and above their limited incomes. Many people have some form of disability that adds to the problem of finding adequate housing.

As of January 14, 2016 the Housing Authority of Maricopa County which manages Public Housing programs for the City of Surprise indicated that there are 1721 currently on the Public Housing waiting list and are not accepting applications for this waiting list. They report receiving a minimum of 10 calls per day from the public requesting housing



assistance.

The Housing Authority went on to report that they operate a public housing program that consists of 446 units, of which only 36 are considered accessible. In addition to the apartments, they have 83 scattered site single family homes.

Ability360 has been averaging 4-6 calls per month from Surprise residents requesting home modification assistance.

Project Location & Service Area - Describe the area to be served by the project. If possible, include a map.

City-wide. Ability360 staff requires that all consumers sign its Consumer Application/ Intake Form when being opened for home modification program services verifying residency. Residents will be both those who own their own homes and those who rent houses, apartments and mobile homes.

Targeted demographic population of the city:

One hundred percent of the eligible program participants will be Surprise residents who either have a significant disability or who are seniors, who receive Surprise water bills and are of low-to-moderate incomes. This program is city-wide within Surprise.

Residents must: 1. Have a significant disability, 2. Be able to benefit from a modification, 3. Sign a form verifying their income, 4. Have a verifiable Surprise residence, 5. Be a homeowner or rent an apartment, house or mobile home, 6. If renting, have a signed release from the landlord stating that they agree to the proposed modification, 7. Have a one year lease.

Proposed Measurable Outcomes – Please provide an outcome statement to be achieved through the use of CDBG funding:

The Surprise Program for Home Accessibility (SPHA) will allow persons with significant disability or who are seniors to more safely access their homes independently, thus increasing their quality of life in the community.

1. Assist residents to maintain and enhance independent living for 8 households by completing home modifications to increase accessibility in their home.
2. Increases home safety as it reduces falls, injuries, hospitalization or worse, institutionalization in nursing homes. Each Surprise resident with a disability assisted to live in the community with Home & Community Based Services saves taxpayers at least \$29,000 annually compared to costlier options (i.e. nursing home placement).
3. Increases the number of accessible housing stock by 8, easing the rapidly growing need for these valuable accessible units.
4. Increases employability of those who desire going back to work.
5. Increase people's participation and contributions to the livelihood of the community.

It is the intent of the City of Surprise to fund those activities that meet a High Priority in City's Consolidated Plan and comply with CDBG National Objectives- Describe in detail how the proposed project complies with these two objectives:

Housing Rehabilitation is a High Priority in the City's Consolidated Plan and the Surprise Program for Home Accessibility (SPHA) aligns and complies with this High Priority. Ability360's home modification program funded through CDBG also meets the National Objective #1 – Primary Benefit to Low and Moderate Income Persons as we serve persons with disabilities and seniors who fit this income eligibility requirement.

One hundred percent of the program's consumers will be Surprise residents and will be required to sign a form verifying their income and provide tax returns, bank statements and/ or Social Security award letters, and provide any other documentation required by the City. Since nearly 70% of persons with disabilities are unemployed, HUD recognizes the group in its "limited clientele" category. Each and every one of our program consumers are persons of low-to-moderate incomes as proven through the above income documentation.

Ability360 will remove architectural barriers & facilitate structural home modifications for 8 low-to-moderate income residents with significant disabilities & seniors to improve home accessibility & safety. Modifications include: ramps, grab bars, widening doorways, raised toilets etc.

1. In-home assessments & technical consultation will be provided to determine necessary modifications.
2. Licensed, bonded, insured & experienced contractors will provide the modifications & are identified through a competitive bid process that includes Minority & Women contractors.
3. Program limits will be \$4,999 per homeowner & for renters in complexes with less than 8 units. The limit will be \$2,000 for those who rent in complexes with 8 units or more. The average cost per modification is estimated at \$3,000.
4. In keeping with Ability360's Independent Living philosophy of consumer empowerment, choices, options and responsibilities, residents, their family members or friends are expected to contribute 10% of the costs of the project, or provide matching community volunteerism or attend advocacy training.
5. Scope of work will exclude modifications affecting painted surfaces that exceed no more than 2 sq. ft. per room in residences built prior to 1978.
6. The Program Coordinator will give every consumer and contractor a Consumer Satisfaction/ Completion form upon completion & will randomly inspect completed projects to ensure satisfaction.
7. Appropriate referrals to other Ability360 programs and/or to outside community resources by the Program Coordinator further facilitate the resident's independence & safety in the home. Services include, but are not limited to: Information & Referral, Independent Living Skills Instruction, Personal Assistance/ Home Care Services & Peer Mentoring are some of the services that are described as needed. For residents who are not eligible for the SPHA program, other community resources are provided to address their home modification needs.



Organizational Capacity

Please describe organization's history and prior experience, including a list of similar projects: (Please attach an extra sheets if needed)

Ability360 has been serving individuals with disabilities, their families and the community in Maricopa & Pinal Counties for 34 years and is one of the largest Centers for Independent Living in the nation. Our mission statement is: "Ability360 offers and promotes programs designed to empower people with disabilities to take personal responsibility so they may achieve or continue independent lifestyles within the community." Ability360 is a grassroots organization whose staff and Board are represented by a majority of those with a disability. All of our programs are consumer-directed, providing choices and options to consumers.

Ability360 has a proven track record as we have been providing CDBG funded Home Accessibility programming in Phoenix for the past 24 years, in Glendale for 19 years, Mesa for 17 years, Peoria for 15 years, Scottsdale for 4 years, Tempe for 3 years Surprise for 2 years & last year we added Chandler and the Town of Gilbert. During the 24 years of work with CDBG funded contracts Ability360 has completed 4,812 home assessments and successfully completed 3,488 projects.

Ability360 also has a seven year track record of contracting with Maricopa County Arizona Long Term Care System (ALTCS) provider Mercy Care and successfully completing over 1,000 home modification projects over this time while maintaining a 98% retention rate in the community.

The program infrastructure is in place with experienced staff and licensed, bonded, insured & experienced contractors so we can quickly turn around project requests. The program Policies & Procedures have been refined over the years and were again updated in the Fall of 2014. The scope of activity is contingent upon the level of CDBG funding awarded by the City of Surprise for FY 16-17. There is no other program like this in the city to improve accessibility for residents with disabilities.

Financial Audits and Reports: <i>(Please submit a copy of most recent financial audit)</i>	Yes	No	NA
Were the financial statements of the organization prepared in accordance with generally accepted accounting principles?	X		
Was there accurate and complete disclosure of the financial expenditures of each federally sponsored program?	X		
Was an audit of the financial records obtained annually (or at least biennially) in accordance with federal regulations and local requirements?	X		
Was the audit performed by a licensed Certified Public Accountant?	X		
Was the latest audit forwarded to the funding agency?	X		
Has a copy of all applicable audits/reviews (including any management letter, if appropriate) been forwarded to the funding agency?	X		

Please Provide Other Funding Source References: (Please attach extra sheets if needed)

Program match will come from two sources:

1. Ability360 will provide staffing for .03 FTE for Receptionist and .03 FTE for the President/CEO. The total Ability360 match contribution leverage will equate to \$5,630 for the program's operation.
2. A 10% consumer match (\$2,400) is requested toward each project's Labor & Materials. This can be in the form of a cash contribution, volunteerism by the consumer, a family member or friend, or by attending advocacy training. The cash match is rolled back in to the Labor & Materials budget line item.

Program Team:

Identify the name of the responsible party and the experience that they have in this role. Team members identified after the application are subject to review. Attach extra sheets if needed.

Staff Member	Background and Expertise of Personnel
Name: Jim Stewart Title: Home Modification Program Coordinator FTE on This Project: .08	17 years of direct service experience with a design certification
Name: Darrel Christenson Title: Vice President of Community Integration FTE on This Project: .03	17 ½ years with ABIL in Management, 12 years prior providing direct service at another Center for Independent Living
Name: Viktoria Johnson Title: Senior Accountant FTE on This Project: .03	16 years of experience in accounting with a Master's degree in Accounting.
Name: Rosa Cala Title: Program Assistant FTE on This Project: .02	This is a half-time position created 2 ½ years ago to assist with Unit's administrative work.
Name: Maribel Sanchez Title: Receptionist FTE on This Project: .03	14 years of experience with ABIL
Name: Phil Pangrazio Title: President/CEO FTE on This Project: .03	16 years as ABIL's President/ CEO, ABIL Board member prior to this.

Project Cost			
Estimated Total Cost of Project:	\$43,408		
CDBG Funding Amount Requested for Project:	\$35,378		
Total Number of Units Served:	8 Households		
Total Cost per Unit	\$5,426		
Total CDBG Cost per Unit	\$4,422		
Amount and Source of Other Funds Leveraged for Project: <i>(Please submit proof of other funding sources)</i>	Source	Year	Amount
	Ability360's Match	16-17	5,630
	Consumer 10% Match	16-17	2,400
Project Sustainability: How will your organization continue providing these services if CDBG funds are not awarded next year?	Ability360 will not be able to provide the service in the City of Surprise if funds are not awarded.		
If your project is not fully funded, will your organization be able to implement project with partial funding?	Yes, Ability360 would adjust its Scope of Work according to the level of funding awarded.		

Project Timeline

Project start date: July 1, 2016 **Project completion date:** June 30, 2017

Applicants must provide a schedule for the Program that lists major activities and indicate when they will be executed. Additional information such as contractor selection, final inspection, loan closing, etc. should be included when known.

Program Schedule												
Major Program Activities:	1 st Quarter		2 nd Quarter		3 rd Quarter		4 th Quarter					
	<i>(each box represents one month)</i>											
Contract Execution	X											
Outreach to Contractors & Update Procedures		X										
Contractors Selected			X									
Environmental Review	X	X	X	X	X	X	X	X	X	X	X	X
Applicant Referrals Accepted	X	X	X	X	X	X	X	X	X	X	X	X
Client Intakes	X	X	X	X	X	X	X	X	X	X	X	X
Home Modification Completion	X	X	X	X	X	X	X	X	X	X	X	X

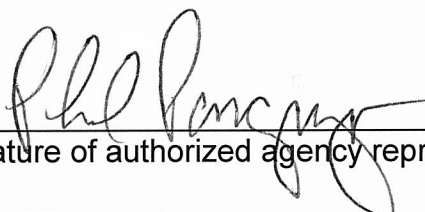


Proposed Budget				
Specific Cost Item/Description	CDBG Amount Requested	Other Funds Source	Other Funds Amount	Total Amount CDBG + Other Sources
Program Coord. Salary & Fringe	\$4,455		\$	\$4,455
Unit VP Salary & Fringe	\$2,956			\$2,956
Sr. Accountant Salary & Fringe	\$2,277			\$2,277
Program Assistant Salary & Fringe	\$ 563			\$ 563
Telephone	\$ 120			\$ 120
Travel/ Mileage	\$ 428			\$ 428
Office Supplies, Postage, Printing, Utilities & Insurance	\$ 579			\$ 579
Labor & Materials	\$24,000			\$24,000
President/ CEO Salary & Fringe		Ability360 Match	\$4,147	\$4,147
Receptionist Salary & Fringe		Ability360 Match	\$1,483	\$1,483
10% Consumer Match		10% Consumer Match	\$2,400	\$2,400
Total	\$35,378		\$8,030	\$43,408

Required Certifications for CDBG Public Services Activities Application

Signature of Agency Representative with Binding Authority below certifies the following statements:

- Organization has no conflict of interests with City of Surprise appointed or elected representatives and does not employ city appointed or elected representatives or their families.
- Organization will comply with federal requirements to be observed by organizations being funded with CDBG funds, including compliance with federal Labor Standards, Section 3, Segregated Facilities, Equal Opportunity, and Non-Discrimination. Section 109, Title VI and EO 11246. All requirements are described in 24 CFR 570 (CDBG Entitlement Grants).
- Authorized official certifies that this CDBG Public Services application package has been reviewed and all information provided in this application and attachments is true and correct.
- Sufficient funds are available from non-CDBG sources to complete the project, as described, if CDBG funds are allocated to the applicant.



Signature of authorized agency representative

1-15-16
Date:

Phil Pangrazio
Printed name

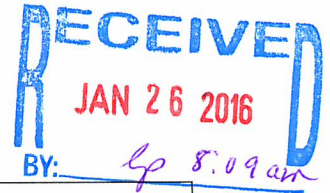
President/CEO
Title

Ability360
Organization

APPLICATION FOR CDBG-FUNDED PUBLIC SERVICES ACTIVITIES

Please complete & submit this form to the Welcome Center,
City of Surprise,
16000 N. Civic Center Plaza
Surprise, AZ 85374

We do not accept e-mail or electronic submissions



Organization Information			
Name of Organization:	The Potter's House Surprise		
Contact Person:	Jaime Duarte		
Contact Person Title:	Director		
Mailing Address:	P.O. Box 7213 Surprise, AZ 85374		
Street Address (if different from mailing):	15646 N Verde Street Surprise, AZ 85374		
Phone:	623-640-8814		
Fax:	623-218-1209		
E-mail:	surprise.cfm@gmail.com		
Website URL (if applicable):			
Legal Status of Applicant: • State-Certified CHDO • Non-Profit (non-CHDO) • Public Housing Authority • State Agency • Local Government • Tribal Government • Council of Government • General Partnership • Limited Partnership • Limited Liability Company • Corporation			
Applicant's Qualifications:	Yes	No	NA
Drug Free Policies	YES		
Fair Housing Policies			N/A
	YES		



Equal Employment Opportunity Employer					
Project Description					
Proposed Project Title:	Surprise D.R.E.A.M Team (Developing Resilient Exceptional Accountable Minors)				
Check applicable priority area(s) that the project addresses: <table border="0" style="width: 100%;"> <tr> <td style="vertical-align: top; width: 50%;"> • Child care • X Youth Services • Health Care • X Job training/job creation • Literacy programs • X Recreation programs • X Education programs • Public safety services • Fair housing activities • Services for senior citizens </td> <td style="vertical-align: top; width: 50%;"> • Services for homeless persons • Drug abuse counseling and treatment • Qualified Veteran Services • Welfare (as defined by CDBG) • Code Enforcement Services • Transportation/Transit • Other If Other, describe Other: English Classes for the spanish speaking community. Teens mentoring youth. </td> </tr> </table>				• Child care • X Youth Services • Health Care • X Job training/job creation • Literacy programs • X Recreation programs • X Education programs • Public safety services • Fair housing activities • Services for senior citizens	• Services for homeless persons • Drug abuse counseling and treatment • Qualified Veteran Services • Welfare (as defined by CDBG) • Code Enforcement Services • Transportation/Transit • Other If Other, describe Other: English Classes for the spanish speaking community. Teens mentoring youth.
• Child care • X Youth Services • Health Care • X Job training/job creation • Literacy programs • X Recreation programs • X Education programs • Public safety services • Fair housing activities • Services for senior citizens	• Services for homeless persons • Drug abuse counseling and treatment • Qualified Veteran Services • Welfare (as defined by CDBG) • Code Enforcement Services • Transportation/Transit • Other If Other, describe Other: English Classes for the spanish speaking community. Teens mentoring youth.				
Describe the problem or need to be addressed by proposed project. (Please attach an extra sheet if needed)					
The most recently adopted plan (2015) identifies youths needs, development and priority concerns for revitalizing Old Town Surprise. Assisting ages 8 to 21. Our concerns also highlight a youth mentoring program, hands on training in audio/visual , carpentry, landscaping and musical instruments. English language classes offered to all ages. We are committed to helping youth and teens that come from broken families such as fatherless and/or motherless homes as well as assisting dual parental working family homes. ▪ The U.S. Department of Health and Human Services states, “Fatherless children are at a dramatically greater risk of drug and alcohol abuse.” There is significantly more drug use among children who do not live with their mother and father. ▪ Children of single-parent homes are more than twice as likely to commit suicide. ▪ 71% of high school dropouts are fatherless; fatherless children have more trouble					



academically, scoring poorly on tests of reading, mathematics, and thinking skills; children from father-absent homes are more likely to be truant from school, more likely to be excluded from school, more likely to leave school at age 16, and less likely to attain academic and professional qualifications in adulthood.

- Being raised by a single mother raises the risk of teen pregnancy, marrying with less than a high school degree, and forming a marriage where both partners have less than a high school degree.

We, as an organization, are focused on revitalizing the community of the original town site of Old Surprise. The D.R.E.A.M team at The Potter's House will assist the city of Surprise meet its long term goals by establishing and providing fundamental programs that are crucial to building a better community and enhancing the future of at risk youth, teens and adults.

The primary area of program delivery is youth services. Keeping youth and teens from becoming at risk and / or keeping them away from situations that would put them at risk. The proposed youth programs will entice youth off the streets and out of situations that would lead them to getting in trouble after school, on weekends and during unsupervised school breaks this will help to develop good habits, and strengthen core values. We will use community outreach and servicing the community to learn new skills, increase healthy behaviors, and develop interests in assisting their families, peers and neighborhoods. Youth and teens will receive after school tutoring, assistance in personal goal setting, planning for the future by furthering education (high school , college), and identifying career interests. D.R.E.A.M will offer educational and hands on training in the video and audio field by setting up audio/video equipment for community presentations and setting up musical instruments for live band concerts. D.R.E.A.M also offers weekly English classes to the community to further language skills for educational and employment advancement.

Studies completed by Dr Randall Grayson, in his book entitled At-risk Youth & Resilience Factors shows the following statistics:

- Students from low income, low skill, low education families are twice as likely to drop out as students from affluent families.
- 77% of 8th graders report having used alcohol. 13.5% have had more than 5 drinks in the last two weeks. 30% of young adolescents have had sex by age 15.

According to the ADHS Bureau of Public Health in 2013 there are 1,169 teenagers ages 15-17 who gave birth and 41 teenagers between the ages of 10-14 gave birth in Maricopa County alone.

In addition high school students face a wide range of challenges including limited support and academic struggles which place them at risk of dropping out. The long term effect of dropping out of school is costly to the future of these teens. According to the U.S. Census Bureau, the average income of a dropout is 40% less of than a typical high school graduate and about 60%

less than those who graduate college with a bachelor's degree. According to a study completed by Northeastern University of drop-outs between the ages of 16-24, incarcerations are 63 times higher than those who are college graduates. This is due to the fact that drop-outs are exposed to much more socioeconomic situations that are often gateways to crime.

Our programs combine outreach, mentoring, hands on training and leadership and character development that will equip the youth of Old Town Surprise with the habits that will assist them in everyday life, academic progress, and positive attitudes needed for future success.

The majority of people serviced to be served reside within Old Town Surprise. The Potter's House already serves a group of students from the area and anticipates that the youth and young adults taking advantage of the proposed project will succeed at in life at a higher rate. Without intervention and assistance to the at risk population will cause increase down turn of the community and affect the futures of the residence of Old Town Surprise. Providing these programs will help create a foundation of fundamentals as well as help them succeed in academics as well as moral growth and help mold them into successful, independent adults. Without these skills youth will not make conscious decisions,utilize time and skills wisely in or outside of school, at home or in the future.

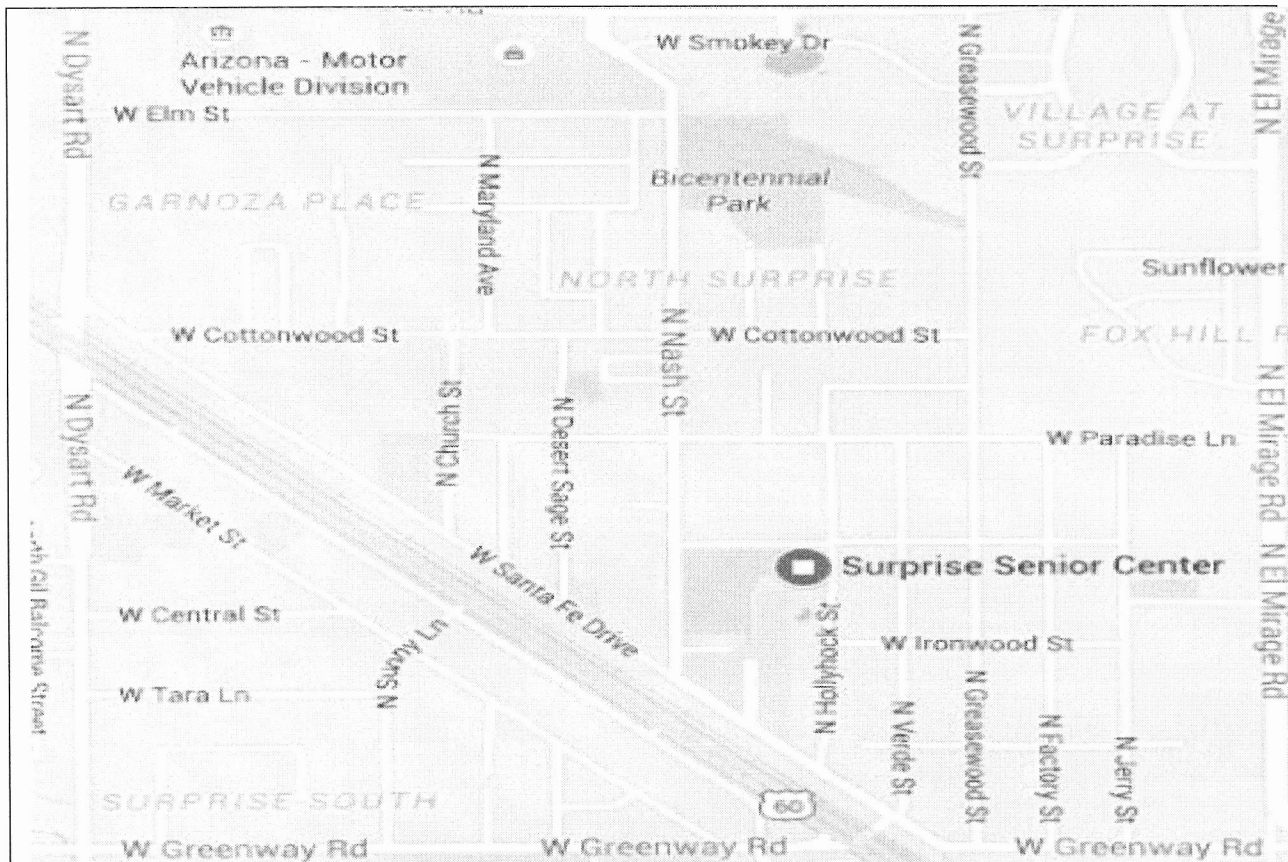
According to a survey done among a group of parents , lack of funding, time, and resources led to youth and teens failing in school and making sound decisions. Funding to the D.R.E.A.M. program with an emphasis on academics and time management will not solve all of a youth/teens problems but can attribute to bettering one's education, career, and life, laying a foundation of a moral building and decision making with positive repercussions.

Project Location & Service Area - Describe the area to be served by the project. If possible, include a map.

The Potter's House Surprise / D.R.E.A.M. is located within the Old Town Surprise area near Verde Street and Grand Avenue. This location will include classroom settings with computers, projectors, sound equipment and other fundamentals used to further education and knowledge. The Potter's House is safe and secure with exterior fencing and interior alarms.

Any resident of Surprise or surrounding areas (El Mirage , Youngtown, etc..) may attend any services offered, but The Potters House D.R.E.A.M team will advertise heavily within the Old Town Surprise area.

Please see attached for map of service area.



Targeted demographic population of the city:

According to the 2010 Census, Old Town Surprise has an 88% minority population. 36% of the family population lives in poverty. Less than 75% of the households have a high school diploma or less.

The crime rate in Old Town Surprise exceeds the rate of the surrounding affluent areas of Surprise. Majority of the crimes committed were drug or alcohol violations, theft, burglary, substance abuse and property crimes, All which are typical crimes of poverty. Often the last chance a community has to break the cycle is through programs such as mentoring , education assistance, role modeling and character education.

Public transportation is limited as there is a limited local bus system in the area and few resources within walking distance of the Old Town Surprise area, and up to 10 miles away from the nearest Boys and Girls Club. The Potter's House can create an oasis of safety including respect for diversity and build an academic ladder to success for students to escape at risk situations. As well as skills to succeed in education and enrichment exercises that will strengthen social skills and self confidence.



Proposed Measurable Outcomes – Please provide an outcome statement to be achieved through the use of CDBG funding:

The Potter's House D.R.E.A.M. team will increase awareness in leadership, develop people and social skills, audio / visual presentation skills, English language and hands on activity skills such as musical instruments, carpentry, and community beautification.

Tuesday

Youth and Parent Counseling - all ages

Wednesday

Outreach and Faith Services - all ages

Thursday

English Language Classes - all ages

Friday

Mentoring - ages 8 to 21

Community Outreach Program - all ages

Saturday

Morning Session

Community Outreach / Community Service Projects

Evening Session

Audio/Video training

Public Presentations

It is the intent of the City of Surprise to fund those activities that meet a High Priority in City's Consolidated Plan and comply with CDBG National Objectives- Describe in detail how the proposed project complies with these two objectives:

Consolidated Plan : This plan includes developing additional resources, facilities, and providing public services through The Potter's House non-profit organization with a history of involvement in its community. The D.R.E.A.M. team is excited to continue to provide recreational and educational opportunities to the community.

Compliance with CDBG National Objectives: The Potter's House addresses the youth services objectives of the CDBG National Objectives and impacts two others: Recreation and Education Programs. This is completed by offering free programs (such as educational and supportive classes) rarely offered in the Old Town Surprise area.

Evidence suggests that by providing accessible educational and skill learning programs to youth can reduce crime and poor choices by replacing their free time with a structure of supervision



and guidance that will further knowledge and experiences rather than place them in at risk situations.

Our first objective will provide youth in this impoverished area a safe, free and enjoyable supervised alternative to unsupervised free that often leads to crime and poor choices. This can be measured by tracking participation rates and comparisons of the times of crimes committed and the scheduled program times.

The second objective is to increase students academic and life skills knowledge. These activities are will help them expand their knowledge with real world experiences. Most students living in poverty do not have access to these specific types of support, including positive interaction and engagement.



Organizational Capacity

Please describe organization's history and prior experience, including a list of similar projects: (Please attach an extra sheets if needed)

The Potter's House has been in the community for over 8 years. It has a steady flow of youth and teens that are involved with the current services offered.

We currently provide mentoring, community outreach, and English language classes.

Financial Audits and Reports:

(Please submit a copy of most recent financial audit)

	Yes	No	NA
Were the financial statements of the organization prepared in accordance with generally accepted accounting principles?	YES		
Was there accurate and complete disclosure of the financial expenditures of each federally sponsored program?	YES		
Was an audit of the financial records obtained annually (or at least biennially) in accordance with federal regulations and local requirements?	YES		
Was the audit performed by a licensed Certified Public Accountant?	YES		
Was the latest audit forwarded to the funding agency?	YES		
Has a copy of all applicable audits/reviews (including any management letter, if	YES		



appropriate) been forwarded to the funding agency?

Please Provide Other Funding Source References: (Please attach extra sheets if needed)

The Door Christian Fellowship . Please see attached verification letter.



Program Team:

Identify the name of the responsible party and the experience that they have in this role. Team members identified after the application are subject to review. Attach extra sheets if needed.

Staff Member	Background and Expertise of Personnel
Name: Jaime Duarte Title: Director / Pastor FTE on This Project: 3 years	Pastor Youth coach Audio / Visual instructor Community outreach coordinator
Name: Marco Saijas Title: Instructor FTE on This Project: 18 months	English language instructor Carpenter / building skills Youth coach
Name: Anthony and Maria Bejines Title: Mentoring leaders FTE on This Project: 3 years	organizers of mentoring program and activities participates in youth programs
Name: Elena Duarte Title: Educational Director FTE on This Project: 3 years	Provides educational instruction and activities to youth
Name: Jesenia Duarte Title: Assistant FTE on This Project: 3 years	Audio / Visual Instructor Mentor aide Educational and activities instructor
Name: Jaime Cervantes	Audio / Visual aide



Title: Assistant FTE on This Project: 3 years	Presentation aide Mentor aide
Name: Xavier Canez Title: Outreach Coordinator FTE on This Project: 3 years	coordinates in community outreaches and community projects
Name: Title: FTE on This Project:	



Project Cost				
Estimated Total Cost of Project:	\$ 27,628			
CDBG Funding Amount Requested for Project:	\$ 20,528			
Total Number of Units Served:	150			
Total Cost per Unit	\$ 184.19			
Total CDBG Cost per Unit	\$ 136.85			
Amount and Source of Other Funds Leveraged for Project: <i>(Please submit proof of other funding sources)</i>	Source	Year	Amount	
	The Door Christian Fellowship	2016	\$ 7100	
Project Sustainability: How will your organization continue providing these services if CDBG funds are not awarded next year?	Utilize current donations and seek further grants as well as develop sponsoring partnerships to continue the program.			
If your project is not fully funded, will your organization be able to implement project with partial funding?	Yes, but with a revised format.			
Project Timeline				
Project start date: <u> 1/5/2016 </u> Project completion date: <u> 12/31/2016 </u>				
Applicants must provide a schedule for the Program that lists major activities and indicate when they will be executed. Additional information such as contractor selection, final inspection, loan closing, etc. should be included when known.				
Program Schedule				
Major Program Activities:	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
	(each box represents one month)			



Purchase Supplies					X								
Establish Student Area						X							
Market Program							X						
Establish Enrollment Process							X						

Proposed Budget

Specific Cost Item/Description	CDBG Amount Requested	Other Funds Source	Other Funds Amount	Total Amount CDBG + Other Sources
Desktop Computers	\$2000	The Door Christian Fellowship	\$1000	\$3000
Projectors	\$700			
Digital Sound board	\$600			
Speakers 2 pairs	\$1078			
Double Student Desks x 20	\$ 3000	The Door Christian Fellowship	\$1000	4000
Student chairs 4 pk x10	\$650	The Door Christian Fellowship	\$350	1000
Residential Sprinklers	\$8,000	The Door Christian Fellowship	\$2000	10000
White Boards double sided x4	\$200	The Door Christian Fellowship	\$200	400
Advertising (flyers etc)	\$200	The Door Christian Fellowship	\$300	500
School / Computer Supplies	\$350	The Door Christian Fellowship	\$1000	1350



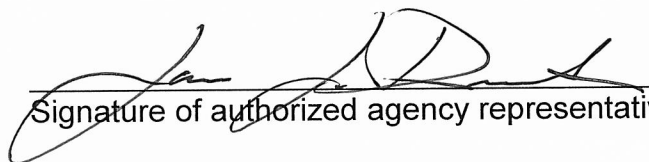
Misc Equipment	\$3750	The Door Christian Fellowship	\$1250	5000
Total	\$ 20,528		\$ 7,100	\$ 27,628



Required Certifications for CDBG Public Services Activities Application

Signature of Agency Representative with Binding Authority below certifies the following statements:

- Organization has no conflict of interests with City of Surprise appointed or elected representatives and does not employ city appointed or elected representatives or their families.
- Organization will comply with federal requirements to be observed by organizations being funded with CDBG funds, including compliance with federal Labor Standards, Section 3, Segregated Facilities, Equal Opportunity, and Nondiscrimination. Section 109, Title VI and EO 11246. All requirements are described in 24 CFR 570 (CDBG Entitlement Grants).
- Authorized official certifies that this CDBG Public Services application package has been reviewed and all information provided in this application and attachments is true and correct.
- Sufficient funds are available from non-CDBG sources to complete the project, as described, if CDBG funds are allocated to the applicant.


Signature of authorized agency representative

1/25/16
Date:

Jaime Duarte
Printed name

Director
Title

The Door Christian Fellowship
Organization





STATE OF ARIZONA

Department of State



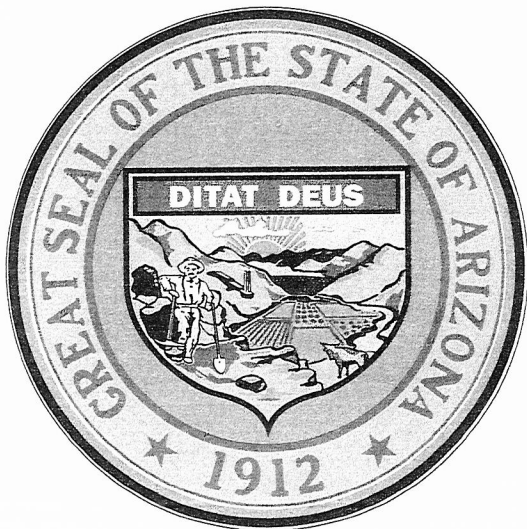
TRADE NAME CERTIFICATION

THE POTTER'S HOUSE, CFM SURPRISE

I, Michele Reagan, Secretary of State, do hereby certify that in accordance with the Trade Name Application filed in this Office, the Trade Name herein certified has been duly registered pursuant to Section 44-1460, Arizona Revised Statutes, in behalf of:

THE DOOR CHRISTIAN FELLOWSHIP, SURPRISE
16836 N. 152ND LANE
SURPRISE AZ 85374-

9/17/2015 Application



Registration Date: 09/17/2015

Expiration Date: 9/17/2020

Date First Used: 8/15/2014

Trade Name No.: 630274

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of Arizona. Done at Phoenix, the capitol, this 17 day of September, 2015.

Michele Reagan

MICHELE REAGAN

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: APR 16 2015

THE DOOR CHRISTIAN FELLOWSHIP
SURPRISE
C/O JAIME DUARTE
16836 N 152ND LN
SURPRISE, AZ 85374

Employer Identification Number:
46-5196644
DLN:
17053308370024
Contact Person:
CHITRA MAMLATDARNA ID# 52471
Contact Telephone Number:
(877) 829-5500

Accounting Period Ending:
December 31
Public Charity Status:
170(b)(1)(A)(i)
Form 990 Required:
Yes
Effective Date of Exemption:
February 28, 2014
Contribution Deductibility:
Yes
Addendum Applies:
No

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. We determined that you are a public charity under the Code section(s) listed in the heading of this letter.

For important information about your responsibilities as a tax-exempt organization, go to www.irs.gov/charities. Enter "4221-PC" in the search bar to view Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, which describes your recordkeeping, reporting, and disclosure requirements.

Sincerely,



Director, Exempt Organizations



The Door Christian Fellowship Surprise Inc.

Date: January 25, 2016

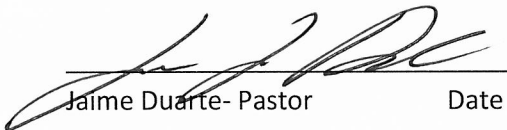
To: Whom it may concern

Re: The Potter's House

The letter is in regards to THE POTTERS HOUSE SURPRISE. THE DOOR CHRISTIAN FELLOWSHIP SURPRISE is the funding source for THE POTTERS HOUSE SURPRISE. We as a nonprofit organization pledge resources specifically for the funding of THE POTTER'S HOUSE SURPRISE. We have up to \$7100.00 available to the fund the needs of THE POTTERS HOUSE SURPRISE...

I thank you for your time and efforts if you have any questions please feel free to contact me at (623) 640-8814

Sincerely,

 1/25/16
Jaime Duarte- Pastor Date

APPLICATION FOR CDBG-FUNDED PUBLIC SERVICES ACTIVITIES

Please complete & submit this form to the Welcome Center,
City of Surprise,
16000 N. Civic Center Plaza
Surprise, AZ 85374

We do not accept e-mail or electronic submissions

Organization Information			
Name of Organization:	Benevilla		
Contact Person:	Michelle Dionisio		
Contact Person Title:	President and CEO		
Mailing Address:	PO Box 8450 Surprise, AZ 85374		
Street Address (if different from mailing):	16752 N. Greasewood Street Surprise, AZ 85378		
Phone:	623-584-4999		
Fax:	623-546-1589		
E-mail:	mdionisio@benevilla.org		
Website URL (if applicable):	www.benevilla.org		
Legal Status of Applicant: ☐ State-Certified CHDO ☒ Non-Profit (non-CHDO) ☐ Public Housing Authority ☐ State Agency ☐ Local Government ☐ Tribal Government ☐ Council of Government ☐ General Partnership ☐ Limited Partnership ☐ Limited Liability Company ☐ Corporation			
Applicant's Qualifications:	Yes	No	NA
Drug Free Policies	X		
Fair Housing Policies			X
Equal Employment Opportunity Employer	X		

Project Description

Proposed Project Title:	Life Enrichment Centers, Home Delivered Meals, and Wirtzie's Child Development Center
--------------------------------	---

Check applicable priority area(s) that the project addresses:

- | | |
|---|---|
| ☒ Child care
☐ Youth Services
☒ Health Care
☐ Job training/job creation
☐ Literacy programs
☐ Recreation programs
☒ Education programs
☐ Public safety services
☐ Fair housing activities
☒ Services for senior citizens | ☐ Services for homeless persons
☐ Drug abuse counseling and treatment
☐ Qualified Veteran Services
☐ Welfare (as defined by CDBG)
☐ Code Enforcement Services
☐ Transportation/Transit
☒ Other
If Other, describe Other: <u>Disabled adults, parenting classes</u> |
|---|---|

Describe the problem or need to be addressed by proposed project. (Please attach an extra sheet if needed)

Phoenix metropolitan region's West Valley is growing at a tremendous rate, which translates into more adults of all ages, including ill and disabled adults and seniors, who require a host of services to assist them with their daily needs. According to the U.S. Census seniors make up 13.8% of Arizona's population; but Surprise has a higher percentage of seniors (19.0%).

Life Enrichment Centers: The Centers for Disease Control and Prevention estimates that 21% of American households are affected with caregiving responsibilities for adults who are ill, disabled or elderly and the Caregiver Action Networks states that more than 500,000 Arizonans currently provide care for adult loved ones. "Caregiving in the U.S. 2015," a joint research study of the National Alliance for Caregiving and the AARP, found that approximately 34.2 million Americans provided care to an adult aged 50 or older in the 12 months preceding the study, with the majority (85%) providing care to a relative (i.e. parent, parent-in-law, spouse). The centers' target population deals with a host of challenges every day. Many are homebound, have difficulty with the routine tasks of day-to-day life and/or are isolated from others, which can lead to depression. Caregivers also encounter daily challenges in providing the level of care their loved ones need. Many elderly members' caregivers also are seniors themselves, sometimes with health issues or physical limitations that make caring for their loved one difficult. Caregivers are at a high risk of "burn out," including feelings of isolation, frustration and feeling overwhelmed and alone. They need respite and supportive services to help them cope and ensure they are taking care of their own health; so they can better care for their loved one. Providing this crucial and often constant care can be taxing emotionally, physically and even

financially if it requires an individual to cut back on or quit work entirely. Benevilla operates six adult life enrichment centers in the West Valley, including one in Surprise, to help local residents care for their loved ones while working and/or recharging from their evening and weekend caregiving activities. Four of the centers work with elderly and/or disabled individuals, while two focus on adults with developmental disabilities. **Benevilla plans to open a third center to work with individuals with developmental disabilities in 2016. This new center will be located in Surprise** and have a strong Group Support Employment focus. Benevilla also offers caregiver support groups to provide them with the encouragement and assistance they need to care for their loved one, as well as has a Caregiver Coach available to meet with families, help develop contingency plans, and provide additional support to caregivers one-on-one.

Home Delivered Meals (HDM): The AARP reports that an estimated 175,000 Arizona seniors face hunger every day. Chronic hunger among seniors negatively impacts them physically and mentally. For example, a lack of proper nutrition can hinder an older adults' ability to live a full and active life. While poverty is a major contributor to hunger among seniors, another is people's inability to get to the grocery store to purchase food and/or to prepare meals due to disability, weak eyesight, and other factors. According to Feeding America, food-insecure adults have an increased risk of developing diabetes and food insecurity is associated with a range of chronic illnesses such as hypertension, hyperlipidemia, and various cardiovascular risk factors. **Benevilla is the only home delivered meals provider for Surprise.** Clients have the option of ordering two to seven meals per week. Meals are delivered Monday through Friday, with weekend meals delivered on Friday.

Wirtzie's Child Development Center: According to the U.S. Census, 7.9% of Surprise's residents are age five or younger. A child's most important developmental years are those leading up to kindergarten. First Things First reports that by the age of five, a child's brain is 90% developed, which means that his or her early experiences, such as preschool and child care, lay an important foundation for future success not only in school but also in life. According to Getting Ready, a multi-state School Readiness Indicators Initiative, studies show that educational achievement gaps exist at the start of kindergarten, with children from low-income families more likely to start school with limited language skills, health problems and emotional problems that affect their ability to learn. The First Things First Web site says "Quality child care and preschool creates the foundation for a more successful life. It helps children develop critical skills like motivation, self-control, focus and self-esteem. Quality early childhood education also reduces the chance a child will need special education or be held back at school. Not only that, but it results in higher test scores and graduation rates!" Investments in early childhood educational centers do not just benefit the children who attend them, they also benefit municipalities and states. First Things First reports that every \$1 invested in early childhood yields a \$16 return (\$11 in reduced crime-related costs, \$1.50 in decreased government spending on non-crime related programs, and \$3.50 in increased earnings). In support of young West Valley families, Wirtzie's Child Development Center provides quality, education-based, licensed childcare Monday-Friday from 6:30 a.m. to 6:00 p.m. to ensure that children are prepared for kindergarten. The majority of the children in our care come from low- and moderate-income homes; therefore, philanthropic gifts to Benevilla subsidize 37% of the Wirtzie's budget in order to ensure the program is affordable to those who need it most.

Project Location & Service Area - Describe the area to be served by the project. If possible, include a map.

Funding from the City of Surprise will serve residents living within the City of Surprise, including the Original Townsite of Surprise (OTS) (see map in Attachment A). Lucy Anne's Place, our life enrichment center for individuals with early to moderate stage dementia, and Wirtzie's Child Development Center are both located at Benevilla's headquarters in Surprise (16752 N. Greasewood Street). Surprise residents can also participate in the life enrichment centers in neighboring areas (three programs in Sun City – 1) for people who have suffered a stroke, have Parkinson's or need physical therapy, 2) for individuals with later stages of dementia and 3) for individuals with intellectual disabilities; two programs in Peoria – 1) for people with intellectual disabilities and 2) for seniors in general). The Home Delivered Meals Program services Surprise's entire city limits.

Targeted demographic population of the city:

Benevilla's life enrichment centers and HDM program target senior residents (age 65 and older), as well as ill and/or disabled residents. Benevilla has life enrichment centers that have a broad client population of seniors and some with a specific client population (i.e. advanced dementia/Alzheimer's disease; people requiring physical therapy because of a stroke, Parkinson's disease, injury or other physical reason; intellectual disabilities). Wirtzie's targets children ages one to five, along with their parents and family members. Many of Benevilla's clients in all three programs are from low to moderate-income households.

Proposed Measurable Outcomes – Please provide an outcome statement to be achieved through the use of CDBG funding:

Benevilla's Life Enrichment Centers will improve the health and emotional well-being of seniors and disabled adults in Surprise, as well as provide needed respite for their caregivers. The program's measurable outcome goals for the 12-month grant period include:

- Assist a minimum of 425 members and their families at the Life Enrichment Centers, including 100 Surprise residents
- 95% of members will agree the centers' activities provided socialization and educational opportunities
- 90% of caregivers will report a decrease in their loved ones' agitation at home due to their center attendance

The Home Delivered Meals program will provide fresh, healthy home-delivered meals to low-income, disabled, and/or elderly adults. Our measurable outcome goals for this program for the 12-month grant period include:

- Serve 350 clients, including 85 new clients
- Deliver 19,000 meals

Wirtzie's Child Development Center will positively impact the emotional, mental, social and academic development of the children it serves. Our measurable outcome goals for this program for the 12-month grant period include:

- Increase enrollment by 10% from 101 to 111, with 76 clients residing in Surprise

- Provide intergenerational programming a minimum of four times per week
- Graduate 100% of five-year-old children deemed ready for kindergarten as measured by the Ages and Stages Questionnaire

Please note, these outcomes are dependent on full funding from the City of Surprise of this grant. Should a partial grant be made the effect would be a lower number of residents served.

It is the intent of the City of Surprise to fund those activities that meet a High Priority in City's Consolidated Plan and comply with CDBG National Objectives- Describe in detail how the proposed project complies with these two objectives:

Funds from a City of Surprise CDBG grant will help serve low- and moderate-income people, which is one of the CDBG National Objectives. The City of Surprise's Consolidated Plan 2015-19 lists public services to special needs populations as a primary category for its strategic plan and defines youth, seniors, and disabled individuals as falling with the special needs. City of Surprise CDBG funds would be used exclusively to subsidize the cost of low- and moderate-income Surprise residents utilizing our life enrichment centers, Home Delivered Meals program and Wirtzie's Child Development Center. All three programs meet the National Objective to meet urgent needs to promote the health and welfare of the community. Additionally, our life enrichment centers and HDM program fall within the listing of services needed for both the elderly and frail elderly in Table 11 of the Consolidated Plan, and employment training and caregiver respite are listed as services needed for developmentally disabled adults in Table 11. In addition, both the life enrichment centers and Wirtzie's enable primary caregivers to be gainfully employed in order to provide a suitable living environment for their families and lessen their reliance on government assistance.

Life Enrichment Centers: For more than 34 years, Benevilla has helped local residents care for their loved ones while working and/or recharging from their evening and weekend caregiving activities through our life enrichment centers. The centers that are focused on seniors assist elderly adults to maintain their independence and health through the provision of quality services while enabling their primary caregivers to remain employed. Once enrolled in the program, health and activity goals are set up by the caregiver, member, and the interdisciplinary team. Every day the member attends the program progress is made toward achievement of the goals. The program works to enrich the lives of elderly adults by reducing their isolation and loneliness, providing opportunities for socialization and stimulating their interests through leisure activities. We also see that their daily medical needs are met by onsite Registered Nurses and provide guidance and education about their health. We also provide high quality diet specific healthy meals at the program and able to accommodate heart healthy, diabetic, and various other specialized diets. The Program also offers caregiver support groups to provide caregivers with the encouragement and assistance they need to care for their loved one, as well as has a Caregiver Coach available to meet with families, help develop contingency plans, and provide additional support to caregivers one-on-one.

Caregivers also require safe, healthy options for their adult children with developmental disabilities, where they can develop life skills, participate in community life and engage in social activities. Benevilla's two Helping Partners life enrichment centers are designed to serve adults with a wide range developmental disabilities, providing a multitude of activities for participants that include creative arts, community outings, special events and community service

opportunities. The programs also provides vocational training, availing participants the opportunity to learn skills that can lead to employment and helps participants bolster their self-confidence while simultaneously giving back to their community. In 2015, Benevilla served 435 members through our life enrichment programs and more than 16,000 (duplicated) attended the caregiver support groups.

Home Delivered Meals: The HDM program provides fresh, healthy meals to residents in the West Valley who have difficulty shopping for and/or cooking their own meals. The program's clients are generally either elderly or treating/recovering from a significant illness or injury. The meals are planned by chefs and approved by nutritionists with a goal to improve the health and wellbeing of local residents. Currently, Benevilla's Home Delivered Meals program is the only home delivered meals provider for Surprise. Our nutritious meals are well-rounded and include an entrée, starch, vegetable, soup or salad, bread, beverage and dessert. Volunteer couriers deliver the meals Monday through Friday from 11:15 a.m. – 1:00 p.m., and clients can have meals for the weekend delivered on Fridays. While this is a fee-based service, residents can apply for subsidizes based on need. In 2015, Benevilla's HDM program delivered 18,514 meals to 294 clients.

Wirtzie's Child Development Center: The majority of the children in our care come from low- and moderate-income homes, and many struggle with food insecurity. In addition, many of these children come from single-parent households, and others live with foster parents. Several come from unstable homes. Wirtzie's provides these children with a safe, nurturing and educational environment that enables them to achieve their highest potential, promotes and supports learning, and allows them to interact with caring adults. Wirtzie's provides quality childcare from 6:30 a.m. – 6:00 p.m. Monday – Friday. Embracing the individualities of our children and their families, Wirtzie's educated, experienced and friendly staff facilitates age-appropriate, child-directed activities that inspire the children in our care to learn through play and discovery. Through multi-sensory, hands-on activities, children develop their social, physical, cognitive and language skills. Our preschool and child care facility features classrooms, a playground, a water play area, a reading room where volunteers sit and read with the children, and a shared space for enrichment classes. The curriculum used at Wirtzie's combines the best elements of Montessori, Creative and Reggio Emilia curricula with current findings in early childhood education. At Wirtzie's, we encourage creativity and exploration as a way to learn, develop confidence, and inspire lifelong learning. In addition, we provide hot, nutritious meals and snacks developed by a registered dietician and prepared on-site in a professional kitchen. Currently, there are 101 children in the program.

Organizational Capacity

Please describe organization's history and prior experience, including a list of similar projects: (Please attach an extra sheets if needed)

In 2016, Benevilla is celebrating our 35th Anniversary. The organization was originally formed in 1981 by a group of concerned citizens to meet the needs of Sun City's frail and aging residents. Our founders sought to help the community's senior residents obtain important services locally – services when lacking often caused premature institutionalization or rapid decline in physical and mental well-being. At the time, the organization, named Sun City Area Interfaith Services, included only a handful of employees and 30 volunteers, who helped with errands and home services.

Today, the organization, which now goes by the name Benevilla, serves people of all ages through our programs and services throughout the West Valley. With a mission to strengthen communities by offering supportive, life enriching programs that enable personal independence and dignity, Benevilla provides services that address the day-to-day physical, intellectual, emotional and social development needs of children, families, older adults and adults with intellectual disabilities in the West Valley. Our person-centered, inclusive programs address the tremendous need for services (food, transportation, healthcare, etc.) for the senior population in the area, as well as prepare children for kindergarten and provide parenting education and other programs for families in need. Our comprehensive programs are supported by more than 900 volunteers and more than 100 employees. **In 2015, Benevilla provided more than 128,000 acts of service** through our high quality, compassionate programs, which include:

Volunteer Services: Volunteers provide services for elderly and disabled adults, including grocery shopping, assisted transportation to appointments, handyman services, and weekly errands.

Benevilla CARES Information & Resources: Human services professionals help those in need identify, understand and use community services.

Adult Life Enrichment Centers: Our six centers provide an enriching experience for those who no longer can care for themselves, while simultaneously providing respite for caregivers. Each Life Enrichment Center features specialized programming to meet specific needs (i.e. memory care, physical therapy, intellectual challenges). We also offer caregivers support to provide encouragement and assistance to care for their loved ones.

Home Delivered Meals: This program provides fresh, healthy meals to West Valley residents who have difficulty shopping for and/or cooking their own meals.

Wirtzie's Child Development Center: This preschool and childcare program provides a safe and nurturing environment for children ages 1-5 to explore and grow.

Art's Center for All Ages - Intergenerational Program: This joint program between Wirtzie's Child Development Center and Lucy Anne's Place provides structured time for children to spend with older adults.

Birt's Bistro: This café, catering service and bookstore is an all-community gathering space

where classes are held and works by local artists are featured.

Family Resource Center: The FRC provides parents and caregivers of children (birth-5) access to information and resources around child development, health and parenting and has a support group for grandparents raising grandchildren.

Recent honors that Benevilla has received illustrate our success and impact in the community. Awards from the past two years alone include: Westmarc Best of the West Award for Quality of Life Enhancement (2015), the Legacy Award Nonprofit of the Year, City of Surprise Chamber of Commerce (2015), the Virginia G. Piper Charitable Trust's Encore Prizes for Exceptional Organizations (2014), Eide Bailly's Resourcefulness Award for Social Enterprise (2014), the City of Surprise Chamber of Commerce Legacy Award for Nonprofit of the Year (2014), the Peoria Chamber of Commerce Nonprofit of the Year Award (2014), and Generations United's America's Best Intergenerational Community (2014). Benevilla was also recently featured in the 2015 National White House Conference on Aging video.

Financial Audits and Reports: <i>(Please submit a copy of most recent financial audit) See Attachment F</i>	Yes	No	NA
Were the financial statements of the organization prepared in accordance with generally accepted accounting principles?	X		
Was there accurate and complete disclosure of the financial expenditures of each federally sponsored program?	X		
Was an audit of the financial records obtained annually (or at least biennially) in accordance with federal regulations and local requirements?	X		
Was the audit performed by a licensed Certified Public Accountant?	X		
Was the latest audit forwarded to the funding agency?	X		
Has a copy of all applicable audits/reviews (including any management letter, if appropriate) been forwarded to the funding agency?	X		

Please Provide Other Funding Source References: (Please attach extra sheets if needed)

Approximately 45% of Benevilla's revenue is generated from earned income for program services and government contracts. We supplement this earned revenue with contributions from individuals, foundations and corporations, as well as in-kind donations. In addition to the City of Surprise, current donors to the life enrichment centers include the Virginia G. Piper Charitable Trust, the City of Peoria, Sun City West Rotary Club, William & Ruth Pendleton Memorial Fund, and Thunderbird Charities; to Wirtzie's Child Development Center include the Sun City West Lions Club; and to the Home Delivered Meals program include the Walmart Foundation, Meals on Wheels America and Bank of America Foundation. (see Other Funding Source References in Attachment C and additional reference letters from current Benevilla clients benefitting from the City of Surprise CDBG in Attachment D)

Program Team:

Identify the name of the responsible party and the experience that they have in this role. Team members identified after the application are subject to review. Attach extra sheets if needed.

Staff Member	Background and Expertise of Personnel
Name: Gwen A. Shawley Title: Director of Wirtzie's Child Development Center FTE on This Project: 0.25	Gwen earned her Master's degree in Early Childhood Education from Grand Canyon University. Having worked in the early childhood education field for more than 10 years, Gwen has a wide range of experience from preschool classroom teaching and training preschool teachers to assessing programs and directing nationally accredited programs. Gwen manages the day-to-day operation of Wirtzie's, including the management and coordination of its 15+ employees, oversight of the implementation of curriculum and the monitoring of program/classrooms to ensure compliance is maintained with state regulations.
Name: Joanne Thomson Title: Vice President of Program Operations FTE on This Project: 0.2	Joanne, who earned her Bachelor of Science degree in Recreation Administration from California State University in Chico, is Benevilla's Vice President of Program Services. Prior to her promotion to this position in January 2015, she served as Benevilla's Senior Director of Day Services for three years after serving as its Day Center Supervisor for six years. Previously, she had served as a Recreation Therapist III at Arizona State Hospital and as a Certified Therapeutic Recreation Specialist at Sonoma Development Center. She also serves as a Commission on Accreditation of Rehabilitation Facilities (CARF) surveyor.
Name: Priscilla Tracy Title: HDM Coordinator FTE on This Project: 0.1	Priscilla earned her Bachelor of Arts degree in Healthcare Management from the Ottawa University in Phoenix in 2010. Since 2004, she has worked as a Food Safety Coordinator, Supervisor of Independent and Assisted Living Dining, and as a Dietary Coordinator in several adult retirement centers in the valley. Currently, she manages the daily operation of the Home Delivered Meals program at Benevilla, coordinating and directing the activities of meal planning for 100+ clients, processing new clients, training, scheduling and directing over 60 volunteer drivers, kitchen assistants, and service coordinators and supervising 2 part-time employees.

Project Cost			
Estimated Total Cost of Project:	\$4,670,999.00		
CDBG Funding Amount Requested for Project:	\$24,998.50		
Total Number of Units Served:	667 home delivered meals 50 days of life enrichment day services 750 full time child and 1571 part time childcare 3038 units of service		
Total Cost per Unit	HDM \$4.50 per unit for \$3,001.50 Life Enrichment \$40 per unit for \$2,000.00 Wirtzie's Full time childcare \$12 per unit for \$9,000.00 Wirtzie's Part time childcare \$7 per unit for \$10,997.00		
Total CDBG Cost per Unit	HDM \$4.50 Life Enrichment \$40 Wirtzie's Full Time Childcare \$12 Wirtzie's Part Time childcare \$7		
Amount and Source of Other Funds Leveraged for Project: <i>(Please submit proof of other funding sources)</i> See Attachment E	Source	Year	Amount
	Walmart Foundation	2015	\$25,000
	Thunderbird Charities	2015	\$15,000
	Bank of America Foundation	2015	\$6,667
	Sun City West Foundation	2016	\$2,000
	Meals on Wheels America	2015	\$1,150
Project Sustainability: How will your organization continue providing these services if CDBG funds are not awarded next year?	The majority of Benevilla's funding for these three programs comes from fees-for-service earned income, a portion of which comes in the form of government contracts. With a goal to support all those who need our help without regard to one's ability to pay the fees, Benevilla's board members and staff raise funds year-round to help subsidize the costs of their participation and offer reduced fees to them. The programs would, therefore, continue without CDBG support but the number of individuals offered reduced fees may be severely restricted – if not completely eliminated – with reduced funding.		
If your project is not fully funded, will your organization be able to implement project with partial funding?	Yes. Partial funding would have the effect of limiting the amount of services we can provide at a reduced fee for Surprise residents. Therefore, the more funding received, the more reduced fee services we will be able to provide to low and moderate-income Surprise residents. For example, due to the partial amounts awarded in past years we have had to reduce the amount of subsidies for the families of the childcare program. These programs work for those working families who do not qualify for DES and need childcare in order to work.		

Project Timeline

Project start date: November 2016 **Project completion date:** October 2017

Applicants must provide a schedule for the Program that lists major activities and indicate when they will be executed. Additional information such as contractor selection, final inspection, loan closing, etc. should be included when known.

Program Schedule

Major Program Activities:	1 st Quarter		2 nd Quarter		3 rd Quarter		4 th Quarter					
	(each box represents one month)											
Conduct outreach to inform Surprise residents about the Life Enrichment Centers, Wirtzies, and Home Delivered Meals program and increase participation. Outreach efforts will include distributing flyers about the program at senior housing developments throughout Surprise; advertising and promoting the programs at health fairs, congregations and apartment complexes in Surprise; promoting and providing collateral materials at event(s); placing ads and notices in local papers; posting flyers and other information about the programs at our partner agencies' facilities; placing special interest stories in local papers and Benevilla's website; and putting information on Benevilla's website about the programs to increase awareness. Benevilla staff member(s) will also regularly attend brown bag networking and breakfast events where she/they can talk about the program.	X	X	X	X	X	X	X	X	X	X	X	X
Conduct pre-program, in-home visit assessments with potential new Home Delivered Meals clients and coordinate volunteers to deliver meals to clients.	X	X	X	X	X	X	X	X	X	X	X	X
Manage Home Delivered Meal routes, client files, and other data to ensure accurate meal delivery services. Many clients utilize this for short periods of time, such as while recovering from surgery, or a few weeks prior to entering an assisted living facility. That is why it is imperative to manage the program to keep track of a large, but fluid, client list.	X	X	X	X	X	X	X	X	X	X	X	X
Secure additional funds to further subsidize the cost of the home delivered meals for those participants from low-income households	X	X	X	X	X	X	X	X	X	X	X	X

Increase public awareness of Wirtzie's Child Development Center through Open House events, the Healthy Families/Healthy Kids Fair, other community events and through advertising on our website and other venues			X	X							X		X
---	--	--	---	---	--	--	--	--	--	--	---	--	---



Proposed Budget				
Specific Cost Item/Description	CDBG Amount Requested	Other Funds Source	Other Funds Amount	Total Amount CDBG + Other Sources
Salaries and Wages Program Personnel	\$0	Participant fees, government contracts, grants, donations	\$2,043,168.50	\$2,043,168.50
Fringe Benefits	0	Participant fees, government contracts, grants, donations	166,938	166,938
Home Delivered Meals Funds to subsidize the cost of home delivered meals for low-income Surprise residents, paying \$4.00 per meal (\$8.50 per meal minus \$4.50 subsidy)	3001.50	N/A	0	3001.50
Life Enrichment Services Funds to subsidize the cost of attending the Life Enrichment Centers. Surprise residents pay \$40, subsidy \$40	2000.00	N/A	0	2000.00
Wirtzie's Preschool and Child Care Funds to subsidize the cost of attending the Preschool and child care. Full day weekly rates ranges \$84-\$101 subsidy \$12 / Part Time weekly rates range \$25- \$130 Subsidy \$7 per day up to \$50 per week	19,997	N/A	0	19,997
Program Supplies Program (gardening supplies, art supplies, etc.), Medical, Software for participant use, Participant Meals,	0	Participant fees, government contracts, grants, donations	650,463	650,463

Fingerprinting/ Background Checks, etc.				
Office Supplies General office supplies for program staff	0	Participant fees, government contracts, grants, donations	11,204	11,204
Mileage Staff mileage for in-city traveling, meetings, outreach to HDM clients, etc., and volunteer mileage for HDM	0	Participant fees, government contracts, grants, donations	13,830	13,830
Conferences/Seminars/ Education	0	Participant fees, government contracts, grants, donations	3,842	3,842
Dues/Memberships/ Subscriptions	0	Participant fees, government contracts, grants, donations	33,761	33,761
Advertising/Outreach Creating and placing ads in newspapers, magazines and other publications; creating items and updates and placing them on Benevilla's website; printing flyers and other items to advertise the programs in Surprise	0	Participant fees, government contracts, grants, donations	21,972	21,972
Occupancy Security, Utilities, Rent, Maintenance, Property Insurance	0	Participant fees, government contracts, grants, donations	204,036	204,036
In-Kind Rent	0	Church at Cactus	226,335	226,335
Depreciation	0	Participant fees, government contracts, grants, donations	245,465	245,465

Telephone Cell phones for program staff	0	Participant fees, government contracts, grants, donations	7,056	7,056
Participant Travel	0	Participant fees, government contracts, grants, donations	450	450
Contract Labor	0	Participant fees, government contracts, grants, donations	35,970	35,970
Vehicle Expenses	0	Participant fees, government contracts, grants, donations	196,580	196,580
Insurance/Licenses	0	Participant fees, government contracts, grants, donations	41,826	41,826
Interest	0	Participant fees, government contracts, grants, donations	3,910	3,910
General/Administration Allocation	0	Participant fees, government contracts, grants, donations	739,194	739,194
Total	\$24,988.50		\$4,646,000.50	\$4,670,999.00

Required Certifications for CDBG Public Services Activities Application

Signature of Agency Representative with Binding Authority below certifies the following statements:

- Organization has no conflict of interests with City of Surprise appointed or elected representatives and does not employ city appointed or elected representatives or their families.
- Organization will comply with federal requirements to be observed by organizations being funded with CDBG funds, including compliance with federal Labor Standards, Section 3, Segregated Facilities, Equal Opportunity, and Non-Discrimination. Section 109, Title VI and EO 11246. All requirements are described in 24 CFR 570 (CDBG Entitlement Grants).
- Authorized official certifies that this CDBG Public Services application package has been reviewed and all information provided in this application and attachments is true and correct.
- Sufficient funds are available from non-CDBG sources to complete the project, as described, if CDBG funds are allocated to the applicant.



Signature of authorized agency representative

1/25/2016
Date:

Michelle Dionisio
Printed name

President/CEO
Title

Benevilla
Organization

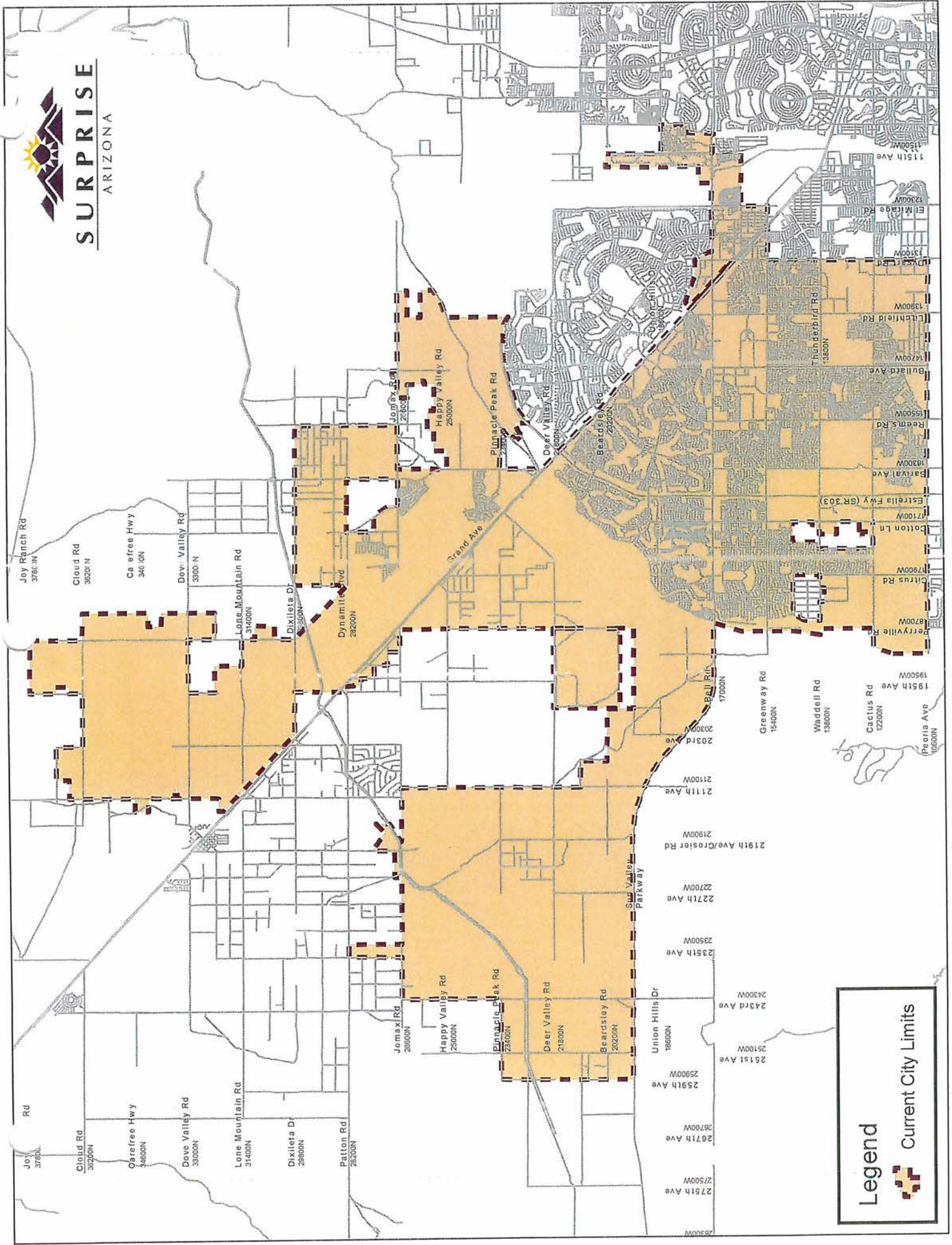
Attachment A

Service Area Map



SURPRISE

ARIZONA



Attachment B

IRS 501(c)3 Status



Department of the Treasury
Internal Revenue Service

P.O. Box 2508
Cincinnati OH 45201

In reply refer to: 0248358237
Apr. 23, 2012 LTR 4168C E0
86-0404687 000000 00

00022858
BODC: TE

SUN CITY AREA INTERFAITH SERVICES
INC
PO BOX 8450
SURPRISE AZ 85374-0124



040747

Employer Identification Number: 86-0404687
Person to Contact: Mr. Kammerer
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your Apr. 12, 2012, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(3) of the Internal Revenue Code in a determination letter issued in December 1981.

Our records also indicate that you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Please refer to our website www.irs.gov/eo for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing due date of the third return for organizations required to file. We will publish a list of organizations whose tax-exempt status was revoked under section 6033(j) of the Code on our website beginning in early 2011.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,

S. A. Martin, Operations Manager
Accounts Management Operations

Attachment C

Other Funding Source References



January 22, 2016

Ms. Alicia Rubio
Neighborhood Services Coordinator
City of Surprise
16000 N. Civic Center Plaza
Surprise, AZ 85374

Dear Alicia:

I am pleased to write this letter of support for Benevilla in support of the program's application for a Community Development Block Grant through the City of Surprise for the program. Benevilla has been a Member of Meals on Wheels America Member since April 2014.

Benevilla was an active partner in our special Valentine's Day card giving campaign with dosomething.org which received some terrific media coverage in the local area –

http://www.yourwestvalley.com/suncity/article_a4e6cb42-be99-11e4-b683-5b009a97dfd3.html.

We were also very pleased to read that the program received the Westmarc's 2015 Best of the West, Quality of Life Enhancement Award. It's indicative of the wonderful work that Benevilla provides to the seniors being served and the community at large.

Most recently, we awarded Benevilla a \$1,150 Driving the Movement grant to support the program's efforts to purchase new programmatic supplies such as meal delivery bags and heating elements, to replace worn out supplies as well as to expand the reach of the program. We are aware that requests for the program's home-delivered meals service is growing steadily as the Phoenix West Valley community population is aging and in need of more services. In the last few months, Benevilla has been averaging an additional growth of 10-15 more meals a day and see the need continuing to rise.

Please feel free to contact me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Keith J. Greene'.

Keith J. Greene
Chief Membership Officer

1550 Crystal Drive, Suite 1004, Arlington, VA 22202 • 888.998.6325

www.mealsonwheelsamerica.org

January 26, 2016

Ms. Alicia Rubio
Neighborhood Services Coordinator
City of Surprise
16000 N. Civic Center Plaza
Surprise, AZ 85374

Dear Ms. Rubio:

It is my pleasure to write a letter to the City of Surprise today on behalf of the Sun City West Rotary Club's to express our support of funding for Benevilla through your Community Development Block Grant funding. The Sun City West Rotary Club has been a proud donor of Benevilla for many years, with our most recent donation earlier this month to help fund their Life Enrichment Day Centers. We have chosen to renew our support of Benevilla because of the diversity of programs it offers as well as the large numbers of people it serves in the West Valley.

It is our honor to support Benevilla in its mission to strengthen communities by offering supportive, life-enriching programs that address the day-to-day physical, intellectual, emotional and social development needs of children, families, older adults and adults with intellectual disabilities in the West Valley. We hope the City of Surprise will join the Sun City West Rotary Club in support of Benevilla.

Sincerely,

Lloyd Schill
Sun City West Rotary Foundation

Attachment D

Additional Letters of Recommendation

Dear City of Surprise,

My son attends Wirtzie's Preschool daily and he absolutely loves it! The staff is friendly, the curriculum is great, and students are learning. As an educator myself, I know how crucial preschool and daycare can be. I have seen firsthand how a child performs who attends preschool, than those who have not. The difference is outstanding. I am a third grade teacher, and as you know, I do not work as a teacher because of the amazing salary I receive. I work to make a difference in the lives of my students. In order to continue this path I have chosen for myself, I need assistance with paying for my child's education. The grant you provide Wirtzie's is an amazing gift for me. Without it, I would not be able to provide my own child with the top notch education I know he deserves. I would be struggling to pay rent and put food on our table. This grant allows me the peace of mind of knowing I can still afford all my other bills while also knowing that my son is getting a step ahead of his peers by going to preschool. I would love it if this grant was continued on for years to come for families who need just a little extra support like mine.

Sincerely,

Amanda Housel

-----Original Message-----

From: Sandy Email [mailto:sandypol920@cox.net]

Sent: Thursday, January 21, 2016 11:02 AM

To: Priscilla Tracy

Subject: CDBG letter

Sara Villanueva, Vice President
Fund Development

I have been receiving Home Delivered Meals through Benevilla and the City of Surprise CDBG program for over a year. I am wheelchair bound and unable to cook meals for myself. If I did not receive meals through this program, I don't know how I would be able to survive.

The low cost and quality of the meals as well as the volunteer couriers delivering them are above reproach. The food is tasty and satisfying and the couriers are wonderful, caring men and women. I cannot praise this program enough.

Sondra Pollack

Sent from my iPad

Attachment E

Proof of Other Funding Sources

WAL-MART FOUNDATION

SUN CITY AREA INTERFAITH SERVICES I

Location: 9740

ount #: 8919

State Giving

CHECK NUMBER	CHECK AMOUNT
1819498	\$25,000.00

Mark in Bio2

SUN CITY AREA INTERFAITH SERVICES I

State Giving for AZ 9740
702 SW 8TH STREET
BENTONVILLE AR 72716-0150

THE BACK OF THIS CHECK CONTAINS A SECURITY MARK® - DO NOT ACCEPT WITHOUT HOLDING AT AN ANGLE TO VERIFY SECURITY MARK®

WAL-MART FOUNDATION
702 S.W. 8th Street
BENTONVILLE, ARKANSAS 72716

ARVEST
BENTONVILLE, AR
81-701 / 829

DATE OF CHECK	CHECK NUMBER
07/08/2015	1819498

CHECK AMOUNT
\$*****25,000.00

Void After 180 Days

PAY TWENTY FIVE THOUSAND DOLLARS AND NO CENTS

TO
THE
ORDER

SUN CITY AREA INTERFAITH SERVICES I

9740 - 8919

Sanya Farah
Treasurer

May 29, 2015



Ms. Michelle Dionisio
Benevilla
16752 N. Greasewood Street
Surprise, AZ 85378

RE: Thunderbirds Charities

Dear Ms. Dionisio:

As President of Thunderbirds Charities, I am pleased to inform you that our Board of Directors has approved a contribution in the amount of \$15,000 to Benevilla towards Helping Partners Program. We understand that this donation allows signage or logo presence. Please contact Cheryl Ruggiero for the appropriate logo.

We are delighted to include this level of funding in the over \$93 million of charitable donations The Thunderbirds have made over the years. The funds available for contribution by Thunderbirds Charities vary each year. Accordingly, as you can appreciate, Thunderbirds Charities cannot provide any assurances that funding to your fine organization will be available at this, or any, level in future years.

For a variety of reasons, including its future funding decisions, Thunderbirds Charities monitors the effect its contributions have on the organizations to which it provides funding. Consequently, we ask that you provide us with a one page narrative describing the benefit your organization derived from this contribution. Be sure to include the number of clients who were served as well as a brief financial report summarizing how the grant funds were used. Please submit your final report on or before December 31, 2016.

Thunderbirds Charities is happy to support your efforts and wish you the best.

Sincerely,

Tom King
President, Thunderbirds Charities

Enclosure



7226 NORTH 16TH STREET ♦ SUITE 100 ♦ PHOENIX, ARIZONA 85020 ♦ (602) 870-0163 ♦ FAX: (602) 870-4162
www.wmphenixopen.com



Together, anything's possible.

Bank of America



Check No. 470197

10/09/2015

BENEVILLA
16752 N GREASEWOOD ST
SURPRISE, AZ 85378

Note: Grant went to
Equally Support
Benevilla Home Delivered
Meals, Volunteer Home
Services, and an
Information & Referral Service

Dear Community Partner:

On behalf of the Bank of America Charitable Foundation, Inc., please find enclosed a check in the amount of \$20000 to support BENEVILLA, for the purposes outlined in your grant request dated 07/27/2015.

In addition, below you will find a link directing you to documents with suggestions on how you may wish to communicate with your stakeholders around your work and the support of the Bank of America Charitable Foundation. To view the suggested toolkit, please visit the link below:

www.cybergrants.com/boa/rfpinfo/

Bank of America is lending, investing and giving in local communities like yours in order to advance local economies and create positive change. Providing support to organizations like BENEVILLA, that are providing critical services and programs are just one of the ways we are helping improve the quality of life in the communities we serve.

This grant is subject to the terms and conditions accepted through your application. In addition, the Foundation may request further information regarding your organization and this grant as agreed to in your grant application.

Thank you for your commitment to the community.

Sincerely,

The Bank of America Charitable Foundation, Inc.

Check Information:

Check Date: 10/09/2015

Check Number: 470197

Reference Information:

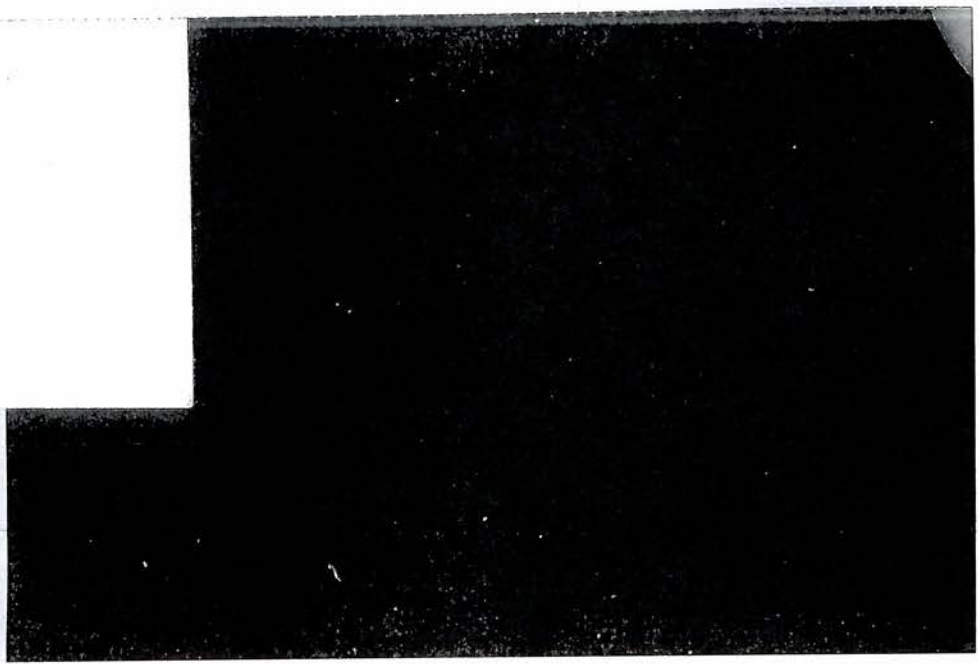
Request ID: 23054265

Organization ID: 4394851

Bank of America

Bank of America, AZ1:200-23-12
201 E. Washington St., 23rd floor, Ph

SA



SUN CITY WEST ROTARY ENDOWMENT FUND INC. ⁹¹⁻²194
P.O. BOX 5065 1221
SUN CITY WEST, AZ 85376-5065

1138

Date 4/8/16

Pay to the order of BENEVILLA \$ 2000
TWO THOUSAND AND NO ¹⁰⁰
100 ¹⁰⁰ dollars

CHASE 

JPMorgan Chase Bank, N.A.
www.Chase.com

for CONTRIBUTION

[Redacted]

[Redacted]

Robert Regal
Treasurer

Security Features
Include
DT/20 on Back



MEALS on WHEELS
AMERICA

Sara

November 30, 2015

Ms. Michelle Dionisio
President/CEO
Benevilla
16752 N. Greasewood St.
Surprise, AZ 85378

Dear Michelle,

Congratulations!

I am pleased to inform you that Benevilla has been awarded \$1150.00 as part of the 2015 Meals on Wheels *Driving the Movement* grant program. This opportunity dramatically underscored the great need for additional funding among our Member programs by generating more than 340 submissions requesting nearly \$1 million! Although the high demand meant that many programs were not able to receive the full amount of their request, we truly hope this grant will enable you to feed more seniors, operate more efficiently or increase your overall impact. Your actual grant check is enclosed.

Driving the Movement grant funding was raised through the 2014-2015 Subaru Share the Love Event. In total, Meals on Wheels America received a pool of \$1.251 million from Subaru of America to be granted back to our Members during 2015. More than \$735,000 of this funding had already been granted through Share the Love grants, March for Meals grants and Annual Conference scholarships. This grant program places the remaining \$515,000 into the hands of Member programs that will put it to use to support America's seniors.

You are required to complete a final report on the actual (or intended) impact of the grant no later than December 15, 2015. The grant funding does not need to be expended by this date, but a plan of action needs to be in place for funding utilization. Grantees have flexibility to expend grant funds through the end of the first quarter of 2016. To access this final report, visit www.mealsonwheelsamerica.org/grants and sign in. No code is required to access the report.

We appreciate all of the great work being done by Benevilla. Please contact me at keith@mealsonwheelsamerica.org or (571) 339-1610 if you have any questions. Congratulations!

Keith Greene

Chief Membership Officer
Direct Line: 571.339.1610 Cell: 571.239.2773
We've Moved!
1550 Crystal Drive, Suite 1004
Arlington, VA 22202

over

Attachment F

Most Recent Financial Audit

**BENEVILLA AND SUBSIDIARIES
SURPRISE, ARIZONA**

**CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

BENEVILLA AND SUBSIDIARIES
TABLE OF CONTENTS
DECEMBER 31, 2014 AND 2013

INDEPENDENT AUDITORS' REPORT	1
CONSOLIDATED FINANCIAL STATEMENTS	
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	3
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS	5
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES	7
CONSOLIDATED STATEMENTS OF CASH FLOWS	11
NOTES TO FINANCIAL STATEMENTS	13
SUPPLEMENTARY INFORMATION	
CONSOLIDATING STATEMENT OF FINANCIAL POSITION	31
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS	32



CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
Benevilla
Surprise, Arizona

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Benevilla and Subsidiaries (the Organization), which comprise the consolidated statements of financial position as of December 31, 2014 and 2013, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

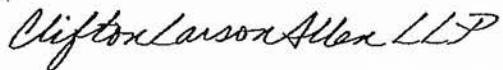
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Benevilla and Subsidiaries as of December 31, 2014 and 2013, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



CliftonLarsonAllen LLP

Phoenix, Arizona
June 16, 2015

BENEVILLA AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2014 AND 2013

	ASSETS	
	2014	2013
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 570,367	\$ 331,408
Cash Restricted for Employee Education	31,071	39,517
Accounts Receivable, Net of Allowance	452,633	486,486
Grants Receivable	150,000	-
Inventory	15,319	15,076
Prepaid Expenses	73,933	22,231
Total Current Assets	1,293,323	894,718
INVESTMENTS	3,248,764	2,954,549
PROPERTY HELD FOR SALE	11,377	11,377
PROPERTY AND EQUIPMENT, NET	7,515,491	7,689,852
ASSETS RESTRICTED FOR CAPITAL CAMPAIGN		
Cash	-	26,056
Pledges Receivable, Less Unamortized Discount	118,508	192,893
Total Assets Restricted for Capital Campaign	118,508	218,949
TOTAL ASSETS	\$ 12,187,463	\$ 11,769,445

LIABILITIES AND NET ASSETS

	<u>2014</u>	<u>2013</u>
CURRENT LIABILITIES		
Accounts Payable	\$ 210,851	\$ 108,739
Accrued Expenses	247,392	256,932
Line of Credit	125,451	80,187
Current Maturities of Notes Payable	106,667	200,000
Current Maturities of Long-Term Debt	84,884	84,884
Current Maturities of Charitable Gift Annuities	<u>21,437</u>	<u>18,362</u>
Total Current Liabilities	796,682	749,104
NOTES PAYABLE, Less Current Maturities	53,333	-
LONG-TERM DEBT, Less Current Maturities	1,006,099	1,203,797
CHARITABLE GIFT ANNUITIES,		
Less Current Maturities	<u>91,594</u>	<u>84,856</u>
Total liabilities	<u>1,947,708</u>	<u>2,037,757</u>
NET ASSETS		
Unrestricted	6,844,253	6,510,198
Temporarily Restricted	683,397	474,386
Permanently Restricted	<u>2,712,105</u>	<u>2,747,104</u>
Total Net Assets	<u>10,239,755</u>	<u>9,731,688</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 12,187,463</u></u>	<u><u>\$ 11,769,445</u></u>

See accompanying Notes to Consolidated Financial Statements.

BENEVILLA AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
SUPPORT AND REVENUE				
Contributions	\$ 1,447,056	\$ 89,200	\$ -	\$ 1,536,256
Special Event	73,112	-	-	73,112
Less Costs of Direct Benefits to Donors	(62,720)	-	-	(62,720)
Participant Fees	3,356,896	-	-	3,356,896
In-kind Contributions	415,771	-	-	415,771
Grants	834,724	425,000	-	1,259,724
Interest and Dividend Income	38,520	123,452	-	161,972
Unrealized/Realized Gain	22,093	-	-	22,093
Change in Value on Gift Annuities	(9,813)	-	-	(9,813)
Food Sales	859,132	-	-	859,132
Gain on Disposal of Assets	1,250	-	-	1,250
Other Income	91,505	-	-	91,505
Net Assets Released from Restrictions	463,640	(428,641)	(34,999)	-
Total Support and Revenue	7,531,166	209,011	(34,999)	7,705,178
EXPENSES				
Program Services				
Day Care	2,502,336	-	-	2,502,336
Family Resource Center	565,708	-	-	565,708
Lifeline	59,135	-	-	59,135
Home Services	118,797	-	-	118,797
Intake	134,873	-	-	134,873
Transportation	427,272	-	-	427,272
Volunteer Recruitment and Training	81,074	-	-	81,074
Child Care Center	644,876	-	-	644,876
Food Services	947,924	-	-	947,924
Total Program Services	5,481,995	-	-	5,481,995
Supporting Services				
Management and General	1,194,084	-	-	1,194,084
Facilities Maintenance	43,913	-	-	43,913
Marketing	184,799	-	-	184,799
Fundraising	281,410	-	-	281,410
Community Services	10,910	-	-	10,910
Total Supporting Services	1,715,116	-	-	1,715,116
Total Expenses	7,197,111	-	-	7,197,111
CHANGES IN NET ASSETS	334,055	209,011	(34,999)	508,067
NET ASSETS, BEGINNING OF YEAR	6,510,198	474,386	2,747,104	9,731,688
NET ASSETS, END OF YEAR	<u>\$ 6,844,253</u>	<u>\$ 683,397</u>	<u>\$ 2,712,105</u>	<u>\$ 10,239,755</u>

2013			
Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
\$ 1,166,992	\$ 5,000	\$ -	\$ 1,171,992
-	-	-	-
-	-	-	-
3,035,689	-	-	3,035,689
112,581	-	-	112,581
842,600	65,500	-	908,100
12,972	112,784	-	125,756
71,230	-	-	71,230
(11,220)	-	-	(11,220)
755,239	-	-	755,239
6,700	-	-	6,700
98,027	-	-	98,027
715,238	(715,238)	-	-
6,806,048	(531,954)	-	6,274,094
2,376,590	-	-	2,376,590
420,810	-	-	420,810
67,835	-	-	67,835
117,982	-	-	117,982
118,014	-	-	118,014
349,668	-	-	349,668
82,782	-	-	82,782
605,532	-	-	605,532
874,292	-	-	874,292
5,013,505	-	-	5,013,505
1,045,211	-	-	1,045,211
37,361	-	-	37,361
135,602	-	-	135,602
339,743	-	-	339,743
1,564	-	-	1,564
1,559,481	-	-	1,559,481
6,572,986	-	-	6,572,986
233,062	(531,954)	-	(298,892)
6,277,136	1,006,340	2,747,104	10,030,580
<u>\$ 6,510,198</u>	<u>\$ 474,386</u>	<u>\$ 2,747,104</u>	<u>\$ 9,731,688</u>

See accompanying Notes to Consolidated Financial Statements.

BENEVILLA AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2014

	Program Services								
	Family Resource Center	Lifeline	Home Services	Intake	Transportation	Volunteer Recruitment and Training	Child Care Center	Food Services	Total Program Services
Day Care									
\$ 1,221,163	\$ 340,768	\$ 3,426	\$ 86,148	\$ 104,942	\$ 154,578	\$ 51,336	\$ 335,668	\$ 335,300	\$ 2,633,329
Salaries	87,524	262	6,329	7,539	11,709	3,752	23,413	20,252	180,126
Payroll Taxes	126,283	44	10,217	13,450	5,559	7,192	32,869	18,281	237,623
Employee Benefits									
1,434,970	383,842	3,732	102,694	125,931	171,846	62,280	391,950	373,833	3,051,078
In-kind Rent	297,138	-	3,364	935	80,277	-	426	-	382,580
Participant Meals	351,435	-	-	-	-	-	67,859	282,526	703,874
Vehicle Expenses	20,201	1,690	548	926	116,878	578	45	5,430	156,835
Supplies	95,893	188	913	1,844	706	1,102	20,729	66,246	315,920
Telephone	33,517	127	926	371	3,915	-	6,157	1,010	48,761
Occupancy	122,208	-	5,474	-	-	-	52,879	48,950	247,136
Interest Expense	1,922	-	-	-	-	-	3,697	-	5,619
Postage	231	164	27	-	27	221	-	45	718
Conferences and Meetings	13,847	-	-	992	63	146	2,619	2,354	21,745
Printing	186	-	678	715	-	985	31	-	15,800
Equipment Leases	-	-	-	-	-	-	-	-	-
Insurance	21,852	-	4,093	-	40,488	-	2,077	-	68,510
Special Events	-	-	-	-	-	-	-	-	-
Advertising	1,730	340	-	1,313	-	1,616	9,264	34,760	53,340
Fees and Taxes	-	52,894	-	-	-	-	-	60,000	112,894
Computer Services	-	-	-	-	-	-	-	22,420	22,420
Miscellaneous	4,271	-	80	1,846	431	14,146	539	1,132	23,367
Depreciation and Amortization	102,935	-	-	-	12,641	-	86,604	49,218	251,398
TOTAL FUNCTIONAL EXPENSES	\$ 2,502,336	\$ 59,135	\$ 118,797	\$ 134,873	\$ 427,272	\$ 81,074	\$ 644,876	\$ 947,924	\$ 5,481,995

(Continued)

BENEVILLA AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

	Supporting Services					
	Management and General	Facilities Maintenance	Marketing	Fundraising	Community Services	Total Functional Expenses
Salaries	\$ 630,420	\$ 33,572	\$ 124,924	\$ 172,489	\$ 2,697	\$ 964,102
Payroll Taxes	40,497	2,227	9,003	9,768	-	61,495
Employee Benefits	94,817	4,851	11,006	12,886	-	123,560
	<u>765,734</u>	<u>40,650</u>	<u>144,933</u>	<u>195,143</u>	<u>2,697</u>	<u>1,148,157</u>
						<u>4,200,235</u>
In-kind Rent	26,109	-	-	50	515	26,674
Participant Meals	-	-	-	-	-	-
Vehicle Expenses	2,026	-	2,920	1,531	3	6,480
Supplies	35,970	2,004	5,949	11,195	733	55,851
Telephone	17,651	623	323	592	-	19,189
Occupancy	55,814	380	-	-	549	56,743
Interest Expense	30,967	-	-	-	-	30,967
Postage	7,061	221	2,817	8,438	-	18,537
Conferences and Meetings	13,842	35	624	1,119	-	15,620
Printing	5,394	-	4,021	31,763	-	41,178
Equipment Leases	6,972	-	-	-	-	6,972
Insurance	9,363	-	-	-	-	9,363
Special Events	3,796	-	651	2,130	-	6,577
Advertising	4,250	-	8,353	14,539	4,254	31,396
Fees and Taxes	107,686	-	-	110	-	107,796
Computer Services	5,514	-	10,545	14,547	-	30,606
Miscellaneous	28,536	-	3,663	253	2,159	34,611
Depreciation and Amortization	67,399	-	-	-	-	67,399
	<u>\$ 1,194,084</u>	<u>\$ 43,913</u>	<u>\$ 184,799</u>	<u>\$ 281,410</u>	<u>\$ 10,910</u>	<u>\$ 1,715,116</u>
TOTAL FUNCTIONAL EXPENSES						<u>\$ 7,197,111</u>

See accompanying Notes to Consolidated Financial Statements.

BENEVILLA AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2013

	Program Services									
	Family Resource Center	Lifeline	Home Services	Intake	Transportation	Volunteer Recruitment and Training	Child Care Center	Food Services	Total Program Services	
Salaries	\$ 1,172,111	\$ 4,415	\$ 87,603	\$ 89,581	\$ 151,033	\$ 48,854	\$ 316,418	\$ 297,840	\$ 2,449,656	
Payroll Taxes	84,281	338	6,532	6,554	11,600	3,296	22,147	17,103	167,988	
Employee Benefits	144,857	78	12,638	14,855	3,402	11,341	35,214	22,010	267,056	
	1,401,249	4,831	106,773	110,990	166,035	63,491	373,779	336,953	2,884,700	
In-kind Rent	112,476	-	-	-	-	-	-	-	112,476	
Participant Meals	347,669	580	-	-	-	-	43,601	233,460	625,310	
Vehicle Expenses	17,939	1,771	1,022	1,012	118,120	553	151	5,707	152,406	
Supplies	213,440	45	1,149	616	1,414	1,667	10,465	56,713	340,752	
Telephone	31,552	137	1,006	269	3,826	-	5,888	1,551	47,474	
Occupancy	116,450	-	3,641	138	-	-	48,125	64,931	242,399	
Interest Expense	6,862	-	-	-	-	-	13,202	-	20,064	
Postage	65	470	-	-	-	-	-	-	535	
Conferences and Meetings	4,459	-	-	4,989	-	161	1,792	4,811	18,824	
Printing	-	4,167	-	-	-	455	-	-	4,622	
Equipment Leases	138	-	-	-	-	-	-	-	138	
Insurance	23,440	-	4,391	-	42,807	-	2,210	-	72,848	
Special Events	152	-	-	-	-	-	-	-	152	
Advertising	1,124	269	-	-	-	1,731	10,459	27,632	44,543	
Fees and Taxes	-	60,312	-	-	-	-	-	58,931	119,243	
Computer Services	-	-	-	-	-	-	-	22,966	23,826	
Miscellaneous	222	-	-	-	188	14,724	-	2,967	33,032	
Depreciation and Amortization	99,353	-	-	-	17,278	-	95,860	57,670	270,161	
TOTAL FUNCTIONAL EXPENSES	\$ 2,376,590	\$ 420,810	\$ 67,835	\$ 117,982	\$ 118,014	\$ 349,668	\$ 82,782	\$ 605,532	\$ 5,013,505	

(Continued)

BENEVILLA AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2013

	Supporting Services					
	Management and General	Facilities Maintenance	Marketing	Fundraising	Community Services	Total Functional Expenses
Salaries	\$ 492,549	\$ 31,608	\$ 65,620	\$ 201,107	\$ -	\$ 790,884
Payroll Taxes	35,530	2,418	4,634	10,825	-	53,407
Employee Benefits	93,674	1,146	8,341	15,269	-	118,430
	621,753	35,172	78,595	227,201	-	962,721
In-kind Rent	-	-	-	-	-	-
Participant Meals	-	-	-	-	-	-
Vehicle Expenses	2,281	-	2,381	1,726	-	6,388
Supplies	19,757	614	4,715	11,592	-	36,678
Telephone	19,231	652	330	1,151	-	21,364
Occupancy	48,561	923	-	-	-	49,484
Interest Expense	30,118	-	-	-	-	30,118
Postage	3,786	-	11,275	12,278	-	27,339
Conferences and Meetings	8,262	-	118	3,335	-	11,715
Printing	1,557	-	11,776	15,282	-	28,715
Equipment Leases	9,172	-	-	-	-	9,172
Insurance	10,105	-	-	-	-	10,105
Special Events	-	-	225	13,308	-	13,533
Advertising	12,861	-	20,227	33,942	1,452	68,482
Fees and Taxes	117,165	-	-	110	-	117,275
Computer Services	1,697	-	2,405	16,116	-	20,218
Miscellaneous	50,902	-	3,555	3,702	112	58,271
Depreciation and Amortization	87,903	-	-	-	-	87,903
TOTAL FUNCTIONAL EXPENSES	\$ 1,045,211	\$ 37,361	\$ 135,502	\$ 339,743	\$ 1,564	\$ 1,559,481
						\$ 6,572,986

See accompanying Notes to Consolidated Financial Statements.

BENEVILLA AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	\$ 508,067	\$ (298,892)
Adjustments to Reconcile Changes in Net Assets to Net		
Cash Provided by (Used in) Operating Activities:		
Depreciation and Amortization	318,797	358,064
Donated Securities	(3,201)	(2,264)
(Gain) Loss on Disposal of Assets	-	(6,700)
Expenses Paid From Debt Refinancing	-	18,661
Provision for Doubtful Pledges Receivable	32,000	32,000
Provision for Doubtful Accounts Receivable	(5,783)	12,458
Net Realized Gains on Investments	(21,842)	(40,406)
Net Unrealized Gains on Investments	(251)	(30,824)
Change in Value of Charitable Gift Annuities Liability	9,813	11,220
Notes Payable Converted into Contributions	-	(200,000)
Increase (Decrease) in Cash Resulting from Changes in:		
Cash Restricted for Employee Education	8,446	612
Accounts Receivable	39,636	(213,636)
Grants Receivable	(150,000)	-
Bequests Receivable	-	10,909
Inventory	(243)	(4,066)
Prepaid Expenses	(51,702)	8,572
Assets Restricted for Capital Campaign	(11,991)	188,190
Accounts Payable	102,112	(87,296)
Accrued Expenses	(9,540)	31,760
Net Cash Provided by (Used in) Operating Activities	<u>764,318</u>	<u>(211,638)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(640,699)	(174,046)
Proceeds from Sale of Investments	371,778	511,965
Purchases of Property and Equipment	(144,436)	(61,962)
Proceeds from Sale of Property and Equipment	<u>-</u>	<u>6,700</u>
Net Cash Provided by (Used in) Investing Activities	<u>(413,357)</u>	<u>282,657</u>

(Continued)

BENEVILLA AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Line of Credit	\$ 385,000	\$ 379,000
Payments on Line of Credit	(339,736)	(266,764)
Payments on Notes Payable	(40,000)	(100,000)
Payments on Long-term Debt	(197,698)	(414,268)
Cash Received from Refinancing	-	106,790
Collections from Capital Campaign Pledges	80,432	221,137
	<u>(112,002)</u>	<u>(74,105)</u>
Net Cash Used in Financing Activities		
	(112,002)	(74,105)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	238,959	(3,086)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>331,408</u>	<u>334,494</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 570,367</u></u>	<u><u>\$ 331,408</u></u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest	<u><u>\$ 36,586</u></u>	<u><u>\$ 76,432</u></u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Debt Proceeds from Refinancing	\$ -	\$ 1,305,000
Long-term Debt Repaid	-	(535,095)
Line of Credit Repaid	-	(644,454)
Loan Fees Paid	-	(9,505)
Interest Expense Paid	-	(2,359)
Prepayment Penalties Paid	-	(6,797)
	<u>-</u>	<u>(6,797)</u>
Cash Received from Refinancing	<u><u>\$ -</u></u>	<u><u>\$ 106,790</u></u>

See accompanying Notes to Consolidated Financial Statements.

BENEVILLA AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Organization

Benevilla, formerly known as Sun City Area Interfaith Services, Inc. d/b/a Interfaith Community Care, was incorporated in the state of Arizona in May 1981. As of April 15, 2010, the Organization changed its d/b/a name to Benevilla. Benevilla was formed to meet the existing and emerging human service needs by promoting the physical, psychological, spiritual and social well being of aging individuals and their families so that they may develop and maintain dignity and independence. In doing so, these individuals will be afforded the opportunity to remain in their homes as long as possible. This is accomplished in cooperation with other agencies by adherence to the highest professional, moral, ethical, and spiritual standards. These services are provided primarily throughout the Sun City area and throughout the west valley of the greater Phoenix metropolitan area.

ICC Bistro and Catering, Inc. d/b/a Birt's Bistro (Birt's Bistro), was incorporated in the State of Arizona in 2009 and is 100% owned by Benevilla. Birt's Bistro, Inc. is a restaurant and catering business that is open to the public and also prepares meals for the day centers operated by Benevilla. Birt's Bistro issued 10,000 shares of common stock to the Organization.

ICC Child Care, LLC d/b/a Wirtzie's Child Development Center (Wirtzie's) was incorporated in the State of Arizona in 2009 and is 100% owned by Benevilla. Wirtzie's offers quality, affordable child care, infant care and preschool for children one year to 5 years old in Surprise, Arizona.

Consolidated Financial Statements

The consolidated financial statements include the accounts of Benevilla, ICC Bistro and Catering, Inc. and ICC Child Care, LLC (collectively referred to as the Organization). All of the financial activities and balances of these organizations are included in these consolidated financial statements. All significant interorganization accounts and transactions have been eliminated in consolidation.

Basis of Presentation

The accompanying consolidated financial statements are presented in accordance with American Institute of Certified Public Accountants (AICPA) Not-for-Profit Industry Guidance within the Financial Accounting Standards Board (FASB) Codification (Guidance). Under the Guidance, the Organization is required to report information regarding the financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets as follows:

Unrestricted Net Assets

Unrestricted net assets are not subject to donor imposed stipulations and are those currently available at the discretion of the Board of Directors for use in the Organization's operations, in accordance with its bylaws. Temporarily restricted assets received and expended in the same year are classified as unrestricted.

BENEVILLA AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Temporarily Restricted Net Assets

Temporarily restricted net assets are those which are subject to donor-imposed stipulations that will be met by the Organization and/or the passage of time.

Permanently Restricted Net Assets

Permanently restricted net assets are those which represent permanent endowments where it is stipulated by donors that the total aggregate contributions remain in perpetuity and a portion of total investment return is available as unrestricted or temporarily restricted, as per the endowment agreements.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted explicitly by donor stipulation or by law. Expirations of temporary restrictions on net assets, i.e., the donor stipulated purpose has been fulfilled and/or the stipulated time period has elapsed, are reported as reclassifications to unrestricted net assets.

Use of Estimates in the Preparation of Consolidated Financial Statements

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make a number of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents may, at times, include cash equivalents, which consist of highly liquid investments with original maturities of three months or less when acquired.

Accounts Receivable

Accounts receivable consist primarily of amounts due from various agencies and individuals and are unsecured. Accounts receivable are stated at the amount management expects to collect. The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. Management provides for probable, uncollectible amounts through a charge to operations and a credit to a valuation allowance based on the assessment of the current status of individual balances. Management reviews all accounts receivable balances monthly and based on an assessment of creditworthiness, estimates the portion, if any, of the balances that will not be collected. The Organization considers all receivables past due over 90 days to be delinquent. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a decrease to accounts receivable.

BENEVILLA AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants and Pledges Receivable

Unconditional promises to give (pledges receivable) are recognized as revenues in the period the promise is received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Monies received pursuant to conditional promises are reflected as deferred revenue. Unconditional promises to give that are to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using rates as determined by management, applicable to the years in which the promises are received. Amortization of the discounts is included in contribution support. The carrying amount of pledges receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected.

Inventory

Inventory consists of food held for sale at Birt's Bistro and is carried at cost.

Investments

Investments, consisting primarily of equities and mutual funds with readily determinable market values are measured at fair value as of year-end in the consolidated statements of financial position. Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) are recognized in the consolidated statements of activities and changes in net assets.

Property and Equipment

Purchased property and equipment are initially recorded at cost, and donated property and equipment are recorded at fair value at the date of the gift to the Organization. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. Maintenance and repairs are charged to operations when incurred. Betterments and renewals in excess of \$2,500 and leasehold improvements in excess of \$2,500 are capitalized. When property and equipment is sold or otherwise disposed of, the asset and related accumulated depreciation and amortization accounts are relieved, and any gain or loss is included in operations. Depreciation and amortization is provided using the straight-line method over the respective useful lives of the assets, which range from 3 to 40 years. Leasehold improvements are amortized over the shorter of the useful lives of the improvements or the lease terms.

BENEVILLA AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of Long-Lived Assets

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. Management does not believe impairment indicators were present at December 31, 2014 and 2013.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished or a donor removes a restriction), temporarily or permanently restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities and changes in net assets as net assets released from restrictions.

Participant Fees

Participant fee revenues consist of government reimbursements at contracted rates and private pay for the adult day care center program. Participant fees are recognized when services are provided and earned.

Donated Services and Material

Donated materials are recognized as contributions if the services (a) create or enhance non-financial assets; or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased. The Organization utilizes the services of volunteers to perform a variety of tasks that assist the Organization with specific programs. This support has not been recorded, as it does not meet the recognition criteria. However, the Organization has estimated the number of volunteer labor hours to be approximately 40,643 and 34,971 for the years ended December 31, 2014 and 2013, respectively, which include the day centers, home services, administrative, reception, social work and other programs.

Advertising

The Organization expenses advertising costs as they are incurred. Advertising expense totaled \$84,736 and \$113,025 for the years ended December 31, 2014 and 2013, respectively.

BENEVILLA AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expenses

Expenses are charged to program services and management and general categories based on direct expenditures incurred. Expenditures not directly chargeable are generally allocated based on personnel activity.

Income Tax Status

Benevilla qualifies as a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code (the Code), and accordingly, there is no provision for corporate income taxes in the accompanying consolidated financial statements. In addition, Benevilla qualifies for the charitable contribution deduction under Section 170 of the Code and has been classified as an organization that is not a private foundation. Income determined to be unrelated business taxable income (UBTI) would be taxable.

ICC Bistro and Catering, Inc. is taxed separately as a for-profit corporation at the Federal and State income tax rates. Deferred income taxes are provided on temporary differences between financial statement and income tax reporting. Temporary differences are differences between the amounts of assets and liabilities reported for financial statement purposes and their tax bases.

Deferred tax assets are recognized for temporary differences that will be deductible in future years' tax returns and for operating loss and tax credit carryforwards. Deferred tax assets are recognized only if it is more likely than not that a tax position will be realized or sustained upon examination by the relevant taxing authority. A tax position that meets the more-likely-than-not recognition threshold is initially and subsequently measured as the largest amount of tax benefit that has a greater than 50 percent likelihood of being realized upon settlement with a taxing authority that has full knowledge of all relevant information.

Deferred tax assets are reduced by a valuation allowance if it is deemed more likely than not that some or all of the deferred tax assets will not be realized. Deferred tax liabilities are recognized for temporary differences that will be taxable in future years.

ICC Child Care, LLC is a limited liability company incorporated in the State of Arizona which is a pass-through entity. All income or loss of this entity is reported at the Benevilla level.

Reclassifications

Certain amounts in the 2014 consolidated financial statements have been reclassified to conform to the 2015 presentation. These reclassifications had no impact on net assets as previously reported.

BENEVILLA AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

NOTE 2 ACCOUNTS RECEIVABLE

Accounts receivable consisted of:

	<u>2014</u>	<u>2013</u>
Participant Fees	\$ 348,347	\$ 338,699
Other Receivables	114,141	163,425
Total Accounts Receivable	462,488	502,124
Allowance for Doubtful Accounts	(9,855)	(15,638)
Accounts Receivable, Net	<u>\$ 452,633</u>	<u>\$ 486,486</u>

NOTE 3 BEQUESTS RECEIVABLE

In 2011, the Organization was named the beneficiary in an individual's will. The Organization is expected to receive approximately \$200,000 upon the death of the donor. This amount has not been reflected in the accompanying consolidated financial statements.

NOTE 4 INVESTMENTS

Investments consist of the following:

	<u>2014</u>	<u>2013</u>
Equities		
U.S. Large Cap	\$ 445,650	\$ 376,051
U.S. Mid Cap	18,589	16,532
Non U.S. Equities	305,602	275,450
	<u>769,841</u>	<u>668,033</u>
Bonds		
U.S. Corporate Bonds	2,250,035	2,129,535
Government Bonds	164,464	92,254
	<u>2,414,499</u>	<u>2,221,789</u>
Arizona Community Foundation	<u>64,424</u>	<u>64,727</u>
Total	<u>\$ 3,248,764</u>	<u>\$ 2,954,549</u>

BENEVILLA AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

NOTE 4 INVESTMENTS (CONTINUED)

Investment income, gains, and losses presented on the consolidated statements of activities and changes in net assets are comprised of the following components:

	<u>2014</u>	<u>2013</u>
Realized Gain	\$ 21,842	\$ 40,406
Unrealized Gain	251	30,824
Interest and Dividend Income	<u>161,972</u>	<u>125,756</u>
Total	<u><u>\$ 184,065</u></u>	<u><u>\$ 196,986</u></u>

NOTE 5 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer or broker-traded transactions.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

BENEVILLA AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

NOTE 5 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Investments

The Organization's investments are held in funds with Chase Investment Services. The fair value on these investments held by the Organization is readily available and is based upon unadjusted quoted market prices. Equity securities listed on a national market or exchange are valued at the last sales price, or if there is no sale and the market is still considered active, at the last transaction price before year-end. Such securities are classified within Level 1 of the valuation hierarchy.

The Organization also invests in the Arizona Community Foundation, Inc. (ACF) Pool. The fair value of these investments is based on its investment percentage in the investment pool. The ACF Pool is invested in cash, bonds and other investments. This investment is classified within Level 3 of the valuation hierarchy.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

BENEVILLA AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

NOTE 5 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2014 and 2013:

2014 Fair Value Measurements Using				
	Level 1	Level 2	Level 3	Total
Equities:				
U.S. Large Cap	\$ 445,650	\$ -	\$ -	\$ 445,650
U.S. Mid Cap	18,589	-	-	18,589
Non U.S. Equities	305,602	-	-	305,602
Total Equities	769,841	-	-	769,841
Bonds:				
U.S. Corporate Bonds	2,250,035	-	-	2,250,035
Government Bonds	164,464	-	-	164,464
Total Bonds	2,414,499	-	-	2,414,499
Arizona Community Foundation	-	-	64,424	64,424
Total Assets at Fair Value	\$ 3,184,340	\$ -	\$ 64,424	\$ 3,248,764
2013 Fair Value Measurements Using				
	Level 1	Level 2	Level 3	Total
Equities:				
U.S. Large Cap	\$ 376,051	\$ -	\$ -	\$ 376,051
U.S. Mid Cap	16,532	-	-	16,532
Non U.S. Equities	275,450	-	-	275,450
Total Equities	668,033	-	-	668,033
Bonds:				
U.S. Corporate Bonds	2,129,535	-	-	2,129,535
Government Bonds	92,254	-	-	92,254
Total Bonds	2,221,789	-	-	2,221,789
Arizona Community Foundation	-	-	64,727	64,727
Total Assets at Fair Value	\$ 2,889,822	\$ -	\$ 64,727	\$ 2,954,549

BENEVILLA AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

NOTE 5 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

For the valuation of investments categorized as Level 3 at December 31, 2014, the Organization used the valuation technique as net asset value and the unobservable input as the percentage of annual investment return applied to the outstanding account.

The following is a reconciliation of the beginning and ending balances of assets measured at fair value on a recurring basis using significant unobservable (Level 3) inputs during the years ended December 31, 2014 and 2013.

	<u>2014</u>	<u>2013</u>
Balance, Beginning of Year	\$ 64,727	\$ 53,639
Realized and Unrealized Gains (Losses)	<u>(303)</u>	<u>11,088</u>
Balance, End of Year	<u>\$ 64,424</u>	<u>\$ 64,727</u>

NOTE 6 PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>2014</u>	<u>2013</u>
Land	\$ 844,343	\$ 844,343
Buildings	7,861,281	7,861,281
Office Equipment and Furniture	841,606	841,606
Vehicles	200,521	200,521
Leasehold Improvements	156,777	153,787
Construction in Progress	<u>145,349</u>	<u>3,906</u>
	10,049,877	9,905,444
Accumulated Depreciation and Amortization	<u>(2,534,386)</u>	<u>(2,215,592)</u>
Property and Equipment, Net	<u>\$ 7,515,491</u>	<u>\$ 7,689,852</u>

Depreciation and amortization expenses charged to operations were \$318,797 and \$358,064 for the years ended December 31, 2014 and 2013, respectively.

NOTE 7 ASSETS RESTRICTED FOR CAPITAL CAMPAIGN

The Organization has a capital campaign to raise funds to secure full funding (pay principal on outstanding debt) for the new facility and to support delivery of services and programs. Assets attributable to investment for long-term purposes consist of unconditional promises to give.

BENEVILLA AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

NOTE 7 ASSETS RESTRICTED FOR CAPITAL CAMPAIGN (CONTINUED)

Total unconditional promises to give consist of:

	<u>2014</u>	<u>2013</u>
Pledges Receivable Before Unamortized Discount and Allowance for Uncollectibles	\$ 174,141	\$ 263,341
Less Unamortized Discount	(23,633)	(38,448)
Less Allowance for Uncollectibles	<u>(32,000)</u>	<u>(32,000)</u>
Net Pledges Receivable	<u><u>\$ 118,508</u></u>	<u><u>\$ 192,893</u></u>
Gross Amounts Due in:		
Less than One Year	\$ 94,841	\$ 97,003
One to Five Years	<u>79,300</u>	<u>166,338</u>
Total	<u><u>\$ 174,141</u></u>	<u><u>\$ 263,341</u></u>

The estimated cash flows for the pledges receivable are discounted over the collection period using a discount rate as determined by management of 6%.

The Organization solicited pledges from members of the Board of Directors, as well as selected individuals in the community. Pledges receivable from Board members amounted to \$26,998 and \$90,270 as of December 31, 2014 and 2013, respectively.

NOTE 8 LINE OF CREDIT

The Organization obtained a line of credit with a bank in 2014. The available line of credit amount is \$500,000, bearing interest at LIBOR (3.337% and 2.963% at December 31, 2014 and 2013), which matures on November 1, 2015. The outstanding balance on the line of credit was \$125,451 and \$80,187 at December 31, 2014 and 2013, respectively. The line of credit is collateralized by land and a building. Under the terms of this line of credit agreement, the Organization is required to satisfy certain restrictive debt covenants. Management believes the Organization was in compliance with all covenants as of December 31, 2014.

BENEVILLA AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

NOTE 9 NOTES PAYABLE

Notes payable consist of the following:

	<u>2014</u>	<u>2013</u>
Note payable to an individual in the amount of \$200,000, semi-annual interest only payments due, interest rate of 3%, balloon payment due March 2016, the note is unsecured.	\$ 160,000	\$ 200,000
	<u>\$ 160,000</u>	<u>\$ 200,000</u>

Future maturities of the notes payable are as follows:

2015	\$ 106,667
2016	<u>53,333</u>
Total	160,000
Less Current Maturities	<u>106,667</u>
Long-term Maturities	<u>\$ 53,333</u>

NOTE 10 LONG-TERM DEBT

The Organization had a note payable with National Bank of Arizona with an original amount of \$3,000,000 and was payable in monthly installments of \$12,628 including interest at 6%. This note was paid off on July 29, 2013.

The Organization refinanced their note payable with Chase Bank in two notes payable with a total amount of \$1,305,000. The notes are secured by a building. The first note payable original amount is \$750,000 and is payable in monthly installments of \$4,177 including interest at 3%. This note matures in August 2016. The note payable had a total outstanding balance of \$712,974 and \$740,949 at December 31, 2014 and 2013, respectively.

BENEVILLA AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

NOTE 10 LONG TERM DEBT (CONTINUED)

The second note payable with Chase Bank had an original amount of \$555,000 and is payable in monthly installments of \$2,897 bearing interest at LIBOR (2.273% at both December 31, 2014 and 2013). This note matures in August 2016. The note payable had a total outstanding balance of \$378,009 and \$547,732 at December 31, 2014 and 2013, respectively.

Future maturities of these notes are as follows:

2015	\$ 84,884
2016	84,884
2017	<u>921,215</u>
Total	1,090,983
Less Current Maturities	<u>(84,884)</u>
Long-term Maturities	<u><u>\$ 1,006,099</u></u>

Under the terms of this debt agreement, the Organization is required to satisfy certain restrictive debt covenants. Management believes the Organization was in compliance with all covenants as of December 31, 2014 and 2013.

NOTE 11 CHARITABLE GIFT ANNUITIES

The Organization administers twelve charitable gift annuities. The assets contributed under the charitable gift annuities are carried at fair value and are included with investments. Contribution support is recognized at the date the annuities are established after recording liabilities for the present value of the estimated future payments to be made to the donors and/or other beneficiaries. Present values are calculated using discount rates determined at the time the annuities are established, which range from 7.3% to 11.3%, and actuarial table and guidelines are used for calculating the available deduction for income tax purposes. The liabilities are adjusted for the accretion of the discount and other changes in the estimates of future benefits. The present value of the estimated annuity payments associated with the gift annuities are as follows:

	<u>2014</u>	<u>2013</u>
Current Portion of Charitable Gift Annuities	\$ 21,437	\$ 18,362
Long-term Portion of Charitable Gift Annuities	<u>91,594</u>	<u>84,856</u>
	<u><u>\$ 113,031</u></u>	<u><u>\$ 103,218</u></u>

BENEVILLA AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

NOTE 12 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following:

	<u>2014</u>	<u>2013</u>
Capital Campaign (Receivables and Cash Received to Date)	\$ 104,717	\$ 218,949
AZ Community Fund - Raquel Piekarski Fund	2,000	10,000
Pendelton Memorial Grant	1,000	1,000
Cash Available to Assist Employees with Educational Costs Related to the Organization	31,071	39,517
Virginia G. Piper Charitable Trust	280,242	-
Interest on Bovard Endowment	264,367	204,920
	<u>\$ 683,397</u>	<u>\$ 474,386</u>

Net assets of \$428,641 and \$715,238 were released from restriction during the years ended December 31, 2014 and 2013, respectively, related to the fulfillment of program and time restrictions.

NOTE 13 PERMANENTLY RESTRICTED NET ASSETS

The Organization's endowments consist of several funds established to support a variety of charitable efforts of the Organization. Its endowments consist of donor-restricted funds where the principal is to be held in perpetuity. Investment income is restricted and is to be used to cover operating expenses of the Bovard building.

During 2014, there were two permanently restricted contributions that were released by the donors and transferred to the capital campaign fund in the amount totaling \$34,999.

Interpretation of Relevant Law

The Board of Directors of the Organization has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. Consequently, the Organization classifies permanently restricted net assets as:

- The original value of gifts donated to the permanent endowment, and
- The original value of subsequent gifts to the permanent endowment.

BENEVILLA AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

NOTE 13 PERMANENTLY RESTRICTED NET ASSETS (CONTINUED)

The remaining portion of the donor-restricted endowment funds not classified as permanently restricted is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization's Board. In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purpose of the Organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Organization
7. The investment policies of the Organization

Endowment Net Asset Composition by Type of Fund as of December 31, 2014:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor Restricted Endowment Funds	\$ -	\$ 264,367	\$ 2,712,105	\$ 2,976,472

Changes in endowment net assets for the year ended December 31, 2014 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment Net Assets, Beginning of Year	\$ -	\$ 204,920	\$ 2,747,104	\$ 2,952,024
Investment Return:				
Investment Income	-	123,452	-	123,452
Net Appreciation	-	-	-	-
Total Investment Return	-	123,452	-	123,452
Contributions	-	-	-	-
Release of Restrictions	-	(64,005)	(34,999)	(99,004)
Endowment Net Assets, End of Year	\$ -	\$ 264,367	\$ 2,712,105	\$ 2,976,472

BENEVILLA AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

NOTE 13 PERMANENTLY RESTRICTED NET ASSETS (CONTINUED)

Endowment Net Asset Composition by Type of Fund as of December 31, 2013:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor Restricted Endowment Funds	\$ -	\$ 204,920	\$ 2,747,104	\$ 2,952,024

Changes in endowment net assets for the year ended December 31, 2013 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment Net Assets, Beginning of Year	\$ -	\$ 151,136	\$ 2,747,104	\$ 2,898,240
Investment Return:				
Investment Income	-	112,784	-	112,784
Net Appreciation	-	-	-	-
Total Investment Return	-	112,784	-	112,784
Contributions	-	-	-	-
Release of Restrictions	-	(59,000)	-	(59,000)
Endowment Net Assets, End of Year	\$ -	\$ 204,920	\$ 2,747,104	\$ 2,952,024

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. The endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of a mix of relevant benchmarks, while assuming a moderate level of investment risk. The Organization expects its endowment funds, over time, to provide an average rate of return ranging between 4% to 7% annually.

BENEVILLA AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

NOTE 14 REVENUE AND RECEIVABLE CONCENTRATION

The Organization received approximately 17% of their revenue from one government funder for both years ended December 31, 2014 and 2013.

Approximately 78% and 76% of the accounts receivable balance is due from three government funders as of December 31, 2014 and 2013, respectively.

Approximately 66% and 70% of the pledges receivable (assets restricted for capital campaign) balance is due from three donors as of December 31, 2014 and 2013, respectively.

NOTE 15 DONATED FACILITIES

Amounts have been recorded for the periodic use of facilities. Facilities have been provided by St. Clement of Rome Catholic Church, First Baptist Church of Peoria, and Sun City West Foundation. Approximately \$335,000 and \$112,000 has been recorded in the consolidated statements of activities and changes in net assets related to the use of these facilities for the years ended December 31, 2014 and 2013, respectively.

NOTE 16 RETIREMENT PLAN

The Organization has a retirement plan that allows for employee contributions under Section 403(b) of the Internal Revenue Code (the Code). Eligible employees may elect to make contributions subject to the maximum amounts allowed by the Code. There were employer matching contributions of \$57,990 and \$47,565 for the years ended December 31, 2014 and 2013, respectively.

NOTE 17 INCOME TAXES

A provision for federal and state income taxes has not been made in the accompanying consolidated financial statements as Birt's Bistro has incurred significant net operating losses since inception.

Birt's Bistro has recorded a 100% valuation allowance against its deferred tax asset (its net operating loss carryforward) due to the uncertainty as to whether Birt's Bistro will realize a substantial portion of the benefits of its deferred tax assets prior to their expiration. The valuation allowance against deferred tax assets decreased by approximately \$43,000 and \$21,000 during 2014 and 2013, respectively, to fully offset the increase in net operating loss carryforwards.

BENEVILLA AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

NOTE 17 INCOME TAXES (CONTINUED)

Birt's Bistro has federal and state net operating loss carryforwards of approximately \$600,000 at December 31, 2014. The federal and state net operating losses begin to expire in various amounts starting in 2029 and 2014, respectively. Historical trends indicate that it is more likely than not that the deferred tax assets will not be realized. However, the amount of the deferred tax assets considered realizable could be increased if Birt's Bistro generates taxable income during the carryforward period.

Birt's Bistro files income tax returns in the U.S. federal jurisdiction and one state. Birt's Bistro is subject to U.S. Federal or state income tax examinations by tax authorities for all years since 2011.

NOTE 18 CONCENTRATION OF CREDIT RISK

The Organization maintains all of its cash with high-credit quality financial institutions. Balances on deposit are insured by the Federal Deposit Insurance Corporation (FDIC) up to specified limits. Balances in excess of FDIC limits are uninsured. At times throughout the year, the Organization may have cash balances that exceed the balance insured by the FDIC.

NOTE 19 COMMITMENTS AND CONTINGENCIES

The Organization participates in a number of federal and state-assisted grant and contract programs which are subject to financial and compliance audits. Accordingly, the Organization's compliance with applicable grant or contract requirements may be determined at some future date. The amount, if any, of expenditures or fees for units of service, which may be disallowed by the granting or contracting agencies cannot be determined at this time, although the Organization's management expects such amounts, if any, to be immaterial.

NOTE 20 SUBSEQUENT EVENTS

Management evaluated subsequent events through June 16, 2015, the date the consolidated financial statements were available to be issued. Events or transactions occurring after December 31, 2014, but prior to June 16, 2015, have been recognized in the consolidated financial statements for the year ended December 31, 2014. Events or transactions that provided evidence about conditions that did not exist at December 31, 2014, but arose before the consolidated financial statements were available to be issued have not been recognized in the consolidated financial statements for the year ended December 31, 2014.

BENEVILLA AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2014

	ASSETS			
	Benevilla	Birt's Bistro	Eliminations	Total
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 530,627	\$ 39,740	\$ -	\$ 570,367
Cash Restricted for Employee Education	31,071	-	-	31,071
Accounts Receivable, Net of Allowance	1,373,325	3,819	(924,511)	452,633
Grants Receivable	150,000	-	-	150,000
Inventory	-	15,319	-	15,319
Prepaid Expenses	73,933	-	-	73,933
Total current assets	2,158,956	58,878	(924,511)	1,293,323
INVESTMENTS	3,248,764	-	-	3,248,764
PROPERTY HELD FOR SALE	11,377	-	-	11,377
PROPERTY AND EQUIPMENT, NET	7,504,162	11,329	-	7,515,491
ASSETS RESTRICTED FOR CAPITAL CAMPAIGN				
Cash	-	-	-	-
Pledges Receivable, Less Unamortized Discount	118,508	-	-	118,508
Total Assets Restricted for Capital Campaign	118,508	-	-	118,508
TOTAL ASSETS	\$ 13,041,767	\$ 70,207	\$ (924,511)	\$ 12,187,463
	LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES				
Accounts Payable	\$ 166,069	\$ 969,293	\$ (924,511)	\$ 210,851
Accrued Expenses	234,944	12,448	-	247,392
Line of Credit	125,451	-	-	125,451
Current Maturities of Notes Payable	106,667	-	-	106,667
Current Maturities of Long-Term Debt	84,884	-	-	84,884
Current Maturities of Charitable Gift Annuities	21,437	-	-	21,437
Total Current Liabilities	739,452	981,741	(924,511)	796,682
NOTES PAYABLE, Less Current Maturities	53,333			53,333
LONG-TERM DEBT, Less Current Maturities	1,006,099	-	-	1,006,099
CHARITABLE GIFT ANNUITIES, Less Current Maturities	91,594	-	-	91,594
Total Liabilities	1,890,478	981,741	(924,511)	1,947,708
NET ASSETS				
Unrestricted	7,755,787	(911,534)	-	6,844,253
Temporarily Restricted	683,397	-	-	683,397
Permanently Restricted	2,712,105	-	-	2,712,105
Total Net Assets	11,151,289	(911,534)	-	10,239,755
TOTAL LIABILITIES AND NET ASSETS	\$ 13,041,767	\$ 70,207	\$ (924,511)	\$ 12,187,463

See independent auditors' report on supplementary information.

BENEVILLA AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2014

	<u>Benevilla</u>	<u>Birt's Bistro</u>	<u>Eliminations</u>	<u>Total</u>
SUPPORT AND REVENUE				
Contributions	\$ 1,536,256	\$ -	\$ -	\$ 1,536,256
Special Event	73,112	-	-	73,112
Less Costs of Direct Benefits to Donors	(62,720)	-	-	(62,720)
Participant Fees	3,356,896	-	-	3,356,896
In-kind Contributions	415,771	-	-	415,771
Grants	1,259,724	-	-	1,259,724
Interest and Dividend Income	161,972	-	-	161,972
Unrealized/Realized Gain	22,093	-	-	22,093
Change in Value on Gift Annuities	(9,813)	-	-	(9,813)
Food Sales	-	859,132	-	859,132
Gain on Disposal of Assets	1,250	-	-	1,250
Other Income	84,226	7,279	-	91,505
Total support and revenue	<u>6,838,767</u>	<u>866,411</u>	<u>-</u>	<u>7,705,178</u>
EXPENSES				
Program Services				
Day Care	2,502,336	-	-	2,502,336
Family Resource Center	565,708	-	-	565,708
Lifeline	59,135	-	-	59,135
Home Services	118,797	-	-	118,797
Intake	134,873	-	-	134,873
Transportation	427,272	-	-	427,272
Volunteer Recruitment and Training	81,074	-	-	81,074
Child Care Center	644,876	-	-	644,876
Food Services	10,539	937,385	-	947,924
Total Program Services	<u>4,544,610</u>	<u>937,385</u>	<u>-</u>	<u>5,481,995</u>
Supporting Services				
Management and General	1,181,440	12,644	-	1,194,084
Facilities Maintenance	43,913	-	-	43,913
Marketing	184,799	-	-	184,799
Fundraising	281,410	-	-	281,410
Community Services	10,910	-	-	10,910
Total Supporting Services	<u>1,702,472</u>	<u>12,644</u>	<u>-</u>	<u>1,715,116</u>
Total Expenses	<u>6,247,082</u>	<u>950,029</u>	<u>-</u>	<u>7,197,111</u>
CHANGES IN NET ASSETS	<u>591,685</u>	<u>(83,618)</u>	<u>-</u>	<u>508,067</u>
NET ASSETS (DEFICIT), BEGINNING OF YEAR	<u>10,559,604</u>	<u>(827,916)</u>	<u>-</u>	<u>9,731,688</u>
NET ASSETS (DEFICIT), END OF YEAR	<u>\$ 11,151,289</u>	<u>\$ (911,534)</u>	<u>\$ -</u>	<u>\$ 10,239,755</u>

See independent auditors' report on supplementary information.

APPLICATION FOR CDBG-FUNDED PUBLIC SERVICES ACTIVITIES

Please complete & submit this form to the Welcome Center,
City of Surprise,
16000 N. Civic Center Plaza
Surprise, AZ 85374

We do not accept e-mail or electronic submissions

Organization Information																	
Name of Organization:	Aid to Adoption of Special Kids (AASK)																
Contact Person:	Julie Turko																
Contact Person Title:	Director of Development																
Mailing Address:	2320 North 20 th Street Phoenix, AZ 85006																
Street Address (if different from mailing):																	
Phone:	602.930.4409																
Fax:	602.930.4552																
E-mail:	jturko@aask-az.org																
Website URL (if applicable):	www.aask-az.org																
Legal Status of Applicant: <table border="0"> <tbody> <tr> <td>☐ State-Certified CHDO</td> <td>☐ General Partnership</td> </tr> <tr> <td>☒ Non-Profit (non-CHDO)</td> <td>☐ Limited Partnership</td> </tr> <tr> <td>☐ Public Housing Authority</td> <td>☐ Limited Liability Company</td> </tr> <tr> <td>☐ State Agency</td> <td>☐ Corporation</td> </tr> <tr> <td>☐ Local Government</td> <td></td> </tr> <tr> <td>☐ Tribal Government</td> <td></td> </tr> <tr> <td>☐ Council of Government</td> <td></td> </tr> </tbody> </table>				☐ State-Certified CHDO	☐ General Partnership	☒ Non-Profit (non-CHDO)	☐ Limited Partnership	☐ Public Housing Authority	☐ Limited Liability Company	☐ State Agency	☐ Corporation	☐ Local Government		☐ Tribal Government		☐ Council of Government	
☐ State-Certified CHDO	☐ General Partnership																
☒ Non-Profit (non-CHDO)	☐ Limited Partnership																
☐ Public Housing Authority	☐ Limited Liability Company																
☐ State Agency	☐ Corporation																
☐ Local Government																	
☐ Tribal Government																	
☐ Council of Government																	
Applicant's Qualifications:	Yes	No	NA														
Drug Free Policies	X																
Fair Housing Policies			X														
Equal Employment Opportunity Employer	X																



Project Description

Proposed Project Title: Building and Strengthening Families for Children

Check applicable priority area(s) that the project addresses:

- | | |
|---|--|
| <ul style="list-style-type: none"> ☐ Child care ☒ Youth Services ☒ Health Care ☐ Job training/job creation ☐ Literacy programs ☐ Recreation programs ☐ Education programs ☐ Public safety services ☐ Fair housing activities ☐ Services for senior citizens | <ul style="list-style-type: none"> Services for homeless persons Drug abuse counseling and treatment Qualified Veteran Services Welfare (as defined by CDBG) Code Enforcement Services Transportation/Transit ☒ Other |
|---|--|
- If Other, describe Other: Foster children with special needs;
Family Support

Describe the problem or need to be addressed by proposed project. (Please attach an extra sheet if needed)

Today in 2016, the Arizona Department of Child Safety states that there are nearly 19,000 children in foster care due to abuse, neglect or abandonment. Some children who are removed from their birth homes have medical, behavioral or developmental challenges and need to be placed with foster families who are equipped to meet such challenges. Because of their special needs, foster families are required to have the knowledge, education and experience in caring for these children. The Building & Strengthening Families for Children Program supports families caring for foster children with special needs (medical, behavioral and/or developmental), by giving them the training and the staff resources (i.e., nursing/behavioral health on-call personnel for ongoing assistance) necessary for them to be successful. In 2015, AASK worked with 845 families; 46 families throughout the year were from Surprise. Additionally, 122 families were seen by the AASK nurse, of which 8 families were from Surprise. However, in January 2016 alone, an increase of children from Surprise seen by AASK's nurse is already at a total of 8.

Foster families help children transition into and out of their foster care placements. Foster care is designed to be a temporary solution, hopefully giving birth families the opportunity to remove unhealthy obstacles from their lives so they can get their children back. When this isn't possible, children are either then adopted by another family or they "age out" of foster care without permanency. A child leaving foster care has experienced an average of 2.5 placements - and as the legal guardian of every child in foster care, the State decides where a child will be placed and how long it is in that child's best interest to be there. Foster families must be prepared to help that child attach and thrive however long that child is placed in their care. Having strong, stable and caring families can make the difference for a foster child to heal, become more resilient and grow into their potential - socially, emotionally, physically, and cognitively. Without these families trained by AASK, these traumatized children would face a lifetime of challenges, and their medical and behavioral needs put them at an even greater risk to fail. There is no state funding for AASK's behavioral and nursing support. CDBG funds will offset the cost of staff salaries for this program within the City of Surprise.



Project Location & Service Area - Describe the area to be served by the project. If possible, include a map.

The program operates in Maricopa County including the City of Surprise.

Targeted demographic population of the city:

The number of foster children in Surprise living in AASK homes represents 2.6% of all children served by AASK in Maricopa County. All youth in the Arizona Child Welfare system are defined as low-income. The Building & Strengthening Families for Children Program is a specialized foster care program of AASK that services children who have been diagnosed with a developmental disability and/or have significant medical, behavioral or developmental needs. Based on AASK's demographic overview: Gender demographics are equal with 50% male and 50% female. Ethnicity statistical representation is: Hispanic 33.49 %; Caucasian 29.85%; African-American 11.05 %; Biracial 10.81 %; Native American 7.29 % and Asian/Pacific Islander 1.18%. 27.85% are under 2 years of age; 18.68% are 3-5; 19.86% are 6-8; 15.39% 9-11; 10.34% 12-14; 5.17% 15-17 and 2.70% 18 and up.

Proposed Measurable Outcomes – Please provide an outcome statement to be achieved through the use of CDBG funding: CDBG funds will offset the cost of salaries for one staff nurse and one behavioral health specialist who conduct home visits in Surprise and offer referrals and support to families who care for children with special challenges.

Outcomes to be measured are # of family referrals and home visits by these two specialists. Home visits by AASK specialists go above and beyond traditional foster care. Instead of just educating the foster parent on, "you see this behavior and this is what you do for it," the AASK behavior specialist takes it to the next level in "you see this behavior, this is what may be causing it," with that understanding of showing the foster parent methods on how to handle the behaviors. AASK's registered nurse administers a multi-dimensional standardized test to assess the child's developmental level. Once the raw data is gathered, she interprets the findings, determines the child's developmental level and educates the foster parent on the ramifications of those results. She assists the foster parent in managing expectations and helps the parent develop a plan how to assist the child to make the best progress possible. In addition, AASK's registered nurse is available to educate the foster parents of medically fragile children on topics such as appropriate nutrition (including feeding tubes), breathing issues, and any other medical topic, such as wound care.

It is the intent of the City of Surprise to fund those activities that meet a High Priority in City's Consolidated Plan and comply with CDBG National Objectives- Describe in detail how the proposed project complies with these two objectives:

Two of the national objectives in the City of Surprise's Consolidated Plan include:

1. Benefiting low – and moderate income persons.
2. Meeting community development needs that have a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community.

Foster children with special needs require specialized services. AASK's foster families provide a specialized level of foster care, requiring advanced training provided by AASK to ensure expert care for these children. For example, foster children with developmental disabilities require extra assistance with daily living skills, supervision and foster parents who are committed to supporting their developmental needs and growth. Foster children with specialized medical needs, need foster parents who can provide round-the-clock care and supervision. These Foster parents are required to have medical knowledge, education and experience in caring for children with physical disabilities, who are born premature, have birth defects or who are born substance exposed.

Because these children have been removed from their homes due to abuse, neglect or abandonment, these children who become the most at-risk are the most vulnerable of all. AASK is not limited by its ability to find children who need a family but rather by its ability to recruit, train and support families for foster children who face extra challenges.

Organizational Capacity

Please describe organization's history and prior experience, including a list of similar projects: (Please attach an extra sheets if needed)

Family is more than a legal status or where a child lives. It's about having strong, long-lasting and supportive relationships so a child does not feel alone in the world. Since 1988, Aid to Adoption of Special Kids (AASK) has been improving the lives of children in the Arizona foster care system by ensuring that every child has a relationship with someone who cares regardless of their medical, physical, developmental or behavioral challenges. AASK provides lasting and permanent relationships for children in foster care by connecting children with foster families, adoptive families, kin, siblings, and adult mentors by recruiting, training and supporting them.

Licensed by the Arizona Department of Economic Security (DES), AASK leads the effort in finding family relationships for children through on-going community outreach. Strong advocacy and lifelong family support by knowledgeable specialists has helped AASK facilitate over 2,300 adoptions, with 95% remaining in place to this day. In 2015 alone, AASK served 1,904 children and 684 families & mentors. 190 adoptions were finalized, and 93 children attended AASK Sibling Camp.

Not all foster children have the same needs. AASK has developed programs that serve a variety of targeted populations that include: Latinos, Native Americans, children with developmental disabilities or specialized medical needs, and those who are 'aging out' of foster care.

AASK continually introduces innovation programs to Arizona's foster care system, creating the state's first: Hispanic adoption and foster care program (Todos Los Niños); Medically fragile infant foster care program; Kinship foster care program; Sibling connection program; Adoption and foster care resource centers; Mentoring program for youth "aging out" of the foster care system and 24/7, 365 days per year on call placement (AHIT).

In 2015, the AASK Mentoring Program (children living in group homes and shelters) matched 177 children and youth with 188 mentors which calculated into 10,103 hours spent together between mentor and mentee; AASK's customized Kinship services provide support for families caring for the children of relatives. Currently, over 50% of children in AASK foster homes are in kinship homes.

AASK is managed in a fiscally responsible manner and has proven itself over time. AASK's size and decades of experience have proven that transparency, commitment, and hard work are irreplaceable components of a successful approach to meeting children's needs. We have designed our approach, programs and even our three Valley locations to equip and support families for the diverse children they'll be serving. It is important for AASK foster families, adoptive families and mentors to know they can have quick and convenient access to us. That's why, along with online, phone, and e-mail access, we have locations across the Phoenix metropolitan area. Our offices in Central Phoenix, Peoria and our newest location in Chandler, offer access to AASK staff, training rooms, libraries, and other supportive resources. AASK currently employs 106 full-time staff.

As stated earlier, foster children with special needs require specialized services such as they need to be placed with foster families licensed as Child Development Homes. AASK's Specialized Medical Foster Care provides such families advanced training, regular services of both a staff registered nurse and behavioral specialist and respite opportunities. This is part of AASK's Building & Strengthening Families for Children Program for which grant funds are being sought from the City of Surprise.

Financial Audits and Reports:

(Please submit a copy of most recent financial audit)

Yes

No

NA

Were the financial statements of the organization prepared in accordance with generally accepted accounting principles?	XXX		
Was there accurate and complete disclosure of the financial expenditures of each federally sponsored program?	XXX		
Was an audit of the financial records obtained annually (or at least biennially) in accordance with federal regulations and local requirements?	XXX		
Was the audit performed by a licensed Certified Public Accountant?	XXX		
Was the latest audit forwarded to the funding agency?	XXX		
Has a copy of all applicable audits/reviews (including any management letter, if appropriate) been forwarded to the funding agency?	XXX		
Please Provide Other Funding Source References: (Please attach extra sheets if needed)			
City of Phoenix City of Mesa City of Peoria City of Goodyear Scottsdale Cares Town of Gilbert \$25,000 \$10,000 \$ 3,000 \$ 1,500 \$ 8,400 \$ 5,500			

Program Team:

Identify the name of the responsible party and the experience that they have in this role. Team members identified after the application are subject to review. Attach extra sheets if needed.

Staff Member	Background and Expertise of Personnel
Name: Cindy Staley Title: RN FTE on This Project: 10%	Ms. Staley joined AASK in 2005 and is licensed by the Arizona State Board of Nursing. She has a BS in Nursing and is certified in Neonatal Resuscitation by Los Nino's Hospital. Ms. Staley adopted two children through AASK.
Name: Jill Berna Title: Intake Lead FTE on This Project: 10%	Ms. Berna has a BA in Psychology and joined AASK in May 2006. Ms. Berna has experience with DES licensing standards and has been a member of the State's Department of Disabilities (DDD) program review committee for (5) years. Her work experience is with at-risk youth, mental illness, treatment planning and developmental disabilities.

Project Cost			
Estimated Total Cost of Project:	\$ 297,502		
CDBG Funding Amount Requested for Project:	\$ 5,000		
Total Number of Units Served:	48		
Total Cost per Unit	\$6,197.96		
Total CDBG Cost per Unit	\$104.17		
Amount and Source of Other Funds Leveraged for Project: (Please submit proof of other funding sources)	Source	Year	Amount
	United Way Grants	2016	69,000
	Season for Sharing	2015	15,000
Project Sustainability: How will your organization continue providing these services if CDBG funds are not awarded next year?	Services for foster children and the families who care for them are the core of AASK's mission. AASK seeks grant funding from a variety of sources.		
If your project is not fully funded, will your organization be able to implement project with partial funding?	AASK's Building and Strengthening Children for Families Program will continue to operate. However, more funding will allow AASK to reach more children.		

Project Timeline												
Project start date: <u>July 1, 2016</u>						Project completion date: <u>June 30, 2017</u>						
Applicants must provide a schedule for the Program that lists major activities and indicate when they will be executed. Additional information such as contractor selection, final inspection, loan closing, etc. should be included when known.												
Program Schedule												
Major Program Activities:	1 st Quarter			2 nd Quarter			3 rd Quarter			4 th Quarter		
Referrals as Needed for Specialized Services	x	x	x	x	x	x	x	x	x	x	x	x
RN family visits	x	x	x	x	x	x	x	x	x	x	x	x
Meetings with Behavioral Specialist	x	x	x	x	x	x	x	x	x	x	x	x
Visits by Family Specialists	x	x	x	x	x	x	x	x	x	x	x	x



Proposed Budget

Specific Cost Item/Description	CDBG Amount Requested	Other Funds Source	Other Funds Amount	Total Amount CDBG + Other Sources
Salaries, and Benefits	\$5,000	"Grants, donations & AASK self-funding"	\$ 227,428	\$ 232,428
Education and Training		"Grants, donations & AASK self-funding"	385	385
Mileage, Travel, Employee Cells		"Grants, donations & AASK self-funding"	5,194	5,194
Office Supplies/equipment		"Grants, donations & AASK self-funding"	2,849	2,849
Occupancy and utilities		"Grants, donations & AASK self-funding"	42,191	42,191
Printing		"Grants, donations & AASK self-funding"	74	74
Depreciation Expense		"Grants, donations & AASK self-funding"	578	578
Long distance, Internet		"Grants, donations & AASK self-funding"	11,175	11,175
Child Care Provider		"Grants, donations & AASK self-funding"	2,242	2,242
Misc. Expenses		"Grants, donations & AASK self-funding"	386	386
Total	\$5,000		\$ 292,502	\$ 297,502

Required Certifications for CDBG Public Services Activities Application

Signature of Agency Representative with Binding Authority below certifies the following statements:

- Organization has no conflict of interests with City of Surprise appointed or elected representatives and does not employ city appointed or elected representatives or their families.
- Organization will comply with federal requirements to be observed by organizations being funded with CDBG funds, including compliance with federal Labor Standards, Section 3, Segregated Facilities, Equal Opportunity, and Non-Discrimination. Section 109, Title VI and EO 11246. All requirements are described in 24 CFR 570 (CDBG Entitlement Grants).
- Authorized official certifies that this CDBG Public Services application package has been reviewed and all information provided in this application and attachments is true and correct.
- Sufficient funds are available from non-CDBG sources to complete the project, as described, if CDBG funds are allocated to the applicant.

Julie Turko
Signature of authorized agency representative

1/26/16
Date:

Julie Turko
Printed name

Development Director
Title

AASK - Aid to Adoption of Special Kids
Organization



Department of the Treasury
Internal Revenue Service

P.O. Box 2508
Cincinnati OH 45201

In reply refer to: 0248219434
Aug. 01, 2012 LTR 4168C E0
86-0611935 000000 00
00019320
BODC: TE

AID TO ADOPTION OF SPECIAL KIDS
AASK ARIZONA
2320 N 20TH ST
PHOENIX AZ 85006-2059



021353

Employer Identification Number: 86-0611935
Person to Contact: Ms. Benson
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your July 23, 2012, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(3) of the Internal Revenue Code in a determination letter issued in November 1992.

Our records also indicate that you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section 509(a)(2).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Please refer to our website www.irs.gov/eo for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing due date of the third return for organizations required to file. We will publish a list of organizations whose tax-exempt status was revoked under section 6033(j) of the Code on our website beginning in early 2011.



Mesa United Way

December 10, 2015

Mr. Ron Adelson
Aid to Adoption of Special Kids – Arizona
2320 N 20th St
Phoenix, AZ 85006

Dear Ron:

In Mesa United Way's continuing effort to promote partnerships and striving for the most effective use of all of our resources, we are modifying the quarterly report requirement for your existing grants. Instead of submitting four quarterly reports, you will be required only to submit your 4th quarter year end report for each of your programs. In place of the upcoming reports that you'll no longer need to submit (the 2nd and 3rd quarters), we ask instead that you simply provide us with an impact story. Then, along with your 4th quarter report, another impact story.

Additionally, we hope to personally visit you throughout the coming year, not only to thank you for the invaluable work that you're doing in our community, but to see a bit of it in action. You are helping us to better fulfill our mission of improving lives, and we want you to know that we're here to help you fulfill your mission as well.

Sincerely,

Claudia Reeder Walter
President & CEO

Mark Young
Executive Vice President

Allison L. Johnson
Accounting & Database Manager

CORPORATE CHAMPIONS

Humanitarian

Salt River Project
The Boeing Company
QuikTrip
Virginia G. Piper Charitable Trust

Philanthropist

Farnsworth Companies

Benefactor

Eastmark
Nationwide Insurance
WalMart
Nina Pulliam Charitable Trust
Enterprise
State Farm Insurance
Crescent Crown
CMC Steel Arizona
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Inspirer

Chase Bank
Arizona Republic
Bank of America
Berge Ford
Cox Communications
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UPS
Target Corporation
Macy's
Costco
United Health Group

Patron

Davis Family Foundation
Bard Peripheral Vascular
JC Penney
Jackson White
MGC Pure Chemicals, America, Inc.
Nammo Tally
Value Village/Savers Thrift Stores
Corner Store
First Baptist Church of Scottsdale
Century Link
Mesa Rotary Foundation
Leisure World Community
Able Steel Fabricators
Cardinals Charities
Flinn Foundation
Schmidt Westergard & Co. PLLC
The Timken Company

Claudia Reeder Walters
President/CEO



SEASON FOR SHARING

THE ARIZONA
REPUBLIC

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GF
GANNETT FOUNDATION

12th
NEWS

March 16, 2015



Ms. Jacqueline Palmenberg
Aid to Adoption of Special Kids (AASK)
2320 N. 20th St.
Phoenix, AZ 85006

Dear Ms. Palmenberg:

We are pleased to inform you that *The Arizona Republic*/12 News Season for Sharing campaign has awarded a grant to Aid to Adoption of Special Kids (AASK). Please find a check in the amount of \$15,000 for Building and Strengthening Foster Families.

This grant is one more way in which *The Arizona Republic*, 12 News and azcentral.com partner with our readers and viewers to improve the quality of life in our communities. The 2014 - 2015 Season for Sharing campaign generated \$2.63 million, including \$400,000 in matching funds from the Gannett Foundation and our community partner, The Nina Mason Pulliam Charitable Trust. These funds will support local nonprofit agencies that help at-risk children and families, improve educational skills, aid victims of domestic violence and serve older adults. Since Season for Sharing began in 1993, more than \$55 million has been distributed.

On Thursday, March 26, we will celebrate **Thank You Thursday** to recognize our donors' contributions to this year's campaign, as well as, you, the nonprofit recipients. Please see the enclosed flier to learn how your organization can participate. We will follow up with you via email the week of the 26th to suggest ways to thank our wonderful donors and provide personalized copy that your organization can utilize to showcase your grant through promotion on your website, newsletters and social media outlets. If you recognize our gift in any way, please list us as The Arizona Republic/12 News Season for Sharing.

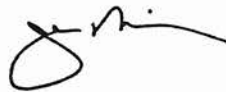
We look forward to hearing about your success and the impact of our donation. Along with your check, we have enclosed a copy of the grant acknowledgement form. Please complete and return the acknowledgement form no later than Friday, April 3, 2015.

Best wishes for a successful year.

Sincerely,



John Zidich
CEO & Publisher
The Arizona Republic



John Misner
COO, Republic Media
& General Manager, 12 News

Season for Sharing is a donor-advised fund of the Arizona Community Foundation.

P.O. Box 1950 • Phoenix, Arizona 85001-1950 • (602) 444-8661

Season for Sharing is a donor-advised fund of the Arizona Community Foundation.

**AID TO ADOPTION OF SPECIAL KIDS/ARIZONA
AND SUBSIDIARIES**

CONSOLIDATED FINANCIAL STATEMENTS

Year Ended June 30, 2015

**AID TO ADOPTION OF SPECIAL KIDS/ARIZONA
AND SUBSIDIARIES**

CONSOLIDATED FINANCIAL STATEMENTS

Year Ended June 30, 2015

CONTENTS

	<u>Pages</u>
INDEPENDENT AUDITORS' REPORT	1 - 2
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	3
Consolidated Statement of Activities	4
Consolidated Statement of Functional Expenses	5
Consolidated Statement of Cash Flows	6
Notes to Consolidated Financial Statements	7 - 15



Mayer Hoffman McCann P.C.

An Independent CPA Firm

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of

AID TO ADOPTION OF SPECIAL KIDS/ARIZONA AND SUBSIDIARIES

We have audited the accompanying consolidated financial statements of *Aid to Adoption of Special Kids/Arizona and Subsidiaries*, which comprise the consolidated statement of financial position as of June 30, 2015, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of ***Aid to Adoption of Special Kids/Arizona and Subsidiaries*** as of June 30, 2015, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited ***Aid to Adoption of Special Kids/Arizona and Subsidiaries***' 2014 consolidated financial statements, and our report dated October 23, 2014, expressed an unmodified opinion on those audited consolidated financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Mayer Hoffman McCann P.C.

Phoenix, Arizona
November 3, 2015

**AID TO ADOPTION OF SPECIAL KIDS/ARIZONA
AND SUBSIDIARIES**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2015
(with comparative totals at June 30, 2014)

	<u>ASSETS</u>	<u>2015</u>	<u>2014</u>
CASH AND CASH EQUIVALENTS		\$ 2,603,182	\$ 3,889,208
INVESTMENTS		10,719,234	8,068,744
RECEIVABLES, net		1,103,331	964,100
PLEDGES RECEIVABLE, net		345,796	174,659
PREPAID EXPENSES AND OTHER ASSETS		10,607	633
PROPERTY AND EQUIPMENT, net		3,279,425	3,186,609
ENDOWMENT CASH		<u>15,038</u>	<u>15,033</u>
TOTAL ASSETS		<u>\$ 18,076,613</u>	<u>\$ 16,298,986</u>
 <u>LIABILITIES AND NET ASSETS</u> 			
NOTE PAYABLE		\$ 108,000	\$ 120,000
ACCOUNTS PAYABLE AND ACCRUED EXPENSES		541,193	441,181
DEFERRED REVENUE		<u>-</u>	<u>25,952</u>
TOTAL LIABILITIES		<u>649,193</u>	<u>587,133</u>
NET ASSETS			
Unrestricted		17,071,624	15,527,194
Temporarily restricted		345,796	174,659
Permanently restricted		<u>10,000</u>	<u>10,000</u>
TOTAL NET ASSETS		<u>17,427,420</u>	<u>15,711,853</u>
TOTAL LIABILITIES AND NET ASSETS		<u>\$ 18,076,613</u>	<u>\$ 16,298,986</u>

**AID TO ADOPTION OF SPECIAL KIDS/ARIZONA
AND SUBSIDIARIES**

CONSOLIDATED STATEMENT OF ACTIVITIES

Year Ended June 30, 2015
(with comparative totals for the year ended June 30, 2014)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	
				2015	2014
SUPPORT AND REVENUES					
Government contracts	\$ 8,570,937	\$ -	\$ -	\$ 8,570,937	\$ 8,094,083
Contributions	592,116	293,751	-	885,867	652,138
Fundraising event (net of direct donor benefits)	83,035	-	-	83,035	65,853
United Way	55,393	69,000	-	124,393	118,240
Interest and dividend income	53,939	-	-	53,939	45,536
Other	12,000	-	-	12,000	12,000
Total support before net assets released from restrictions	9,367,420	362,751	-	9,730,171	8,987,850
Net assets released from restrictions	191,614	(191,614)	-	-	-
TOTAL SUPPORT	9,559,034	171,137	-	9,730,171	8,987,850
 Program revenues:					
Adoption fees	21,600	-	-	21,600	36,800
TOTAL PROGRAM REVENUES	21,600	-	-	21,600	36,800
 TOTAL SUPPORT AND REVENUES	9,580,634	171,137	-	9,751,771	9,024,650
 EXPENSES					
Program services:					
Family Support Services	1,865,057	-	-	1,865,057	1,740,502
Specialized Foster Care	2,123,707	-	-	2,123,707	2,176,983
Regular Adoption & Foster Care	2,549,476	-	-	2,549,476	2,574,260
Community Funded Initiatives	512,515	-	-	512,515	438,576
Birth Parent Counseling	39,990	-	-	39,990	36,153
Total program services	7,090,745	-	-	7,090,745	6,966,474
Supporting services:					
Management and General	757,747	-	-	757,747	629,946
Fundraising	187,712	-	-	187,712	203,272
Total supporting services	945,459	-	-	945,459	833,218
TOTAL EXPENSES	8,036,204	-	-	8,036,204	7,799,692
 CHANGE IN NET ASSETS	1,544,430	171,137	-	1,715,567	1,224,958
NET ASSETS, BEGINNING OF YEAR	15,527,194	174,659	10,000	15,711,853	14,486,895
 NET ASSETS, END OF YEAR	\$ 17,071,624	\$ 345,796	\$ 10,000	\$ 17,427,420	\$ 15,711,853

AID TO ADOPTION OF SPECIAL KIDS/ARIZONA AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2015

(with comparative totals for the year ended June 30, 2014)

	Program Services						Supporting Services		Totals	
	Family Support Services	Specialized Foster Care	Regular Adoption & Foster Care	Community Funded Initiatives	Birth Parent Counseling	Total Program Services	Management and General	Fundraising	2015	2014
Payroll:										
Salaries - Full Time	\$ 315,551	\$ 440,184	\$ 1,535,470	\$ 320,398	\$ 31,954	\$ 2,643,557	\$ 496,484	\$ 119,790	\$ 3,259,831	\$ 3,162,284
Salaries - Part Time	1,321,284	-	45,898	-	-	1,367,182	-	-	1,367,182	1,222,352
Payroll taxes	142,124	38,159	135,888	26,060	2,598	344,829	33,307	10,568	388,704	416,556
Benefits	15,902	17,005	74,620	5,063	-	112,590	21,781	2,677	137,048	139,501
Retirement	7,119	9,093	10,978	7,828	436	35,454	11,538	4,850	51,842	38,500
Total payroll	1,801,980	504,441	1,802,854	359,349	34,988	4,503,612	563,110	137,885	5,204,607	4,979,193
Family related services	-	1,536,314	382,552	51,549	285	1,970,700	-	16,654	1,987,354	2,031,339
Professional services	-	9,675	20,159	150	1,180	31,164	59,697	-	90,861	101,208
Occupancy	12,836	17,445	88,131	34,613	1,364	154,389	11,475	3,440	169,304	141,929
Advertising	-	-	10,223	-	-	10,223	-	4,948	15,171	15,082
Bad debts	1,845	1,219	1,953	-	154	5,171	-	-	5,171	16,838
Travel	4,240	20,662	72,381	8,047	-	105,330	2,159	2,684	110,173	117,518
Communications	5,299	8,975	36,341	12,722	316	63,653	3,430	1,287	68,370	56,314
Printing and copying	3,739	1,091	4,466	1,544	45	10,885	208	55	11,148	8,163
Office and general supplies	3,232	2,528	21,003	8,661	246	35,670	16,039	1,651	53,360	70,985
Postage and shipping	2,325	547	3,827	218	17	6,934	1,532	1,574	10,040	11,531
Insurance	-	371	-	-	-	371	67,914	-	68,285	49,748
Employee Recruitment, Training and Retention	15,929	1,711	9,603	3,752	-	30,995	1,203	2,055	34,253	34,559
Depreciation	13,632	18,728	95,630	31,910	1,395	161,295	12,810	3,972	178,077	153,419
Other	-	-	353	-	-	353	18,170	11,507	30,030	11,866
TOTAL FUNCTIONAL EXPENSES	\$ 1,865,057	\$ 2,123,707	\$ 2,549,476	\$ 512,515	\$ 39,990	\$ 7,090,745	\$ 757,747	\$ 187,712	\$ 8,036,204	\$ 7,799,692

See Notes to Consolidated Financial Statements

AID TO ADOPTION OF SPECIAL KIDS/ARIZONA AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended June 30, 2015
(with comparative totals for the year ended June 30, 2014)

	<u>2015</u>	<u>2014</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Change in net assets	\$ 1,715,567	\$ 1,224,958
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Donated equipment received	-	(31,750)
Provision for bad debts	5,171	16,838
Gain on forgiveness of note payable	(12,000)	(12,000)
Depreciation	178,077	153,419
Changes in discounts on pledges receivable	16,350	(7,407)
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Receivables	(144,402)	(883)
Pledges receivable	(187,487)	104,177
Prepaid expenses and other assets	(9,974)	27,663
Increase (decrease) in:		
Accounts payable and accrued expenses	100,012	31,898
Deferred revenue	(25,952)	(60,062)
Net cash provided by operating activities	<u>1,635,362</u>	<u>1,446,851</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(270,893)	(747,068)
Purchases of investments	(5,858,889)	(4,866,284)
Proceeds from maturities of investments	3,208,399	5,578,572
Change in endowment cash	(5)	(5)
Net cash used in investing activities	<u>(2,921,388)</u>	<u>(34,785)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,286,026)	1,412,066
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>3,889,208</u>	<u>2,477,142</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,603,182</u>	<u>\$ 3,889,208</u>

SUPPLEMENTAL DISCLOSURE OF NONCASH FINANCING ACTIVITIES

The Organization received \$12,000 of forgiveness of debt for the years ended June 30, 2015 and 2014.

The Organization received \$31,750 of donated equipment during the year ended June 30, 2014 from a related party.

AID TO ADOPTION OF SPECIAL KIDS/ARIZONA AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended June 30, 2015
(with comparative totals for the year ended June 30, 2014)

(1) Organization operations and summary of significant accounting policies

Organization operations – *Aid to Adoption of Special Kids/Arizona and Subsidiaries* (the "Organization") is a private, non-profit adoption and child placement agency licensed by the Arizona Department of Economic Security, dedicated to the placement of special needs children into permanent, loving homes in the state of Arizona. The Organization's goal of building and preserving families is served through parent training, adoption placement, specialized medical foster care, post-placement support, and community education services.

The significant accounting policies followed by the Organization are summarized below:

Principles of consolidation – The accompanying consolidated financial statements include the accounts of *Aid to Adoption of Special Kids/Arizona* ("AASK"), *AASK Phoenix Property, LLC* ("AASK-Phoenix"), *AASK Peoria Property, LLC* ("AASK-Peoria") and *AASK Chandler Property, LLC* ("AASK-Chandler"). Collectively, the entities are referred to hereinafter as the Organization. In December, 1988, AASK was incorporated in the state of Arizona. During the year ended June 30, 2014, AASK-Phoenix, AASK-Peoria, and AASK-Chandler were established for the purposes of managing and operating real property. Each subsidiary was organized as a single-member limited liability company with AASK as the sole member. All significant intercompany transactions and accounts have been eliminated in consolidation.

Basis of presentation – The accompanying consolidated financial statements are presented in accordance with FASB ASC 958-205, *Not-for-Profit Organizations - Presentation of Financial Statements*. Under FASB ASC 958-205, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Prior year summarized information – The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended June 30, 2014 from which the summarized information was derived.

Management's use of estimates – The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Cash and cash equivalents – Cash includes cash and, at times, cash equivalents that consist of highly liquid financial instruments purchased with original maturities of three months or less. Cash deposits in each institution are insured in limited amounts by the Federal Deposit Insurance Corporation ("FDIC").

AID TO ADOPTION OF SPECIAL KIDS/ARIZONA AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended June 30, 2015
(with comparative totals for the year ended June 30, 2014)

(1) Organization operations and summary of significant accounting policies (continued)

Investments – The Organization accounts for its investments in accordance with FASB ASC 958-320, *Not-for-Profit Entities – Investments - Debt and Equity Securities* and FASB ASC 958-325, *Not-for-Profit Entities – Investments - Other*. Under FASB ASC 958-320, the Organization is required to report investments in equity securities that have readily determinable fair values and all investments in debt securities, including negotiable certificates of deposit, at fair value. The fair value of securities with readily determinable fair values is based upon quoted market prices or publicly available net asset values. Negotiable certificates of deposit are valued using proprietary valuation models incorporating live data from active market makers and inter-dealer brokers as reported on electronic communication networks. The valuation models incorporate benchmark yields, reported trades, broker/dealer quotes, bids, offers, and other data. Under FASB ASC 958-325, certificates of deposit investments that are not debt securities are stated at amortized cost, which approximates fair value. Investments in money market funds are measured at fair value based on quoted market prices.

Fair value measurements – FASB ASC 820, *Fair Value Measurements*, establishes a common definition for fair value to be applied to accounting principles generally accepted in the United States of America requiring use of fair value, establishes a framework for measuring fair value, and expands disclosures about such fair value measurements. The Organization adopted FASB ASC 820 for assets and liabilities subject to fair value measurement on a recurring and non-recurring basis. FASB ASC 820 also establishes a hierarchy for ranking the quality and reliability of the information used to determine fair values by requiring that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

- Level 1: Unadjusted quoted market prices in active markets for identical assets or liabilities.
- Level 2: Unadjusted quoted prices in active markets for similar assets or liabilities, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability.
- Level 3: Unobservable inputs for the asset or liability.

Receivables – Receivables consist of program service fees and contracts receivable. The Organization is exposed to certain credit risks, and manages its risk by regularly reviewing its accounts and following collection procedures. The Organization provides an appropriate allowance for doubtful accounts. Receivables are stated at the amount management expects to collect. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to receivables.

AID TO ADOPTION OF SPECIAL KIDS/ARIZONA AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended June 30, 2015
(with comparative totals for the year ended June 30, 2014)

(1) Organization operations and summary of significant accounting policies (continued)

Property and equipment – Purchased property and equipment is recorded at cost and donated property and equipment is recorded at its fair value at the date of contribution to the Organization. Maintenance and repairs are charged to operations when incurred. Betterments and renewals in excess of \$1,000 are capitalized. When property and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved and any gain or loss is included in operations. Depreciation is computed on a straight-line basis over the following estimated range of useful lives:

	<u>Estimated Useful Lives</u>
Building and improvements	15 - 30 years
Furniture and equipment	3 - 15 years

Impairment of long-lived assets – The Organization accounts for long-lived assets in accordance with the provisions of FASB ASC 360, *Property, Plant and Equipment*. FASB ASC 360 requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. The Organization has reviewed its long-lived assets and has found no impairment has occurred during the years ended June 30, 2015 and 2014.

Revenue recognition – The major source of support and revenue for the Organization is received under government contracts from the Arizona Department of Child Safety ("DCS"). Revenues are recognized as actual expenditures are incurred and services are provided in accordance with the contracts and grants and their approved budgets. The contracts expire annually (June 30 generally), and management expects the contracts to be renewed through the respective renewal process. Revenue recognized under DCS contracts represented approximately 53% of total government contracts revenue for the years ended June 30, 2015 and 2014. Additionally, one other contract represented 12% of total government contracts for the year ended June 30, 2014. If these contracts are not renewed or are otherwise lost, the Organization's operations would be significantly impacted.

Program revenues from respite and adoption fees are recognized when the related services are performed. Revenue received in advance is recorded in deferred revenue in the accompanying consolidated statement of financial position.

Contributions – The Organization accounts for contributions in accordance with FASB ASC 958-605, *Not-for-Profit Organizations - Revenue Recognition*. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily or permanently restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of activities as net assets released from restrictions. If the restriction is met or expires in the same year the contribution is received, the amount is classified as temporarily restricted, and the related release is reported at the gross amount in the accompanying consolidated statement of activities.

AID TO ADOPTION OF SPECIAL KIDS/ARIZONA AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended June 30, 2015
(with comparative totals for the year ended June 30, 2014)

(1) Organization operations and summary of significant accounting policies (continued)

Promises to give – Unconditional promises to give (pledges) that are to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are initially recorded at the fair value of their estimated future cash flows as of the date of the promise to give through the use of a present value discount technique. In periods subsequent to initial recognition, unconditional promises to give are reported at the amount management expects to collect and are discounted over the collection period using the same discount rate as determined at the time of initial recognition. The discount rate determined at the initial recognition of the unconditional promise to give is based upon management's assessment of many factors, including when the receivable is expected to be collected, the creditworthiness of the other parties, the Organization's past collection experience and its policies concerning the enforcement of promises to give, expectations about possible variations in the amount or timing, or both, of the cash flows, and other factors concerning the receivable's collectability. Amortization of the discounts is included in support from contributions. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Special events revenue – The Organization introduced a special event in fiscal year 2014. A portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event. Unless a verifiable, objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the Organization. The revenue is presented net of the direct costs of the special event which ultimately benefit the donor rather than the Organization in the accompanying consolidated statement of activities. Direct donor benefits for fiscal year 2015 events totaled \$3,427 and \$4,279 for 2015 and 2014, respectively.

Donated materials and services – Donated materials and services are reflected in the accompanying consolidated financial statements at their estimated fair value at the date of the donation. Donated services are recognized as contributions in accordance with FASB ASC 958-605 if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased.

Functional expenses – The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying consolidated statement of functional expenses. Certain costs have been allocated among the programs and support services benefited based on management's estimate of employee hours devoted to each function.

Advertising – Advertising costs are charged to operations when incurred. Advertising expense charged to operations was \$15,171 and \$15,082 for the years ended June 30, 2015 and 2014, respectively.

Income tax status – AASK qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (the "Code") and, accordingly, there is no provision for income taxes. In addition, AASK qualifies for the charitable contribution deduction under Section 170 of the Code and has been classified as an organization that is not a private foundation. AASK-Phoenix, AASK-Chandler, and AASK-Peoria are disregarded entities for tax purposes. Income determined to be unrelated business taxable income ("UBTI") would be taxable.

The Organization evaluates its uncertain tax positions, if any, on a continual basis through review of their policies and procedures, review of their regular tax filings, and discussions with outside experts.

AASK's Federal Return of Organizations Exempt from Income Tax (Form 990) for 2012, 2013 and 2014 are subject to examination by the IRS, generally for the three years after they were filed. As of the date of this report, the 2015 Form 990 has not been filed.

AID TO ADOPTION OF SPECIAL KIDS/ARIZONA AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended June 30, 2015
(with comparative totals for the year ended June 30, 2014)

(1) **Organization operations and summary of significant accounting policies (continued)**

Recent accounting pronouncements – In May 2014, the FASB issued ASU No. 2014-09 (“ASU 2014-09”), *Revenue from Contracts with Customers* that will supersede most current revenue recognition guidance, including industry-specific guidance. The core principle of the new guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Additionally, ASU 2014-09 will require an entity to disclose sufficient information to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. For nonpublic entities, the ASU will be effective for annual reporting periods beginning after December 15, 2017 and interim periods within annual periods beginning after December 15, 2018. The FASB has approved a one year delay in the effective date of Topic 606. Nonpublic entities may elect to early adopt the ASU, however, adoption is not permitted prior to the public entity effective date. The Organization is evaluating the impact of adopting ASU 2014-09.

Reclassifications – Certain amounts have been reclassified in the 2014 summarized comparative financial statements to conform to the presentation of the 2015 financial statements. The reclassifications did not have an effect on the change in net assets. Certain expenses were reclassified for consistency with the presentation of the 2015 functional expense categories. The effect of the reclassifications was to increase regular adoption and foster care expense by \$1,816,057, increase community funded initiatives expense by \$200,566, and decrease other program services categories by amounts totaling \$2,016,623.

Subsequent events – The Organization has evaluated subsequent events through November 3, 2015 which is the date the consolidated financial statements were available to be issued.

(2) **Investments**

At June 30, 2015 and 2014, investments consisted of the following:

	<u>2015</u>	<u>2014</u>
Cash and cash equivalents	\$ 39,199	\$ 33,027
Negotiable certificates of deposit (fair value)	10,069,218	7,366,107
Certificates of deposit (amortized cost)	-	248,956
Money market funds	610,817	420,654
Total investments	<u>\$ 10,719,234</u>	<u>\$ 8,068,744</u>

Investments are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect account balances and the amounts reported in the accompanying consolidated financial statements. At June 30, 2015, the negotiable certificates of deposit are in individual amounts such that they are covered by FDIC insurance.

AID TO ADOPTION OF SPECIAL KIDS/ARIZONA AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended June 30, 2015
(with comparative totals for the year ended June 30, 2014)

(3) Receivables

Receivables consist of:

	<u>2015</u>	<u>2014</u>
State contracts	\$ 1,213,179	\$ 1,107,540
Adoption fees	45,152	73,066
Other receivables	-	2,182
Total receivables	<u>1,258,331</u>	<u>1,182,788</u>
Allowance for doubtful accounts	<u>(155,000)</u>	<u>(218,688)</u>
Net receivables	<u>\$ 1,103,331</u>	<u>\$ 964,100</u>

Three state contracts comprise approximately 81% and 70% of the gross state contracts receivable balance at June 30, 2015 and 2014.

(4) Pledges receivable

Pledges receivable consist of the following promises to give:

	<u>2015</u>	<u>2014</u>
Receivable in less than one year	\$ 262,146	\$ 174,659
Receivable in two to five years	100,000	-
Total pledges receivable	<u>362,146</u>	<u>174,659</u>
Discounts to present value	<u>(16,350)</u>	<u>-</u>
Net pledges receivable	<u>\$ 345,796</u>	<u>\$ 174,659</u>

The estimated cash flow for pledges receivable are discounted over the collection period using a discount rate of 6.00%.

Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual balances. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to pledges receivable. All receivables are considered by management to be collectible in full and, accordingly, an allowance for uncollectable pledges receivable had not been provided as of June 30, 2015 or 2014. Three donors comprised 91% and two donors comprised 94% of the gross pledges receivable balance at June 30, 2015 and 2014, respectively.

(5) Property and equipment

Property and equipment consists of:

	<u>2015</u>	<u>2014</u>
Cost and donated value:		
Building	\$ 3,531,000	\$ 3,341,398
Building improvements	655,413	630,229
Furniture and equipment	469,600	413,493
Total cost and donated value	<u>4,656,013</u>	<u>4,385,120</u>
Accumulated depreciation	<u>(1,376,588)</u>	<u>(1,198,511)</u>
Net property and equipment	<u>\$ 3,279,425</u>	<u>\$ 3,186,609</u>

AID TO ADOPTION OF SPECIAL KIDS/ARIZONA AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended June 30, 2015
(with comparative totals for the year ended June 30, 2014)

(5) Property and equipment (continued)

Depreciation expense charged to operations was \$178,077 and \$153,419 for the years ended June 30, 2015 and 2014. The Organization received \$31,750 of donated equipment during the year ended June 30, 2014 from a related party. The Organization purchased a building in Chandler, Arizona during the year ended June 30, 2014. Related to this purchase, the Organization contracted with an architect for approximately \$19,200 of professional services and a general contractor for approximately \$110,600 for professional services. As of June 30, 2015, the Organization had incurred the entire amount of these services.

During the year ended June 30, 2003, the City of Phoenix provided approximately \$180,000 to assist in the acquisition of certain property (a building). This property is available for the Organization's use in its continuing programs. Under the terms of the agreement with the City of Phoenix, the property is to be used for the contracted services for 20 years from the date of issuance of the Certificate of Completion, which occurred on October 1, 2003. Since inception of the forgivable loan, the \$180,000 obligation (see Note 6) has been reduced by approximately \$72,000 and \$60,000 as of June 30, 2015 and 2014, respectively. The property is recorded at cost of approximately \$581,000 with accumulated depreciation of approximately \$227,000 and \$208,000 at June 30, 2015 and 2014, respectively.

(6) Note payable

The Organization entered into a Construction Loan Contract ("Loan"), funded by the Community Development Block Grant ("CDBG") Program on March 3, 2003, with the City of Phoenix. The Certificate of Completion was received from the City of Phoenix on October 1, 2003. The assistance was not to exceed \$180,000, and was used by the Organization for the acquisition of property. The CDBG Loan is secured by a 20-year lien on the real property. So long as the Organization complies with the grant restrictions, the Loan is forgivable in annual installments of \$12,000 beginning in year 6 through year 20 based on the effective date of the Loan, at a rate of 6.67% per year. If the Organization fails to comply with the grant restrictions, the Organization will be required to repay the full amount of the note on demand.

The outstanding balance will be forgiven in future periods as follows:

Years Ending June 30:

2016	\$	12,000
2017		12,000
2018		12,000
2019		12,000
2020		12,000
Subsequent to 2020		48,000
	\$	<u>108,000</u>

AID TO ADOPTION OF SPECIAL KIDS/ARIZONA AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended June 30, 2015
(with comparative totals for the year ended June 30, 2014)

(7) Temporarily restricted net assets

Temporarily restricted net assets were restricted for the following purposes:

	<u>2015</u>	<u>2014</u>
Pledges receivable – purpose and time restricted	\$ 345,796	\$ 174,659
Total temporarily restricted net assets	<u>\$ 345,796</u>	<u>\$ 174,659</u>

During the years ended June 30, 2015 and 2014, the Organization released \$191,614 and \$297,070, respectively, of temporarily restricted net assets based on the cash received in satisfaction of pledges receivable and by incurring expenses satisfying the restricted purposes.

(8) Permanently restricted net assets

During 2000, the Organization received \$10,000 to establish an endowed charitable fund. The interest and dividend earnings are to be used to support services for families of adopted children with special needs. Permanently restricted net assets were \$10,000 at June 30, 2015 and 2014.

(9) Pension plan

The Organization sponsors a 401(k) plan covering eligible employees. The Organization currently matches 100% of the participants' contributions for the first 4% of the participants' compensation. Contributions made by the Organization were approximately \$51,800 and \$38,500 during the years ended June 30, 2015 and 2014, respectively.

Subsequent to the year ended June 30, 2015 management of the Organization became aware of an operational issue relating to the plan's eligible participants and is taking all appropriate steps to correct this matter in accordance with the guidance available under the IRS' Employee Plans Compliance Resolution System ("EPCRS"). The costs to correct this issue cannot be estimated as management is currently evaluating the size of the population of eligible participants that are affected.

(10) Leases

The Organization leases office equipment under operating lease agreements expiring in September 2019.

In July 2012, the Organization entered into a noncancelable operating lease expiring in July 2017 for office equipment. In September 2014, the Organization entered into a noncancelable operating lease expiring in September 2019 for office equipment. Minimum future rental payments under noncancelable operating leases, including the leases entered into in July 2012 and September, 2014, with remaining terms in excess of one year are as follows:

<u>Years Ending June 30:</u>	
2016	\$ 10,426
2017	10,426
2018	2,830
2019	2,139
2020	<u>535</u>
Total	<u>\$ 26,356</u>

AID TO ADOPTION OF SPECIAL KIDS/ARIZONA AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended June 30, 2015
(with comparative totals for the year ended June 30, 2014)

(10) Leases (continued)

Total rental expense under operating leases with a term in excess of one month was \$9,872 in 2015 and \$6,279 in 2014. No renewal options are provided for in the leases; however, in the normal course of business, operating leases are generally renewed or replaced by other leases.

(11) Contributions

Contributions consisted of the following:

	<u>2015</u>	<u>2014</u>
Grants and foundations	\$ 459,312	\$ 340,489
Individual and civic donors	396,425	255,312
Corporate donors	30,130	56,337
Total contributions	<u>\$ 885,867</u>	<u>\$ 652,138</u>

Two donors comprised 32% and one donor comprised 17% of total contributions for the years ended June 30, 2015 and 2014, respectively.

(12) Fair value measurements

The following table summarizes the valuation of the Organization's assets and liabilities by the above FASB ASC 820 categories as of June 30, 2015:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Negotiable certificates of deposit	\$ -	\$ 10,069,218	\$ -
Money market funds	\$ 610,817	\$ -	\$ -

The following table summarizes the valuation of the Organization's assets and liabilities by the above FASB ASC 820 categories as of June 30, 2014:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Negotiable certificates of deposit	\$ -	\$ 7,366,107	\$ -
Money market funds	\$ 420,654	\$ -	\$ -

The Organization holds no other assets or liabilities required to be measured at fair value on a recurring or nonrecurring basis.

(13) Contingencies

In the ordinary course of conducting its business, the Organization may periodically be a defendant in various legal proceedings. Any estimated loss contingencies in excess of amounts covered by business liability insurance are included in accrued expenses. It is the best judgment of management that neither the financial position nor results of operations of the Organization will be materially affected by the final outcome of any known legal proceedings.

APPLICATION FOR CDBG-FUNDED PUBLIC SERVICES ACTIVITIES

Please complete & submit this form to the Welcome Center,
City of Surprise,
16000 N. Civic Center Plaza
Surprise, AZ 85374

We do not accept e-mail or electronic submissions

Organization Information			
Name of Organization:	City of Surprise		
Contact Person:	Edith Baltierrez		
Contact Person Title:	Senior Management Analyst		
Mailing Address:	16000 N Civic Center Plaza Surprise, AZ 85374		
Street Address (if different from mailing):			
Phone:	623-222-1028		
Fax:	623-222-1021		
E-mail:	Edith.baltierrez@surpriseaz.gov		
Website URL (if applicable):			
Legal Status of Applicant:			
☐ State-Certified CHDO ☐ Non-Profit (non-CHDO) ☐ Public Housing Authority ☐ State Agency ☒ Local Government ☐ Tribal Government ☐ Council of Government ☐ General Partnership ☐ Limited Partnership ☐ Limited Liability Company ☐ Corporation			
Applicant's Qualifications:	Yes	No	NA
Drug Free Policies	X		
Fair Housing Policies	X		
Equal Employment Opportunity Employer	X		

Project Description

Proposed Project Title: Youth Employment Program

Check applicable priority area(s) that the project addresses:

- | | |
|---|---|
| <ul style="list-style-type: none"> ☒ Child care ☒ Youth Services ☒ Health Care ☒ Job training/job creation ☒ Literacy programs ☒ Recreation programs ☒ Education programs ☒ Public safety services ☒ Fair housing activities ☒ Services for senior citizens | <ul style="list-style-type: none"> ☐ Services for homeless persons ☐ Drug abuse counseling and treatment ☐ Qualified Veteran Services ☐ Welfare (as defined by CDBG) ☐ Code Enforcement Services ☐ Transportation/Transit ☐ Other |
|---|---|

If Other, describe Other: _____

Describe the problem or need to be addressed by proposed project. (Please attach an extra sheet if needed)

Please see attachment A.

Project Location & Service Area - Describe the area to be served by the project. If possible, include a map.

The service area for this project will be the entire City of Surprise. Participants of the program will be income qualified to be at or below 80% of median income, and be required to prove city residency. Area businesses will be approached first in establishing employment locations for the youth training. If necessary, locations outside of the city may be used in order to meet placement needs of the participants.

Targeted demographic population of the city:

The residents targeted for this program will be area youths between the ages of 15-19. The program participants will be income qualified to determine the family income is at or below 80% of median income. Applicants will be taken into the program on a first-come, first-serve basis based on the completion of the qualifying criteria. Program participants will be sought from city youth program outlets such as the Teen Advisory Board, Youth Leadership Program, Junior Sundancers, and other volunteer and development programs along with area high schools.

Proposed Measurable Outcomes – Please provide an outcome statement to be achieved through the use of CDBG funding:

The outcome for the program will be the expansion of the Summer Youth Employment Program into the business community with new employer partnerships. Programmatic outcomes will also include the expansion of training from 20 to 26, serving an additional six (6) area youths.

It is the intent of the City of Surprise to fund those activities that meet a High Priority in City's Consolidated Plan and comply with CDBG National Objectives- Describe in detail how the proposed project complies with these two objectives:

As a high priority within the city's strategic plan as well as the city's Community Development Block Grant, the provision of this service is of great need within the Surprise area.

The program would meet CDBG National Objectives under the service category criteria for employment training. The program participants would be income qualified therefore meeting the low-mod criteria of the grant.

Organizational Capacity

Please describe organization's history and prior experience, including a list of similar projects: (Please attach an extra sheets if needed)

The city has extensive organizational capacity through the collaborated effort between Community and Economic Development – Neighborhood Services and the Community and Recreation Services Department with regard to grant management, youth program creation and implementation, and civic education programming.

Financial Audits and Reports: <i>(Please submit a copy of most recent financial audit)</i>	Yes	No	NA
Were the financial statements of the organization prepared in accordance with generally accepted accounting principles?			X
Was there accurate and complete disclosure of the financial expenditures of each federally sponsored program?			X
Was an audit of the financial records obtained annually (or at least biennially) in accordance with federal regulations and local requirements?			X
Was the audit performed by a licensed Certified Public Accountant?			X
Was the latest audit forwarded to the funding agency?			X
Has a copy of all applicable audits/reviews (including any management letter, if appropriate) been forwarded to the funding agency?			X

Please Provide Other Funding Source References: (Please attach extra sheets if needed)

None



Program Team:

Identify the name of the responsible party and the experience that they have in this role. Team members identified after the application are subject to review. Attach extra sheets if needed.

Staff Member	Background and Expertise of Personnel
Name: Christina Ramirez Title: FTE on This Project:	Ms. Ramirez has over 16 years of financial, grant, project, and policy management in the public and non-profit sector. Specific grant management experience includes successful implementation and management of CDBG, HOME, Housing Trust Fund, and Recovery grant awards.
Name: TBD Title: Neighborhood Tech. FTE on This Project:	The person assigned to assist in the management of daily operations of this award would have the minimum skill set required by the city to manage current youth programming.
Name: Title: FTE on This Project:	
Name: Title: FTE on This Project:	
Name: Title: FTE on This Project:	
Name: Title: FTE on This Project:	
Name: Title: FTE on This Project:	

Project Cost			
Estimated Total Cost of Project:	\$65,000		
CDBG Funding Amount Requested for Project:	\$15,000		
Total Number of Units Served:	26		
Total Cost per Unit	\$2,500		
Total CDBG Cost per Unit	\$577		
Amount and Source of Other Funds Leveraged for Project: (Please submit proof of other funding sources)	Source	Year	Amount
	City of Surprise General Fund	2017	\$50,000
Project Sustainability: How will your organization continue providing these services if CDBG funds are not awarded next year?	Grant programs will be sought with the advantage of showing a successful program in place that has proven results. Although we are funded through the general fund, this expansion helps expand a program that currently assists less than 25% of eligible program applicants and is offering a much needed job training program to an underserved population.		
If your project is not fully funded, will your organization be able to implement project with partial funding?	The program participants will be scaled back to continue with the implementation of the program within the amount awarded.		

Project Timeline												
Project start date: <u>March 1, 2017</u> Project completion date: <u>August 31, 2017</u>												
Applicants must provide a schedule for the Program that lists major activities and indicate when they will be executed. Additional information such as contractor selection, final inspection, loan closing, etc. should be included when known.												
Program Schedule												
Major Program Activities:	1 st Quarter			2 nd Quarter			3 rd Quarter			4 th Quarter		
	(each box represents one month)											
Program Advertising	X											
Application acceptance & screening	X	X	X									
Job placement locations identified	X	X	X									
Job training				X	X	X						
Program closeout						X						

Required Certifications for CDBG Public Services Activities Application

Signature of Agency Representative with Binding Authority below certifies the following statements:

- Organization has no conflict of interests with City of Surprise appointed or elected representatives and does not employ city appointed or elected representatives or their families.
- Organization will comply with federal requirements to be observed by organizations being funded with CDBG funds, including compliance with federal Labor Standards, Section 3, Segregated Facilities, Equal Opportunity, and Non-Discrimination. Section 109, Title VI and EO 11246. All requirements are described in 24 CFR 570 (CDBG Entitlement Grants).
- Authorized official certifies that this CDBG Public Services application package has been reviewed and all information provided in this application and attachments is true and correct.
- Sufficient funds are available from non-CDBG sources to complete the project, as described, if CDBG funds are allocated to the applicant.



Signature of authorized agency representative

01/26/14
Date:

Nicole Lance

Printed name

Deputy City Manager

Title

City of Surprise

Organization

Attachment A

Project Description

This proposal will strive to meet the needs of local employers for young talent while providing youth participants with a transformative work experience, typically their very first job. Employers seek qualified candidates for their jobs. While technical training and work experience differentiates job applicants from one another, a common message from employers is that the lack of soft skills in applicants makes it difficult to find the right talent. These essential employability skills, or 'soft skills', are the leading reason for employment success or disappointment. These skills include punctuality, customer service, professionalism, critical thinking, responsibility and the ability to work as part of a team. Most people learn these skills from their first job.

In an effort to increase the economic competitiveness of the City of Surprise, job training has been identified as a high priority by city leadership. This priority is now included in the City of Surprise comprehensive planning tools such as the city's Strategic Plan and the HUD 5 year Consolidated Plan. Along with this, youth services have also been identified as a high need within the city for those youths between the ages of 12-18. Through an expanded youth job training program, local area youth will have the opportunity to learn job and life skills while earning a wage that will assist participants and their families economically.

This expansion from 20 to 26 youth will allow the City of Surprise to engage business partners to accept youth for the summer. In the past, the city would conduct the job training through most city departments. The expanded programming assists youth in training in specific areas of interest that have previously not been offered. With the intention of expanding the program, new job sites will need to be identified and secured prior to program expansion. Local business will have the opportunity to partner with the city to accept a summer intern at no-cost to the business. Targeted industries are Healthcare, Business, Energy, Technology and Financial Services.

Within this program design, 26 youth (six funded by this CDBG Public Service Application) between the ages of 15 – 19 would work a maximum of 25 hours per week in pre-approved positions during a period of 10 weeks over the school summer break. The youth are low income, and not only will the program allow for job training, but the job will provide much needed income into the household for living expenses as well as secondary education costs. Once a week, approximately four hours would be set aside to conduct life skill training classes that would teach basic concepts related to resume building, interviewing, financial management, scholarship seeking, and team building.

APPLICATION FOR CDBG-FUNDED PUBLIC SERVICES ACTIVITIES

Please complete & submit this form to the Welcome Center, City of
Surprise,
16000 N. Civic Center Plaza
Surprise, AZ 85374

We do not accept e-mail or electronic submissions

Organization Information			
Name of Organization:	M.I.K.I.D. – Mentally Ill Kids In Distress		
Contact Person:	Alexis Smith-Schallenger		
Contact Person Title:	Grants Writer		
Mailing Address:	2642 East Thomas Road Phoenix, Arizona 85016		
Street Address (if different from mailing):	n/a		
Phone:	602-253-1240		
Fax:	602-840-3409		
E-mail:	alexiss@mikid.org		
Website URL (if applicable):	www.mikid.org		
Legal Status of Applicant:			
☐ State-Certified CHDO			
☒ Non-Profit (non-CHDO)			
☐ Public Housing Authority			
☐ State Agency			
☐ Local Government			
☐ Tribal Government			
☐ Council of Government			
☐ General Partnership			
☐ Limited Partnership			
☐ Limited Liability Company			
☐ Corporation			
Applicant's Qualifications:	Yes	No	NA
Drug Free Policies Fair	✓		
Housing Policies			✓
Equal Employment Opportunity Employer	✓		

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Project Description	
Proposed Project Title:	Peer Support for Mental Illness - Youth and Family
Check applicable priority area(s) that the project addresses: ☐ Child care ☐ Youth Services ☒ Health Care ☐ Job training/job Creation ☐ Literacy programs ☐ Recreation programs ☐ Education programs ☒ Public safety services ☐ Fair housing activities ☐ Services for senior citizens ☐ Services for homeless persons ☐ Drug abuse counseling and treatment ☐ Qualified Veteran Services ☐ Welfare (as defined by CDBG) ☐ Code Enforcement Services ☐ Transportation/Transit ☐ Other If Other, describe Other: _____	
Describe the problem or need to be addressed by the proposed project. (Please attach an extra sheet if needed) Mental illness usually strikes individuals in the prime of their lives, often during adolescence and young adulthood. MIKID provides the support mechanisms for the youth and their families to deal with these issues. Families often provide a large proportion of regular, crisis and after-hours care to persons with mental illness, and provide a quality and breadth of care that is difficult or expensive to duplicate with paid providers. Their sense of burden and stress is a factor in their rates of burnout and has been shown to affect readmission rates and other outcomes of their ill family member. of recovery and resiliency and encourage real advocacy. <i>Continued Attachment 1</i>	
Project Location & Service Area - Describe the area to be served by the project. If possible, include a map. Program boundaries are defined by the geographic designation of the City of Surprise city limits. Most services are provided in the City of Surprise including in-home visits and Individual Education Plan/504 and/or Child Family Team meetings at the child's school. Services such as respite care, medical appointments, hospital visits, court and legal proceedings may take place outside the City of Surprise city limits but within the Greater Phoenix Metropolitan Area including the MIKID Phoenix office.	

Targeted demographic population of the city:

Children/youth ages 0 to 17, young adults age 18 – 24 (aged out of the Children's Behavioral Health System but in of need supportive services – counseling, life skills training, peer support groups) who present a serious mental illness, co-occurring disorders, and/or general mental health needs. Eligibility is determined by enrollment in Children's Behavioral Health System and income. At least 85% of the families lack insurance to cover peer support services. We anticipate serving at least 25 families citing City of Surprise as their home of record. Clients cite ethnicity is 68% White, 21% Latino, 5% African American, 4% Multiracial and 1% Native American.
Continued Attachment 2

Proposed Measurable Outcomes – Please provide an outcome statement to be achieved through the use of CDBG funding:

The program goal is to serve at least 25 youth and their families through a peer to peer support network per year in the City of Surprise. Clients will have access to specialized mental/behavioral health support services, counseling, advocacy, parenting and child development skills, awareness education and life skill development. Project success is defined by the number of youth, young adults and families discharged from the program upon completion of the goals set with MIKID staff.

It is the intent of the City of Surprise to fund those activities that meet a High Priority in City's Consolidated Plan and comply with CDBG National Objectives- Describe in detail how the proposed project complies with these two objectives:

Our proposal aligns with the priority need of "public services to special needs populations" and CDBG National Objective to serve low- and moderate-income residents. There is considerable stigma associated with mental illness which impacts families from seeking assistance, children reaching their full potential, long-term impairment results, and sometimes untreated mental illnesses lead to harm to self or others, or suicide. As a result, many treatable conditions are not recognized.

During the initial intake with families, MIKID staff document repeatedly from parents that children's mental health services were not easy to find in the community. They also said that often when they did find the services, there were long waiting lists. Service capacity must be increased to provide a basic level of accessible services. When appropriate, services should be delivered in places where children and their families spend their time (e.g., schools and homes), at flexible times (e.g., evenings and weekends), they should be easy to find, culturally appropriate and provided for free or sliding scale for low to -moderate income families.

Organizational Capacity

Please describe organization's history and prior experience, including a list of similar projects:
(Please attach an extra sheets if needed)

Founded in 1987, Mentally Ill Kids In Distress (MIKID) operates as a statewide, non-profit, licensed outpatient clinic with our corporate office in Phoenix and satellite offices in Casa Grande, Kingman, Nogales, Prescott, Tucson and Yuma. Services include Youth and Family Peer to Peer Support; Group Counseling; Individual/Group Skills Training; Case Management; Respite Services; Youth Suicide Prevention and Intervention; Community Resource Referrals; Mental Health Education; Youth Leadership Summits; and Youth Mental Health Council. Services are unique in that staff and peer support advocates providing these programs are family members, parents, and young adults who have personal "lived experience" in dealing with behavioral health needs.

MIKID history grew from one individual's, Ms. Sue Gilbertson, overwhelming concern for the lack of mental health services provided for children, serious issues that were not being properly addressed, and a relentless passion to see that her child could receive services when and where they were needed.

Continued Attachment 3

Financial Audits and Reports: <i>(Please submit a copy of most recent financial audit)</i>	Yes	No	NA
Were the financial statements of the organization prepared in accordance with generally accepted accounting principles?	✓		
Was there accurate and complete disclosure of the financial expenditures of each federally sponsored program?	✓		
Was an audit of the financial records obtained annually (or at least biennially) in accordance with federal regulations and local requirements?	✓		
Was the audit performed by a licensed Certified Public Accountant?	✓		
Was the latest audit forwarded to the funding agency?	✓		
Has a copy of all applicable audits/reviews (including any management letter, if appropriate) been forwarded to the funding agency?	✓		

Please Provide Other Funding Source References: (Please attach extra sheets if needed)

Cenpatco Integrated Care
Jay Gray
Chief Operations Officer
602-400-8752

Community Partnership of Arizona
Sybil H. Tiedemann
Recovery Program Specialist
520-618-8810

Northern Arizona Regional Behavioral Health Authority Network
Laura Hartgroves
Director of Provider and Network Service
928-214-1153

Northern Arizona Regional Behavioral Health Authority Network
Mayte Giubardo
Director of Children's Services
928-214-2292

Program Team:

Identify the name of the responsible party and the experience that they have in this role. Team members identified after the application are subject to review. Attach extra sheets if needed.

Staff Member	Background and Expertise of Personnel
Name: Akia Compton, MS, BHT Title: Director of Program Services FTE on This Project: .15	Hired in 2012 as Director of Program Services. 20 years' experience ranging from residential, independent living, juvenile justice and behavioral health. B.A. Sociology, University of Akron, 2005 and Masters in Administration of Justice and Security, University of Phoenix, 2007.
Name: Christie Blanda Title: Regional Director of Program Services – Southern Arizona FTE on This Project: .15	Hired in 2015 as Regional Director. 15 years' experience in behavioral health and counseling. Previously held the position of Manager with Unity Health Systems in New York
Name: Lorraine Scott, BHT Title: Family Support Coordinator FTE on This Project: .55	Lorraine is a parent of 5 who started at MIKID in 2010 as a family support partner. Lorraine currently carries a degree in Criminal Justice; she is working on a Bachelor's Degree in Behavioral Health Science. Lorraine has 24 years lived experience and 6+ years working in the Behavioral Health field.
Name: Title:	
Name: Title:	

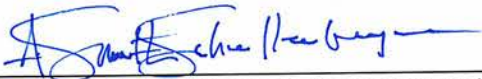
Project Cost												
Estimated Total Cost of Project:	\$162,028											
CDBG Funding Amount Requested for Project:	\$15,000											
Total Number of Units Served:	600 hours (25 families)											
Total Cost per Unit	\$270											
Total CDBG Cost per Unit	\$25											
Amount and Source of Other Funds Leveraged for Project: <i>(Please submit proof of other funding sources)</i>	Source				Year				Amount			
	United Health Care				2015				\$40,014			
Project Sustainability: How will your organization continue providing these services if CDBG funds are not awarded next year?	MIKID's contracted grant writer constantly searches for new funding that will enable us to continue or expand our programs. Although long-term sustainability planning includes a focus on funding, MIKID is aware that sustaining a program over time requires non-fiscal resources such as management and board leadership, technical expertise, strong management systems, and broad-based support from the community served by the program.											
If your project is not fully funded, will your organization be able to implement project with partial funding?	A minimum of \$5,000 would support the salary of one FTE Family Support Coordinator and provide services to families who are currently enrolled in the program. With the minimum amount, MIKID will not be able to move families off the wait list.											
Project Timeline												
Project start date: <u>07/01/16</u> Project completion date: <u>06/30/17</u>												
Applicants must provide a schedule for the Program that lists major activities and indicate when they will be executed. Additional information such as contractor selection, final inspection, loan closing, etc. should be included when known.												
Program Schedule												
Major Program Activities:	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
	<i>(each box represents one month)</i>											
Client Intake	X	X	X	X	X	X	X	X	X	X	X	X
Family paired with Peer Support Advocate	X	X	X	X	X	X	X	X	X	X	X	X
Bi-Monthly Assessments – Goal Plans	X	X	X	X	X	X	X	X	X	X	X	X
Peer Support Groups	X	X	X	X	X	X	X	X	X	X	X	X
Case Management / Care Coordination	X	X	X	X	X	X	X	X	X	X	X	X
Group Counseling	X	X	X	X	X	X	X	X	X	X	X	X

Proposed Budget				
Specific Cost Item/Description	CDBG Amount Requested	Other Funds Source	Other Funds Amount	Total Amount CDBG + Other Sources
Salaries	\$15,000	Foundations, Corporations, Service Contracts	\$76,928	\$91,928
Employee Related Expenses	\$0	Foundations, Corporations, Service Contracts	\$22,982	\$22,982
Fingerprinting/Background Checks	\$0	Foundations, Corporations	\$2,500	\$2,500
Program Supplies	\$0	Foundations, Corporations	\$500	\$500
Travel – fuel/leased vehicles, mileage	\$0	Foundations, Corporations, Service Contracts	\$2,350	\$2,350
Occupancy – Phoenix Office	\$0	Foundations, Corporations, Service Contracts	\$850	\$850
Office Expenses: Phone, postage, printing	\$0	Foundations, Corporations, Service Contracts	\$1,930	\$1,930
Business Expense: Licensure, Non-payroll insurance	\$0	Foundations, Corporations, Service Contracts	\$1,500	\$1,500
In-Kind – volunteer time value	\$0	Volunteer time provided and hour rate	\$37,488	\$37,488
Total	\$15,000		\$147,028	\$162,028

Required Certifications for CDBG Public Services Activities Application

Signature of Agency Representative with Binding Authority below certifies the following statements:

- Organization has no conflict of interests with City of Surprise appointed or elected representatives and does not employ city appointed or elected representatives or their families.
- Organization will comply with federal requirements to be observed by organizations being funded with CDBG funds, including compliance with federal Labor Standards, Section 3, Segregated Facilities, Equal Opportunity, and Non- Discrimination. Section 109, Title VI and EO 11246. All requirements are described in 24 CFR 570 (CDBG Entitlement Grants).
- Authorized official certifies that this CDBG Public Services application package has been reviewed and all information provided in this application and attachments is true and correct.
- Sufficient funds are available from non-CDBG sources to complete the project, as described, if CDBG funds are allocated to the applicant.


Signature of authorized agency representative

01.25.16
Date:

Alexis Smith-Schallenger
Printed name

Grant Writer
Title

Mentally Ill Kids In Distress (MIKID)
Organization

Mentally Ill Kids In Distress

City of Surprise – CBDG Application Attachments 1, 2, 3

Attachment 1

Describe the problem or need to be addressed by the proposed project.

There is considerable stigma and misunderstanding associated with mental illness. As a result, many treatable conditions are not recognized, children and their families are reluctant to reach out for assistance, and some children with mental disorders experience significant discrimination, which may worsen their condition. When the impact of stigma keeps families from seeking assistance, children do not reach their full potential, more serious long-term impairment results, and sometimes these untreated mental illnesses lead to harm to self or others, or suicide.

Mental health problems appear in families of all social classes and backgrounds, though cultural differences intensify the general problems of access to appropriate mental health services. Those children who are at greatest risk may also experience physical problems, intellectual disabilities, low birth weight, family history of mental and addictive disorders, multigenerational poverty, caregiver separation, abuse and neglect. Families have become essential partners in the delivery of mental health services for children, making it critical to assess the mental health of children in the context of familial, social and cultural expectations about age appropriate thoughts, emotions and behavior.

During the initial intake with families, MIKID staff document repeatedly from parents that children's mental health services were not easy to find in the community. They also said that often when they did find the services, there were long waiting lists. Service capacity must be increased to provide a basic level of accessible services. When appropriate, services should be delivered in places where children and their families spend their time (e.g., schools and homes), at flexible times (e.g., evenings and weekends), they should be easy to find and culturally appropriate. Community need is defined by services are accessible to in terms of timeliness, amount, duration and scope; that services are provided promptly and are reasonably accessible; and that there are sufficient personnel for the provision of all covered services, including available emergency care.

An adequate children's mental health system ensures the accessibility of appropriate children's mental health services when and where they are needed. MIKID provides the support mechanisms for the youth and their families to deal with these issues. MIKID offers specialized services using a case management peer-to-peer model to low income families and their children, youth and young adults who are experiencing mental health challenges. The program pairs Peer Support Advocates, who have lived life experiences, with families currently enrolled in the system and Mentally Ill Kids In Distress (MIKID) Family Support Coordinators providing support services that are non-clinical in nature. Within 45 days of entering the program, clients create with their assigned MIKID Family Support Coordinator and Peer Support Advocate, a case management plan emphasizing goals of coordination of care and tools to develop independence without paid supports. Project success is defined by the number of youth, young adults and families discharged from the program upon completion of goal plan and their ability to successfully navigate the state serving systems without the help of paid supports.

MIKID specific roles include in-home and community support in our Yuma office 24 hours per day, 7 days a week. The program offers the following supports:

- Preparation and attendance at Individual Education Plan and/or Child Family Team meetings.
- Juvenile justice system guidance to understand legal processes and court proceedings.
- Attend and/or provide support at hospital visits and psychiatric appointments.
- Peer support groups that provide a safe arena for exchanging ideas and concerns.
- Group counseling to clarify historical or presenting problems and how to manage similar issues/conflicts in the future.
- Individual/Group training for independent living skills.
- Case management, coordination of care.
- Community resource referrals for basic needs, educational resources, workforce development.

Mentally Ill Kids In Distress

City of Surprise – CBDG Application Attachments 1, 2, 3

The peer support team provides communication and coordination of care with the client's family, behavioral and general medical and dental health care providers, community resources, and other involved supports including educational, social, judicial, community and state agencies such as Department of Child Safety, Arizona Department of Economic Security - Division of Developmental Disabilities, Juvenile Justice, Mercy Maricopa Integrated Health Systems, and Northern Arizona Regional Behavioral Health Authority. Additional, coordination of care activities related to continuity of care between levels of care (e.g., inpatient to outpatient care) and across multiple services (e.g., personal assistant, nursing services and family counseling); outreach and follow-up of crisis contacts and missed appointments.

Overall, the program has the potential to decrease the financial and social barriers for mental and behavioral health treatment for at-risk youth. Peer support is gaining acceptance as a valuable part of service delivery in professional inpatient and community-based services however few healthcare insurance providers pay for this type of program. Medicaid and public mental health systems increasingly pay for services provided by certified peer support specialists as part of the service delivery team. The peer support specialist may be able to connect on the same level as the person, offer information and guidance from within the person's frame of reference and help the person navigate the service system to obtain income, housing, treatment and social support. Peer support may be particularly valuable for people who mistrust professionally delivered services. MIKID efforts for the program involve a wide range of partners and draw on a diverse set of resources and tools in order to address the issues youth face on a daily basis. It requires coordinated access to health care systems, insurers, clinicians; educational institutions; community-based organizations; and family members, friends, and caregivers.

Mentally Ill Kids In Distress

City of Surprise – CBDG Application Attachments 1, 2, 3

Attachment 2

Targeted demographic population of the city

The U.S. Surgeon General reports that 10% of adolescents in the United States suffer from serious emotional and mental disorders that cause significant functional impairment in their day-to-day lives at home, in school and with peers. Centers for Disease Control and Prevention report, *Mental Health Surveillance Among Children -United States, 2005-2011*, describes the number of U.S. children aged 3-17 years who have specific mental disorders. Key findings from the report cites: ADHD was the most prevalent current diagnosis among 3-17 year old children. The number of children with a mental disorder increased with age, with the exception of autism spectrum disorders, which was highest among 6-11 year old children. Boys were more likely than girls to have ADHD, behavioral conduct problems, autism spectrum disorders, anxiety, Tourette syndrome and cigarette dependence. Adolescent boys aged 12-17 years were more likely than girls to die by suicide. Adolescent girls were more likely than boys to have depression or an alcohol use disorder. Suicide, which can result from the interaction of mental disorders and other factors, was the second leading cause of death among adolescents aged 12- 17 years in 2010. Research suggests that suicide and suicidal behaviors among youth are strongly associated with depression, anxiety, problematic substance use, disordered eating and disruptive behavior disorders.

Arizona Department of Education data shows Arizona consistently ranks in the top 10 of the number of teen suicides, and the latest numbers from the Arizona Department of Health Services show there were 56 suicides of people under 19 years old in 2013. *Youth Risk Behavior Surveillance System* data collected from Arizona youth in 2013 indicated that 19% of high school students seriously considered attempting suicide during the past 12 months (trend increase from 2003-2013), with 17% also indicating they had made a plan about how they would attempt suicide. 10.6% of students stated they had actually attempted suicide one or more times during the past 12 months. YRBS trend data cites the means more commonly used for suicide completions by teens is firearms. The means more commonly used for suicide attempts by teens is pills. Qualitative data substantiates that suicide is an issue of significant concern impacting youth in Maricopa County.

Each of the factors presented above are representative of the population served by MIKID.

Mentally Ill Kids In Distress

City of Surprise – CBDG Application Attachments 1, 2, 3

Attachment 3

Please describe organization's history and prior experience, including a list of similar projects: (Please attach an extra sheets if needed)

Organization History Continued

Ms. Gilbertson, began her quest in 1984 when her son, Eric, was diagnosed with mental illness. In trying to get assistance for her son, Ms. Gilbertson found herself amidst a conventional medical community that was simply not equipped to handle the problems her son was facing. Ms. Gilbertson later came to realize that her struggles were not isolated events as she met with other families facing similar situations in requesting behavior health services for their children. Ms. Gilbertson took on the responsibility of uniting these families and worked together with them to build a better mental health system for their children. Through the efforts of Ms. Gilbertson, families had their very first support group on March 11, 1987. This led to the formation of MIKID.

MIKID began as a small support and advocacy organization serving families in Maricopa County, advocating at the State legislature and State Agencies for improving the children's behavioral health system. As the funding for Family Support grew in the Arizona Children's Behavioral Health System, MIKID grew exponentially with a focus on rural Arizona. Today, MIKID is a statewide organization comprised of 25 professionally trained staff, support by a 150+ volunteer corps and 75 contracted licensed mental health professionals who work in partnership to offer an array of services to youth and families with emotional and behavioral challenges.

Project History

Funder/Contractor	Year(s) Funded	Award Amount
Cenpatco Integrated Care Behavioral Health Outpatient Clinic Specialty Provider-Children	2015-2016	3,500,000
	2014-2015	2,986,195
	2013-2014	1,696,113
	2012-2013	1,035,929
United HealthCare	2015-2016	240,000
	2014-2015	275,747
	2013-2014	94,055
Northern Arizona Regional Behavioral Health	2015-2016	1,752,828
	2014-2015	1,846,007
	2013-2014	1,408,604
	2012-2013	1,418,189
Community Partnership of Southern Arizona	2015-2016	373,751
	2014-2015	458,790
	2013-2014	316,949
	2012-2013	285,950
Substance Abuse and Mental Health Services Administration	2015-2016	39,999
	2014-2015	38,694
	2013-2014	37,587
	2012-2013	16,420

**THIRD AMENDMENT TO UNITED BEHAVIORAL HEALTH PROVIDER
PARTICIPATION AGREEMENT BY AND BETWEEN UNITED BEHAVIORAL
HEALTH ("UBH") AND PROVIDER ("PROVIDER")**

This **THIRD AMENDMENT** (this "Amendment") is, except as otherwise stated herein, effective **1/01/2015**, regardless of the date of execution hereof, and amends the United Behavioral Health Provider Participation Agreement (hereinafter the "Agreement"), with an effective date of **1/01/2015**, by and between UBH and Provider.

Except as otherwise defined in this Amendment, all terms contained in this Amendment shall be as defined and set forth in the Agreement. Any undefined term herein shall have the meaning as defined in applicable state laws or regulations, as may be amended from time to time. Likewise, should any defined term herein conflict with applicable state law or regulation, the term as defined under applicable state law or regulation shall prevail.

This Amendment shall hereby:

1. Remove and replace AZ CRS fee schedule (see attached fee schedule)

All of the other terms and conditions of the Agreement remain unchanged and in full force and effect.

Upon the acceptance and execution hereof by both parties hereto, the Effective Date of this Amendment is: 1/1/2015
(to be completed by UBH only)

UNITED BEHAVIORAL HEALTH

4425 E Cotton Center Blvd

Phoenix, AZ 85040

Attn: Contract Administration

Signature Deborah J. Adler
Deborah J. Adler Jan 21, 2015

Deb Adler

Sr. Vice President, CNS

Date Jan 21, 2015

NAME OF PROVIDER

Mentally Ill Kids In Distress (MIKD)

2642 E. Thomas Rd.

Phx, AZ 85016

Attn: Richard E. Geasland

Signature R E Geasland

Print Name R. E. Geasland

Title CEO

Date 12-17-14

Federal Tax ID Number: 86-0673994

Medicare Number: _____

Medicaid Number: _____

NPI Number: 1306281233

ATLANTA GA 39901-0001

In reply refer to: 0752857574
Oct. 30, 2014 LTR 4168C 0
86-0673994 000000 00
00043703
BODC: TE

M I K I D MENTALLY ILL KIDS IN
DISTRESS
M I K I D
% VICKI JOHNSON
2642 E THOMAS RD
PHOENIX AZ 85016-8202



019055

Employer Identification Number: 86-0673994
Person to Contact: CUSTOMER SERVICE
Toll Free Telephone Number: 1-877-829-5500

Dear M I K I D MENTALLY ILL KIDS IN:

This is in response to your Oct. 21, 2014, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(03) of the Internal Revenue Code in a determination letter issued in SEPTEMBER 1993.

Our records also indicate that you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

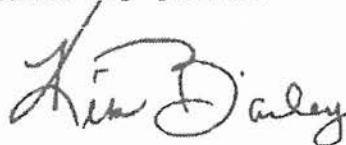
Please refer to our website www.irs.gov/eo for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing due date of the third return for organizations required to file. We will publish a list of organizations whose tax-exempt status was revoked under section 6033(j) of the Code on our website beginning in early 2011.

0752857574
Oct. 30, 2014 LTR 4168C 0
86-0673994 000000 00
00043704

M I K I D MENTALLY ILL KIDS IN
DISTRESS
M I K I D
% VICKI JOHNSON
2642 E THOMAS RD
PHOENIX AZ 85016-8202

If you have any questions, please call us at the telephone number
shown in the heading of this letter.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "Kim D. Bailey". The signature is fluid and cursive, with the first name "Kim" and last name "Bailey" clearly distinguishable.

Kim D. Bailey
Operations Manager, AM Operations 3



Financial Statements
September 30, 2015

M.I.K.I.D. - Mentally Ill Kids in Distress

M.I.K.I.D. - Mentally Ill Kids in Distress

Table of Contents
September 30, 2015

Independent Auditor's Report.....	1
Financial Statements	
Statement of Financial Position.....	3
Statement of Activities	4
Statement of Functional Expenses.....	5
Statement of Cash Flows	6
Notes to Financial Statements	7
Supplementary Information	
Schedule of Activities by Program Type.....	13
Schedule of Revenue and Expenses	14



Independent Auditor's Report

The Board of Directors
M.I.K.I.D. - Mentally Ill Kids in Distress
Phoenix, Arizona

Report on the Financial Statements

We have audited the accompanying financial statements of M.I.K.I.D. - Mentally Ill Kids in Distress, which comprise the statement of financial position as of September 30, 2015, and the related statements of activities, functional expenses, and cash flows for the 15 month period then ended September 30, 2015, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of M.I.K.I.D. - Mentally Ill Kids in Distress as of September 30, 2015, and the results of its change in net assets and its cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on page 13 is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on page 14 is presented for the purpose of additional analysis and is not a required part of the financial statements. As of June 30, 2015, such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information was not subjected to the auditing procedures and accordingly, we do not express an opinion on the supplementary information referred to above. As of June 30, 2014, such information was derived from the June 30, 2014 issued audited financial statements and report dated October 31, 2014.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the Organization changed their fiscal year-end from June 30 to September 30 during the current year.



Phoenix, Arizona
December 09, 2015

M.I.K.I.D. - Mentally Ill Kids in Distress
Statement of Financial Position
September 30, 2015

Assets

Current Assets

Cash and cash equivalents	\$ 2,099,143
Restricted cash	80,013
Accounts receivable, net	68,355
Prepays and other assets	75,806
Total current assets	<u>2,323,317</u>

Property and Equipment, Net	<u>1,457,889</u>
-----------------------------	------------------

Total assets	<u><u>\$ 3,781,206</u></u>
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Liabilities and Net Assets

Current Liabilities

Accounts payable	\$ 40,272
Accrued expenses and related expenses	219,734
Mortgage payable, current maturities	21,717
Deferred revenue	951,632
Total current liabilities	<u>1,233,355</u>

Noncurrent Liabilities

Mortgage payable, less current maturities	<u>1,083,283</u>
Total liabilities	<u><u>2,316,638</u></u>

Net Assets

Unrestricted	<u>1,464,568</u>
Total net assets	<u><u>1,464,568</u></u>

Total liabilities and net assets	<u><u>\$ 3,781,206</u></u>
----------------------------------	----------------------------

M.I.K.I.D. - Mentally Ill Kids in Distress
Statement of Activities
For the Fifteen Month Period Ended September 30, 2015

Revenue and Other Support	
Fees for services	
Cenpatico	\$ 2,986,195
Northern Arizona Regional Behavioral Health	1,846,007
Community Partnership of Southern Arizona	458,790
United Health Care	275,747
Quality Care Network (QCN)	260,204
Southwest Network	75,000
SAMHSA	38,694
Family Involvement	3,111
Contributions	103,003
Miscellaneous	14,251
Total revenue and other support	<u>6,061,002</u>
Expenses and Losses	
Program services	5,096,150
General and administrative	429,331
Total program and supporting expenses	<u>5,525,481</u>
Loss on disposal of property and equipment	<u>148,782</u>
Total expenses and losses	<u>5,674,263</u>
Change in Net Assets	386,739
Net Assets, Beginning of Year	<u>1,077,829</u>
Net Assets, End of Year	<u><u>\$ 1,464,568</u></u>

M.I.K.I.D. - Mentally Ill Kids in Distress
Statement of Functional Expenses
For the Fifteen Month Period Ended September 30, 2015

	Program Services	General and Administrative	Total
Salaries	\$ 3,285,531	\$ 276,793	\$ 3,562,324
Payroll taxes	244,377	20,588	264,965
Travel	428,428	36,093	464,521
Rent	183,902	15,493	199,395
Health benefits	310,982	26,199	337,181
Professional fees	93,946	7,915	101,861
Office expense	80,992	6,823	87,815
Telephone	175,039	14,746	189,785
Support group	33,714	2,840	36,554
Depreciation	62,601	5,274	67,875
Mortgage interest	27,510	2,318	29,828
Conferences	23,342	1,967	25,309
Insurance	55,590	4,683	60,273
Audit	19,184	1,616	20,800
Printing	1,046	88	1,134
Postage	3,300	278	3,578
Dues	8,605	725	9,330
Training	8,447	712	9,159
Other	49,614	4,180	53,794
	<u>\$ 5,096,150</u>	<u>\$ 429,331</u>	<u>\$ 5,525,481</u>
Total expenses			

M.I.K.I.D. - Mentally Ill Kids in Distress
Statement of Cash Flows
For the Fifteen Month Period Ended September 30, 2015

Operating Activities	
Change in net assets	\$ 386,739
Adjustments to reconcile change in net assets to net cash from (used for) operating activities	
Depreciation	67,875
Loss on disposal of assets	148,782
Changes in operating assets and liabilities	
Accounts receivable	170,204
Prepaid and other assets	(10,562)
Accounts payable	8,590
Accrued expenses and related expenses	(229,450)
Deferred revenue	740,119
Net Cash from Operating Activities	<u>1,282,297</u>
Cash Flows from Investing Activities	
Proceeds from sale of building	262,016
Purchases of property and equipment	<u>(8,560)</u>
Net Cash from Investing Activities	<u>253,456</u>
Cash Flows from Financing Activities	
Principal payments on mortgage notes payable	(48,933)
Proceeds from mortgage note payable	<u>13,000</u>
Net Cash from Financing Activities	<u>(35,933)</u>
Net Change in Cash and Cash Equivalents	1,499,820
Cash and Cash Equivalents, Beginning of Year	<u>679,336</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 2,179,156</u></u>
Supplemental Disclosure of Cash Flow Information	
Cash paid during the year for interest	<u><u>\$ 29,828</u></u>
Supplemental Disclosure of Noncash Financing Activities	
Building acquired with mortgage note payable	<u><u>\$ 637,000</u></u>

Note 1 - Principal Activity and Significant Accounting Policies

Organization

M.I.K.I.D. - Mentally Ill Kids in Distress (the Organization) is organized as a not-for-profit corporation under the laws of the State of Arizona and has been granted a certificate of exemption from payment of federal income tax under Section 501(c)(3) of the Internal Revenue Code.

The Organization's mission and major program provide support and assistance to families in Arizona with behaviorally challenged children and young adults.

The accounting policies of the Organization conform to U.S. generally accepted accounting principles as applicable to non-profit organizations. The more significant accounting policies of the Organization are described below.

The Organization changed their fiscal year-end from June 30 to September 30 during the current year.

Basis of Accounting

The financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when incurred.

Financial Statement Presentation

The accompanying financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205, *Presentation of Financial Statements*. Under FASB ASC 958-205, the Organization is required to report information regarding its financial position and activities according to three classes of net assets (unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets), based upon the existence or absence of donor-imposed restrictions. There were no temporarily or permanently restricted net assets as of September 30, 2015.

Cash and Cash Equivalents

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

Restricted Cash

Pursuant to the terms of the loan agreement (Note 4), the Organization must maintain a cash reserve on deposit with the lender in respect of the mortgage payable.

Receivables

Receivables are noninterest-bearing amounts due from governmental and other agencies for services provided in connection with "fee for services" contracts. Payments of receivables are allocated to the specific contract receivable with which they are associated.

The carrying amount of receivables may be reduced by a valuation allowance that reflects management's best estimate of uncollectable amounts. Management reviews all receivable balances that exceed thirty days, and based on an assessment of collectability, estimates the portion, if any, of the balance that will not be collected. If amounts become uncollectable, they will be charged to expense when that determination is made. At September 30, 2015, the allowance was \$8,044.

Property and Equipment

The Organization capitalizes all expenditures for property and equipment of \$1,000 or more with a useful life greater than one year. Purchased property and equipment is carried at cost. Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method over the estimated lives of the assets generally as follows:

Building	30 years
Building improvements	30 years
Computer and office equipment	5 - 7 years

The Organization reviews its property and equipment whenever events indicate that the carrying amount of the asset may not be recoverable. An impairment loss is recorded when the sum of the future cash flows is less than the carrying amount of the asset. An impairment loss is measured as the amount by which the carrying amount of the asset exceeds its fair value. No impairment loss has been recorded for property and equipment for the period ended September 30, 2015.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the restriction.

Revenue and Revenue Recognition

The Organization recognizes amounts received from contracts as earned when services are rendered under a unit of service contract. Contract funds received in advance of services provided are classified as deferred revenue. Funding sources may, at their discretion, request reimbursement for expenses or return of funds, or both, as a result of noncompliance by the Organization with the terms of the contract.

Allocation of Functional Expenses

In order to present the expenses as to function, allocations have been made by management, based on the relationship of estimated time spent on program services and support services.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

Income Taxes

The Organization is organized as an Arizona non-profit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3) and has been determined not to be a private foundation under Section 509(a)(1). Accordingly, contributions to it qualify for the charitable contribution deduction under Section 170(b)(1)(A). The organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the organization is generally subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. Management has determined the organization has no taxable unrelated business income and it has not filed the Exempt Organization Business Income Tax Return (IRS Form 990-T), or its Arizona equivalent, Form 99-T.

The entity believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The entity would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Subsequent Events

The Organization has evaluated subsequent events through December 09, 2015, the date which the financial statements were available to be issued.

Note 2 - Accounts Receivable

The Organization's significant receivables consisted of the following at September 30, 2015:

	Receivable Balance	Percentage of Total Receivables
Northern Arizona Regional Behavioral Health	\$ 23,593	35%
United Health Care	34,966	51%
Community Partnership	6,807	10%
Family involvement	128	0%
Employee related	10,905	16%
	<u>76,399</u>	<u>112%</u>
Less allowance for doubtful accounts	<u>(8,044)</u>	<u>-12%</u>
	<u>\$ 68,355</u>	<u>100%</u>

M.I.K.I.D. - Mentally Ill Kids in Distress

Notes to Financial Statements

September 30, 2015

Note 3 - Property and Equipment

Property and equipment at September 30, 2015 consisted of the following:

Building	\$ 1,487,000
Building improvements	182,638
Computer and office equipment	104,434
	<u>1,774,072</u>
Less accumulated depreciation	<u>(316,183)</u>
	<u>\$ 1,457,889</u>

Note 4 - Mortgage Note Payable

Mortgage note payable at September 30, 2015 consisted of the following:

Mortgage note payable to a bank; payable in monthly installments of \$2,229 through August 2017 and lump sum payment due September 2017, including interest at the prime rate, 3.25% at September 30, 2015; secured by a deed of trust on the building and \$80,000 in restricted cash held with the bank.	\$ 455,000
Mortgage note payable to a bank; payable in monthly installments of \$3,964 through October 2025, including interest at 5.35%; secured by a deed of trust on the building.	<u>650,000</u>
	<u>1,105,000</u>
Less current maturities	<u>(21,717)</u>
	<u>\$ 1,083,283</u>

Mortgage note payable payments to maturity are as follows:

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 21,717	\$ 48,630	\$ 70,347
2017	455,920	48,820	504,740
2018	13,881	33,685	47,566
2019	14,653	32,913	47,566
2020	15,377	32,189	47,566
Thereafter	<u>583,452</u>	<u>146,703</u>	<u>730,155</u>
	<u>\$ 1,105,000</u>	<u>\$ 342,940</u>	<u>\$ 1,447,940</u>

Note 5 - Operating Leases

The Organization has various non-cancelable operating leases for office space and equipment. Approximate future minimum annual lease payments under the operating leases are as follows:

2016	\$ 125,615
2017	101,114
2018	87,521
2019	53,614
2020	11,502
	<u>\$ 379,366</u>

Total rental expense for the period ended September 30, 2015 was \$185,929.

Note 6 - Economic Dependency

The Organization received a significant amount of funding from two providers (Cenpatico and the Northern Arizona Regional Behavioral Health) during fiscal year 2015. Funding from these two providers during the period ended September 30, 2015 is as follows:

	<u>Funding Received</u>	<u>Percentage of Total Revenue</u>
Northern Arizona Regional Behavioral Health	\$ 1,846,007	30%
Cenpatico	\$ 2,986,195	49%

A significant reduction in the level of funding from the Northern Arizona Regional Behavioral Health and Cenpatico could have a material effect on the continuing operations of the Organization.

Note 7 - Retirement Plan

The Organization sponsors a 401(k) retirement plan that covers all full-time employees who have been employed with the Organization for 90 days and may voluntarily contribute their earnings to the Plan, up to the maximum contribution allowed by the IRS. Employer contributions are discretionary and are determined and authorized by the Board of Directors each plan year. Beginning July 1, 2015, Organization elected to contribute a match to the Plan. For the period ended September 30, 2015, the Organization contributed \$1,288 to the Plan.

Note 8 - Contingencies

As a result of the findings of an internal investigation, the Organization has provided information to the Office of the Inspector General, a division of Arizona Health Care Cost Containment System (AHCCCS), related to misappropriation of assets by a former officer that occurred during the year ended June 30, 2013. The Organization has not recorded a provision for this matter. The Organization and its legal counsel believes, however, that any liability it may incur would not have a material adverse effect on its financial condition or its results of operations.

The Organization is cooperating fully with this investigation.



Supplementary Information
September 30, 2015

M.I.K.I.D. - Mentally Ill Kids in Distress

M.I.K.I.D. - Mentally Ill Kids in Distress
Schedule of Activities by Program Type
September 30, 2015

	CPSA	FIC	NARBHA	Cenpatico	Other	Total
Total Revenues and Other Support	\$ 458,790	\$ 3,111	\$ 1,846,007	\$ 2,986,195	766,899	\$ 6,061,002
Expenses						
Salaries	330,755	1,688	1,202,628	1,477,031	550,222	3,562,324
Payroll taxes	23,663	129	96,644	104,145	40,384	264,965
Travel	39,123	2	180,872	177,163	67,361	464,521
Rent	41,651	9	57,198	80,732	19,805	199,395
Health benefits	52,585	33	82,468	117,504	84,591	337,181
Professional fees	9,453	279	32,495	34,394	25,240	101,861
Office expense	9,968	10	30,434	37,155	10,248	87,815
Telephone	21,220	63	59,327	82,618	26,557	189,785
Support group	2,947	2	4,780	15,357	13,468	36,554
Depreciation	2,381	-	3,435	19,946	42,113	67,875
Mortgage interest	2,554	11	10,549	10,684	6,030	29,828
Conferences	2,564	4	8,950	10,825	2,966	25,309
Insurance	5,284	32	21,809	24,763	8,385	60,273
Audit	1,998	13	7,719	8,762	2,308	20,800
Printing	144	-	371	514	105	1,134
Postage	315	-	961	245	2,057	3,578
Dues	671	3	2,675	3,502	2,479	9,330
Training	924	10	3,475	3,879	871	9,159
Other	4,128	26	17,730	22,820	9,090	53,794
Loss on disposal of asset	-	-	-	-	148,782	148,782
	552,328	2,314	1,824,520	2,232,039	1,063,062	5,674,263
Net income (loss)	\$ (93,538)	\$ 797	\$ 21,487	\$ 754,156	\$ (296,163)	\$ 386,739

M.I.K.I.D. - Mentally Ill Kids in Distress
Schedule of Revenue and Expenses
Twelve Months Ended June 30, 2015 and 2014

	(Unaudited) June 30, 2015	(Audited) June 30, 2014
Revenue and Other Support		
Fees for services		
Northern Arizona Regional Behavioral Health	\$ 1,472,397	\$ 1,408,604
Cenpatico	2,241,739	1,696,113
Community Partnership of Southern Arizona	371,167	316,949
Family Involvement	2,830	8,526
United Health Care	190,694	94,055
SAMHSA	22,413	37,587
Southwest Network	37,500	150,000
Quality Care Network (QCN)	184,746	17,184
Contributions/donations	56,631	14,094
Miscellaneous	11,382	27,542
Total revenue and other support	<u>4,591,499</u>	<u>3,770,654</u>
Expenses		
Program services	4,123,726	3,411,750
General and administrative	347,407	255,973
Total expenses	<u>4,471,133</u>	<u>3,667,723</u>
Change in Net Assets	120,366	102,931
Net Assets, Beginning of Year	<u>1,077,829</u>	<u>974,898</u>
Net Assets, End of Year	<u>\$ 1,198,195</u>	<u>\$ 1,077,829</u>



COMMUNITY AND ECONOMIC DEVELOPMENT DEPARTMENT

APPLICATION FOR CDBG-FUNDED PUBLIC SERVICES ACTIVITIES

Please complete & submit this form to Purchasing Division,
City of Surprise,
16000 N. Civic Center Plaza
Surprise, AZ 85374

We do not accept e-mail or electronic submissions

Organization Information			
Name of Organization:	Central Arizona Shelter Services, Inc. (CASS)		
Contact Person:	Katia Brown, MBA		
Contact Person Title:	Chief Development Officer		
Mailing Address:	230 South 12 th Avenue Phoenix, Arizona 85007		
Street Address (if different from mailing):			
Phone:	602-256-6945		
Fax:	602-256-6401		
E-mail:	KBrown@cassaz.org		
Website URL (if applicable):	www.cassaz.org		
Legal Status of Applicant:			
☐ State-Certified CHDO ☒ Non-Profit (non-CHDO) ☐ Public Housing Authority ☐ State Agency ☐ Local Government ☐ Tribal Government ☐ Council of Government ☐ General Partnership ☐ Limited Partnership ☐ Limited Liability Company ☐ Corporation			
Applicant's Qualifications:	Yes	No	NA
Drug Free Policies	X		



Fair Housing Policies	X		
Equal Employment Opportunity Employer	X		

Project Description

Proposed Project Title:

Regional Emergency Shelter for Single Adults and Families with Children

Check applicable priority area(s) that the project addresses:

- | | |
|---|---|
| ☐ Child care | ☒ Services for homeless persons |
| ☐ Youth Services | ☐ Drug abuse counseling and treatment |
| ☐ Health care | ☐ Qualified Veteran Services |
| ☐ Job training/job creation | ☐ Welfare (as defined by CDBG) |
| ☐ Literacy programs | ☐ Code Enforcement Services |
| ☐ Recreation programs | ☐ Transportation/Transit |
| ☐ Education programs | ☐ Other |
| ☐ Public safety services | If Other, describe Other: _____ |
| ☐ Fair housing activities | |
| ☐ Services for senior citizens | |

Describe the problem or need to be addressed by proposed project. (Please attach an extra sheet if needed)

According to the most recently published by the U.S. Department of Housing and Urban Development (HUD) Continuum of Care process, there were an estimated 5,918 homeless individuals and family members in shelters and on the streets of Maricopa County on the night of the homeless count (1/27/14).

Living unsheltered on the streets is extremely dangerous and dramatically increases risks for injury, illness and death due to violence, poor nutrition and hygiene, and hard physical conditions. CASS is currently the largest provider of emergency shelter for single adults and the second largest provider of emergency shelter for families in Maricopa County. CASS provides 69% of all available shelter beds for adults and 20% of all beds for families in Maricopa County.

CASS engages single adults and families experiencing homelessness in a full range of supportive services to address the individual factors that may have contributed to their situation. CASS provides case management services, employment services, housing services, childcare services, Veterans services, and comprehensive dental services. Funding support from cities and towns across Maricopa County allows us to assist nearly 7,000 unduplicated homeless each year.

Many clients suffer disabling conditions and many struggle with alcoholism and/or drug addictions. Some clients were recently released from a hospital or jail, some are fleeing dangerous situations. Understanding the needs and issues surrounding the homeless, we work to ensure client, staff and volunteer safety through 24/7 security personnel, metal detectors, fully gated facilities, single point of entry access, identification cards, restricted staff access areas, etc.

CASS works with outreach teams to locate homeless individuals from across the county. CASS also participates in the coordinated intake process, which is key to serving the Valley's homeless individuals and families in the most expedited manner, and CASS has been at the table since the beginning. Staff participate in Valley-wide outreach efforts through Project Homeless Connect, attend monthly meetings with other homeless providers to discuss data sharing, affordable housing options, and new research and study results, and communicate regularly with other shelters, service providers, and housing agencies.

Cities, like Surprise, that do not have their own facilities to serve the homeless appreciate the services CASS provides for their residents. As a regional shelter provider, CASS serves the homeless from all cities and towns, and is serving an average of 30 unduplicated homeless from the City of Surprise each year.

Project Location & Service Area - Describe the area to be served by the project. If possible, include a map.

While CASS' facilities are located within the City of Phoenix (230 South 12th Avenue and 1050 West Mountain View Road), our shelters are regional providers for the homeless - clients originate from all cities and towns throughout Maricopa County, including Surprise. The Single Adult Shelter provides a total of 470 beds (120 for women and 350 for men), and the Family Shelter (Vista Colina) provides shelter for up to 36 families with children. The Men's Overflow Shelter (MOS) closed in the spring of 2015.

This request for support is limited to our provision of emergency shelter— more specifically for shelter bed nights for the homeless from Surprise that are residing at either our Single Adult Shelter or our Family Shelter. Requested funding does not include our costs to provide clients with supportive services. However, these services are available to all clients, regardless of whether or not funding is received from a client's city or town of origin. Shelter is also provided to anyone presenting themselves as homelessness, regardless of city or town of origin.

CASS' 470 bed regional Single Adult Shelter physical layout offers clients an opportunity to increase their level of comfort and privacy while they are sheltered and working toward their case plan goals. As they achieve their goals, comply with facility rules, and/or secure employment, new areas of the shelter become available to them (i.e. Working Men have access to level three dorm with storage and more privacy). This incentive has worked well with clients over the years. In addition, the shelter's

co-location on the Human Services Campus and co-located resources to serve the homeless works to reduce physical barriers to addressing their needs.

CASS' 30-unit regional family shelter, Vista Colina, provides individual apartments for up to 36 homeless families. Homeless families with children have their own unique challenges, including enrolling their children in school, attending to their children's ongoing or periodic medical and dental needs, ensuring their children are cared for while they are looking for employment and housing, providing them with nutritional meals, establishing regular routines and family time, etc. Vista Colina provides the following supportive services for parents and children: Case Management, Employment Services, Housing Services, Developmental Childcare, an Afterschool Program, Parenting Classes, Support Groups, etc.

The crises or situations most commonly associated with homelessness are unemployment, lack of transportation, physical and behavioral health issues, low levels of education or job skills, no or low income and lack of affordable housing. Many homeless are dealing with one or more of these issues, and unfortunately, many of them have even deeper barriers that threaten self-sufficiency and housing stability.

Targeted demographic population of the city:

The target demographic population is: homeless single adults and families with children from Surprise.

CASS uses the Homeless Management Information System (HMIS) to track clients and services provided. Upon initial intake, clients are asked to provide their previous address information. This information is entered into HMIS with other demographic information. This allows us to track trends and needs, and to report service numbers to our funders.

Total Clients: According to HMIS, during our last fiscal year (July 1, 2014 through June 30, 2015) we served 6,856 individuals experiencing homelessness, including 473 children, with shelter and supportive services; providing them with 185,778 nights of lodging (143,404 nights to single adults and 42,374 to families)

Surprise Clients: According to HMIS, during our last fiscal year (July 1, 2014 through June 30, 2015). we served 27 individuals from Surprise who were homeless; 23 single adults and one family with a female head of household and her three children. Individuals from Surprise were given shelter and supportive services with 798 nights of lodging. The 23 single adults in FY 14/15 utilized 602 bed nights, a decrease from FY3/14. However, the 14 single adults from Surprise who experienced homelessness in the first six months of FY15/16 have utilized more bed nights (626) than in the entire previous year.

Clients also engaged in other supportive services, including case management to map out a plan and reach goals related to ending their homelessness and employment services to help clients secure income through employment.

Some of the characteristics of the 23 adults (17 males and 6 females) served from Surprise included:

Age:

	Age in Years				
	18-24	25 – 34	35-44	45-54	55+
Number of Single Adults from Surprise	2	4	5	9	3

Race/Ethnicity:

- 11 White/Caucasian
- 8 Black/African American
- 4 Hispanic/Latino

Additional Information Gathered:

- 5 were veterans
- 11 clients suffered a long-duration disability (mental health issues, alcohol abuse, physical disabilities)
- Only 2 were chronically homeless
- 6 had suffered from domestic violence

The homeless family from Surprise included 3 children: all three children between 5 and 12 years old. CASS' case manager helped the mother to develop a housing stability plan.

Proposed Measurable Outcomes – Please provide an outcome statement to be achieved through the use of CDBG funding:

CASS' mission is to empower men, women, and children to end their homelessness by providing shelter and supportive services. This is achieved by providing safe shelter while helping clients address the issue(s) that led to their homelessness. Supportive services help them secure income through benefits or employment and help them obtain appropriate housing.

For purposes of this request, in FY 16/17:

• CASS will provide 1,200 nights of emergency shelter to 30 unduplicated homeless men, women, and children from Surprise.

During our FY16/17, CASS will:

1. Provide emergency shelter for 30 homeless men and women from Surprise.
2. Clients will meet with a case manager to establish a housing stability case plan. This plan outlines all of the steps and actions clients need to secure income and housing. Case managers meet with clients at least monthly or more often (depending on client needs) to measure progress.
3. Staff will document and maintain all client information in HMIS (Homeless Management Information System), the system used by all Maricopa County homeless providers to track client services and progress.

While Surprise funding is not being requested to provide supportive services, these services are critical to helping clients permanently end their homelessness. Once clients are stabilized, they can start to address the barriers and issues that led to their homelessness. All clients have access to these services, regardless of whether or not their city of origin contributes funding to CASS.

CASS leverages support received from each community with other government funding, United Way funding, and private contributions. As a regional provider, leveraged support is essential to ensuring the long-term viability of essential services for the each community's homeless. Surprise provides the funding needed to stabilize clients so they can move to the next phase in ending their homelessness.

It is the intent of the City of Surprise to fund those activities that meet a High Priority in City's Consolidated Plan and comply with CDBG National Objectives- Describe in detail how the proposed project complies with these two objectives:

CASS programs comply with the CDBG National Objective of benefiting low-and moderate-income persons. The Request for Grant Application for CDBG-Funded Public Service Activities includes Services for Homeless Persons as one of Surprise's targeted public service activities. This program serves primarily low to moderate income persons, including homeless persons from the City of Surprise (zip codes: 85374; 85378; 85379; 85387; and, 85388). CASS serves an average of 30 men, women, and children from Surprise each year.

CASS served one family and 23 single adults from the City of Surprise during our fiscal year completed June 30, 2015. All clients are asked to provide previous address information upon their initial meeting with a Case Manager. All documentation is kept in client case files. Demographic information and services provided for each client/family is entered into the Homeless Management Information System.

Unengaged and/or unaddressed homelessness has a significant impact on both the homeless individual or family (physical and behavioral health), and on the community (impacts on police, fire and safety services). Cost studies conducted through Maricopa County, including a study by the Morrison Institute, "Richard's Reality: The Costs of Chronic Homelessness in Context" have shown that health care, emergency services, and policing costs in dealing with unengaged homeless individuals far exceed the cost of shelter and services. CASS allows police and emergency response units, hospitals, jails, social service providers and government offices in Surprise to refer homeless clients to CASS at great savings to the taxpayers.

Using the unit cost per night of shelter (\$16.48) for FY 13/14 and the average length of stay (26 nights), if the city were to operate a shelter large enough to accommodate only the Surprise individuals and families, it would have cost \$13,039. This is the cost for basic shelter only; it does not include any costs associated with the provision of supportive services. For the first six months of FY15/16, the cost would have been \$10,229.

We are requesting \$10,000 to provide 1,200 nights of shelter to 30 unduplicated homeless clients from Surprise. We are requesting funding to cover a portion of our personnel budget expenses, specifically our on-site 24/7 security. Our clients are vulnerable adults who are in crisis with the cause of their homelessness often severe mental illness and substance abuse. There are individuals from the outside that prey on our clients and our duty is to protect our clients from these outside influences. We serve an increasing population of elderly and young (18-24 year-old) adults who are particularly at risk in an environment such as ours.

Our security team is comprised of highly-trained professionals whose role far exceeds that of what is general considered "security". Our security team members receive the

same training as shelter staff; training that includes topics such as motivational interviewing, harm reduction, and crisis de-escalation. They complement staff with their extensive training and ensure clients' safety throughout the day.

Leveraging funding to provide regional shelter is just one of the ways CASS is using resources wisely. Other initiatives include participation in community-wide efforts to address and end homelessness, sharing resources and training activities with other human services agencies, and expanding partnerships with cities and towns to provide outreach, homeless engagement, and rapid re-housing services for their homeless, engaging community volunteers, being good donor stewards, and collaborating to avoid service duplication.

Organizational Capacity

Please describe organization's history and prior experience, including a list of similar projects: (Please attach an extra sheet if needed)

CASS has been providing emergency shelter and developing additional programs and services to serve the homeless population in the Valley of the Sun for 30 years. In partnering with Surprise, CASS shares this experience and knowledge to develop proven strategies and solutions to address the unique homeless issues in the Surprise community.

Financial Audits and Reports: <i>(Please submit a copy of most recent financial audit)</i>	Yes	No	NA
Were the financial statements of the organization prepared in accordance with generally accepted accounting principles?	X		
Was there accurate and complete disclosure of the financial expenditures of each federally sponsored program?	X		
Was an audit of the financial records obtained annually (or at least biennially) in accordance with federal regulations and local requirements?	X		
Was the audit performed by a licensed Certified Public Accountant?	X		
Was the latest audit forwarded to the funding agency?	X		
Has a copy of all applicable audits/reviews (including any management letter, if appropriate) been forwarded to the funding agency?	X		

Please Provide Other Funding Source References: (Please attach extra sheets if needed)
Basic shelter is currently supported by the cities of Avondale, Chandler, Gilbert, Glendale, Goodyear, Mesa, Paradise Valley, Peoria, Phoenix, and Scottsdale. CASS also receives funding support to operate basic shelter from Valley of the Sun United Way, Maricopa County, the State of Arizona, the Federal government, individual donors, and foundations.

CASS receives CDBG funding to support basic shelter for their residents from the following cities: Gilbert, Glendale, Peoria, and Tempe.

CASS receives CDBG Facilities funding to support facility improvements from the following cities: Gilbert, Peoria, Phoenix, and Scottsdale.

Program Team:

Identify the name of the responsible party and the experience that they have in this role. Team members identified after the application are subject to review. Attach extra sheets if needed.

Staff Member	Background and Expertise of Personnel
Name: Title: Shelter Manager FTE on This Project: 1	Oversee the Shelter Department by establishing a long-term vision and training department leadership to ensure quality client care, financial viability, excellent customer service, and a safe and clean environment.
Name: Title: Assistant Shelter Manager FTE on This Project: 1	Provide proactive support to Shelter Manager in managing the shelter and its related programs, policies, procedures, staff, clients and role in achieving the agency mission.
Name: Title: Client Care Coordinator Lead FTE on This Project: 3	Maintain a safe, orderly, and humane shelter environment while assisting clients with their daily needs.
Name: Title: Client Care Coordinator FTE on This Project: 19	Maintain a safe, orderly, and humane shelter environment while assisting clients with their daily needs.
Name: Title: Family Shelter Manager FTE on This Project: 1	Oversee the Family Shelter by establishing a long-term vision and training department leadership to ensure quality client care, financial viability, excellent customer service, and a safe and clean environment.

Project Cost			
Estimated Total Cost of Project:	\$ 4,146,350		
CDBG Funding Amount Requested for Project:	\$ 10,000		
Total Number of Units Served:	200,000 total bed nights; 1,200 for Surprise clients		
Total Cost per Unit	\$ 21.00		
Total CDBG Cost per Unit	\$ 8.33		
Amount and Source of Other Funds Leveraged for Project: <i>(Please submit proof of other funding sources)</i>	Source	Year	Amount
	Valley of the Sun United Way	16/17	\$ 350,000
	Government funding	16/17	\$ 2,700,350
	Contributions/Donations	16/17	\$ 231,000
	In-Kind	16/17	\$ 850,000
Project Sustainability: How will your organization continue providing these services if CDBG funds are not awarded next year?	CASS has served as a regional shelter for the Valley's homeless for 30 years. Major sources of ongoing support include government funding through grants and contracts and United Way support. A support letter from the United Way is attached to this application. CASS also receives foundation and corporate funding and individual donations. As a regional provider of shelter and supportive services, CASS relies on a wide range of supporters to continue serving the Valley's homeless, including the City of Surprise and other cities and towns. CASS has an active fund development department and an engaged staff (both leadership and program staff) who secure new partnerships with local foundations, corporations, and other human service providers throughout Maricopa County. In addition, through a very successful volunteer program, CASS is able to increase awareness about homelessness in Maricopa County and benefits from over 2,000 volunteers annually. CASS leverages the funding provided by cities and towns to sustain programs and services.		
If your project is not fully funded, will your organization be able to implement project with partial funding?	Yes		
Project Timeline			

Project start date: Ongoing **Project completion date:** N/A

Applicants must provide a schedule for the Program that lists major activities and indicate when they will be executed. Additional information such as contractor selection, final inspection, loan closing, etc. should be included when known.

Program Schedule

Major Program Activities:	1 st Quarter			2 nd Quarter			3 rd Quarter			4 th Quarter		
	(each box represents one month)											
Provide shelter for homeless men, women and children from Maricopa County, including the City of Surprise	X	X	X	X	X	X	X	X	X	X	X	X

Proposed Budget

Specific Cost Item/Description	CDBG Amount Requested	Other Funds Source	Other Funds Amount	Total Amount CDBG + Other Sources
Salaries		Government funding, Valley of the Sun United Way, Contributions	\$650,000	\$650,000
Employee Benefits and Taxes		Government funding, Valley of the Sun United Way, Contributions	\$108,000	\$108,000
Professional Fees and Contracts	\$ 10,000	Government funding, Valley of the Sun United Way, Contributions	\$640,000	\$640,000
Materials & Supplies		Government funding, Valley of the Sun United Way, Contributions	\$35,000	\$35,000
Occupancy (rent, utilities, building & grounds)		Government funding, Valley of the Sun United Way, Contributions	\$341,000	\$341,000
Travel/Meetings/Conferences		Government funding, Valley of the Sun United Way, Contributions	\$15,000	\$15,000
Equipment, Repairs & Maintenance		Government funding, Valley of the Sun United Way, Contributions	\$10,000	\$10,000
Other Expenses (Operating Services, Admin. Expense)		Government funding, Valley of the Sun United Way, Contributions	\$1,485,300	\$1,485,300

Allocation, Miscellaneous)				
In-Kind Expense (including valued building rent)		Government funding, Valley of the Sun United Way, Contributions	\$850,000	\$850,000
Total	\$10,000	Government funding, Valley of the Sun United Way, Contributions	\$4,134,300	\$4,134,300

Required Certifications for CDBG Public Services Activities Application

Signature of Agency Representative with Binding Authority below certifies the following statements:

- Organization has no conflict of interests with City of Surprise appointed or elected representatives and does not employ city appointed or elected representatives or their families.
- Organization will comply with federal requirements to be observed by organizations being funded with CDBG funds, including compliance with federal Labor Standards, Section 3, Segregated Facilities, Equal Opportunity, and Non-Discrimination. Section 109, Title VI and EO 11246. All requirements are described in 24 CFR 570 (CDBG Entitlement Grants).
- Authorized official certifies that this CDBG Public Services application package has been reviewed and all information provided in this application and attachments is true and correct.
- Sufficient funds are available from non-CDBG sources to complete the project, as described, if CDBG funds are allocated to the applicant.



Signature of authorized agency representative

January 25, 2016
Date

Mark Holleran
Printed name

Chief Executive Officer
Title

Central Arizona Shelter Services, Inc.
Organization

PUBLIC ENGAGEMENT FORM

PROJECT TITLE: CDBG Public Services Applications

OVERALL PUBLIC INVOLVEMENT LEVEL:

Public Hearing on 2/18/16, 3/3/16 (P & Z Meetings) and 4/19/16 Council Meeting. 30 day Public comment period (3/21/16 - 4/22/16) for draft Annual Action Plan

IDENTIFY STAKEHOLDERS:

OTS residents/property owners, public service nonprofits, City of Surprise staff Public Works, Community Development, Economic Development and Human Services.

OBJECTIVES:

Create viable neighborhoods, provide decent, safe and affordable housing; Low to moderate income resident job creation; provide services to those with special needs

PUBLIC ENGAGEMENT STRATEGIES & TOOLS:

Public Engagement & Project timeline:

Public outreach time frame (when to when) Public Hearings 2/18, 3/3 & 4/19/16, 30 day public comment
Future Council Work Session/Meetings target dates 2/18/16, 3/3/16 & 4/19/16
Election dates (if applicable)
Project start/completion dates 10/2016

Communication Tools and Technique options: (which do you plan to use?)

- ☒ Press releases
- ☒ Public meetings (video/photos, poster boards, fact sheet(s) *do you need Spanish version?)
- ☒ Presentations to boards and commissions, other interested community partners/stakeholders
- ☐ Third-party consultant/moderator (pending budget)
- ☐ Survey (online/paper/both?)
- ☐ Social media
- ☐ Surprise 11
- ☐ Notify Me email/ Council newsletters (opt-in audience)
- ☐ Paid advertising (pending budget)
- ☐ Surprise Progress (mailed quarterly and tied to print deadlines)
- ☐ Booth at city events
- ☐ Paid mailings (pending budget)
- ☐ Creation of a subcommittee/task force
- ☐ Youth/adult activities, registration, or orientation (HOA Academy)
- ☒ Website updates



CITY OF SURPRISE
Planning and Zoning Commission

March 3, 2016 @ 6:00:00 PM

Back Print

Board Meeting Date:	March 3, 2016	Contact Person:	Christina Ramirez, Human Service and Community Vitality
Submitting Department:	CD Boards and Commissions	District:	Citywide
Staff Recommendations:	Approve		

Consent	Regular	Public Hearing	x	Report/Discussion
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Agenda Wording:

Consideration and action pertaining to funding priorities for the Community Development Block Grant Program Annual Action Plan for 2016 and 2017.

Motion:

I move to recommend approval of the 2016-2017 Community Development Block Grant Annual Action Plan funding priorities to City Council.

Background:

As an entitlement city, Surprise receives a yearly allotment of Community Development Block Grant (CDBG) funding from the U.S. Department of Housing and Urban Development (HUD).

The CDBG Administration and Commercial Property / Building Improvements outlined as the 2016-2017 funding priority will continue to assist with an Economic Development need outlined in the city's Consolidated Plan 2015-2019. The anticipated amount under discussion is \$ 468,613

Financial Impact Statement:

This program is 100% funded through the Community Development Block Grant and does not impact city funds.

ATTACHMENTS:

Click to download

- ☐ [Public Engagement Form](#)
- ☐ [Staff Report](#)
- ☐ [Presentation](#)

External Attachment Links:

Meeting Requirements:

Powerpoint x Video x White Board x Other x

Presentation Speaker Names (spelling and titles for TV captions):

Christina Ramirez, Neighborhood Services Supervisor

PUBLIC ENGAGEMENT FORM

PROJECT TITLE: CDBG Annual Action Plan 2016-2017

OVERALL PUBLIC INVOLVEMENT LEVEL:

Public Hearing on 3/3/16 (P & Z Meeting), 4/5/16 Council Work Session and 4/19/16 Council Meeting. 30 day Public comment period (3/21-4/22/16) for draft Annual Action Plan

IDENTIFY STAKEHOLDERS:

OTS residents/property owners, public service nonprofits, City of Surprise staff Public Works, Community Development, Economic Development and Human Services.

OBJECTIVES:

Create viable neighborhoods, provide decent, safe and affordable housing; Low to moderate income resident job creation; provide services to those with special needs

PUBLIC ENGAGEMENT STRATEGIES & TOOLS:

Public Engagement & Project timeline:

Public outreach time frame (when to when) Public Hearings 3/3/16 & 4/19/16, 30 day public comment Future Council Work Session/Meetings target dates 4/5/16 & 4/19/16
Election dates (if applicable)
Project start/completion dates 10/2016

Communication Tools and Technique options: (which do you plan to use?)

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- ☒ Public meetings (video/photos, poster boards, fact sheet(s) *do you need Spanish version?)
- ☒ Presentations to boards and commissions, other interested community partners/stakeholders
- ☐ Third-party consultant/moderator (pending budget)
- ☐ Survey (online/paper/both?)
- ☐ Social media
- ☐ Surprise 11
- ☐ Notify Me email/ Council newsletters (opt-in audience)
- ☐ Paid advertising (pending budget)
- ☐ Surprise Progress (mailed quarterly and tied to print deadlines)
- ☐ Booth at city events
- ☐ Paid mailings (pending budget)
- ☐ Creation of a subcommittee/task force
- ☐ Youth/adult activities, registration, or orientation (HOA Academy)
- ☒ Website updates



HUMAN SERVICE AND COMMUNITY VITALITY

Date: March 3, 2016

To: Planning and Zoning Commission Members

From: Seth Dyson, Director
Christina Ramirez, Neighborhood Services Supervisor
Alicia Rubio, Neighborhood Services Coordinator

Re: CDBG- 2016-2017 Annual Action Plan Funding Priorities

Introduction

As an entitlement city, Surprise receives a yearly allotment of Community Development Block Grant (CDBG) funding from the U. S. Department of Housing and Urban Development (HUD). Per grant guidelines, the city has the ability to designate up to 85% of the grant award to fund eligible administrative, housing and public improvement services with the intent of serving low- to moderate-income persons within the City of Surprise.

Today's presentation to the Planning and Zoning Commission will provide information to assist the Commission in deciding if proposed projects meet grant criteria while filling community needs. Once the recommendation is determined, it will be forwarded to Council for consideration. Upon approval by City Council, the CDBG Administration, Neighborhood Improvement Activities will be submitted to HUD as part of the Annual Action Plan 2016-17.

Background

CDBG administration and neighborhood improvement activities are carried out by city departments. These projects address the neighborhood infrastructure improvement needs identified in the city's Consolidated Plan. CDBG administration and neighborhood improvements will be used to implement projects that will improve the safety and quality of life of the residents living within the Original Town Site of Surprise. Although the Consolidated Plan lists Neighborhood Improvements as a priority, the city wanted to specifically list Commercial Property / Building Improvements to the Surprise Techcelerator as the project funding priority considered today.

According to HUD regulations, CDBG funds may be used to provide Street Improvements (including labor, supplies, materials, project management and other costs), provided the service will:

- Serve low to moderate income persons in the City of Surprise through area benefit or serving a particular clientele like seniors, youth and families.
- Increase commercial space availability within the Original Townsite of Surprise

Funding Limit

CDBG Administration and Commercial Property / Building Improvement related funding is limited to 85% of the annual CDBG allocation for the program year (PY). For example, the CDBG allocation for City of Surprise for the PY 2015-16 was \$551,309. The funding available to award for such projects is approx. \$468,613. Funding from HUD for PY 2016-17 is \$585,139. Recommendation today will be based on allocation amount of \$585,139 in which a maximum of 15% can be allocated to Public Services in the amount of \$87,770 and 20% allocated to Administration. Therefore the Commission is making project recommendations on an amount of **\$497,369**.

Previous Actions

Past Administration, Rehabilitation and Public Improvements funding levels have been as follow:

2014

- Administration set aside was \$108,389 to cover city salaries and grant implementation expenses
- Street Improvement Project was awarded \$356,730 for improvements to streets in the OTS

2015

- Administration set aside was \$110,262 to cover city salaries and grant implementation expenses
- Street Improvement Project was awarded \$143,998 for improvements to streets in the OTS
- Senior Center Parking Lot was awarded \$50,000 for lot improvements
- OTS Water Feasibility Study was awarded \$164,353

2016

- Commercial Property /Building Improvements
- Public Service

Year 3

- Water System Improvements
- Business Development Grants
- Public Service

Year 4

- Water System Improvements
- Substandard Building Demolition
- Public Service

Year 5

- Water System Improvements
- OTS Lighting
- Public Service

Updated Actions

Staff's funding recommendations are as follows:

Administration	\$117,028
Salaries, supplies, compliance needs	
Neighborhood Improvement Projects	\$380,341
Commercial Property /Building Improvements within the OTS	
Public Service Set-Aside (15%)	\$87,770
Total CDBG Anticipated Funding	<u>\$585,139</u>

Future Actions

- City Council Workshop: April 5, 2016
- City Council Public Hearing and approval April 19, 2016
- Submission to HUD as part of Annual Action Plan 2016-17 by May 16, 2016

Recommendations

Approval of administration and commercial property / building improvements within the Original Townsite as funding priorities for the Community Development Block Grant Annual Action Plan for 2016-2017.

Planning and Zoning Commission Meeting 3/3/16

Second Year Annual Action Plan 2016-2017



Today's Objectives



Background

- CDBG Funding Priorities
- Public Service Funding Priorities
- Annual Action Plan Funding Recommendations

CDBG Background



- Direct Entitlement Community
- Yearly Funding Through CDBG program
 - Received \$551,309 for 2015-2016
 - Awarded \$585,139 for 2016-2017

15% of Allotment for Public Services

-\$87,770 available

- **National Objectives Surprise Will Meet**
 - Benefit low to moderate income persons
 - Area benefit
 - Limited clientele

Funding Beneficiaries



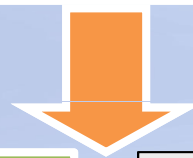
- **Area Benefit**
 - 51% residents in the area must be low/mod income
 - Activities targeted only for Original Townsite Area-OTS
- **Limited Clientele**
 - Youth/seniors/homeless persons
 - 51% of low/mod income persons

Annual Action Plan



Components

Adopted
Consolidated Plan 2015-19

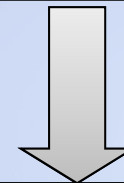


Strategic Plan
(5 Years)

Annual Action Plan 2016-17
(1 Year)



Priorities and Needs



Specific Projects
Public Services Grant

Annual Action Plan Timeline



March 2016

30 day comment
period

April 2016

City Council
Presentation &
Approval

May 2016

Submit to
H.U.D.



Annual Action Plan: Projects



Annual Action Plan 2016-17 Projects:

1. Neighborhood infrastructure	\$380,341
2. Public services	\$ 87,770
3. Administrative allocation	\$117,028
Total -----	<u>\$585,139</u>

Questions?



CITY OF SURPRISE
Planning and Zoning Commission

March 3, 2016 @ 6:00:00 PM

Back Print

Board Meeting Date:	March 3, 2016	Contact Person:	Hobart Wingard - Community Development
Submitting Department:	CD Boards and Commissions	District:	4
Staff Recommendations:	Approve		

Consent	Regular	Public Hearing	x	Report/Discussion
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Agenda Wording:

Consideration and action pertaining to a Conditional Use Permit for Grand Materials, a 7.38 acre property generally located east of the intersection of Dysart Road and Grand Avenue.

Motion:

I move to approve the Conditional Use Permit for Grand Materials Expansion as presented by staff.

Background:

The proposed project will allow for expansion of an existing building materials facility within the Original Townsite generally located southwest of the southwest corner of West Cottonwood and North Church Streets.

Financial Impact Statement:

All activity related to ongoing development of the City of Surprise has an economic and fiscal impact on the city and the region.

ATTACHMENTS:

Click to download

- ☐ [00 - FS15-357 - Grand Materials and Supply CUP - Staff Report](#)
- ☐ [01 - FS15-357 - Grand Materials and Supply CUP - Vicinity Maps](#)
- ☐ [02 - FS15-357 - Grand Materials and Supply CUP - Public Engagement Form](#)
- ☐ [03 - FS15-357 - Grand Materials and Supply CUP - Site Plan](#)
- ☐ [04 - FS15-357 - Grand Materials and Supply CUP - Circulation and Fire Protection Plan](#)
- ☐ [05 - FS15-357 - Grand Materials and Supply CUP - Headquarters Elevations 1](#)

- ☐ [05 - FS15-357 - Grand Materials and Supply CUP - Headquarters Elevations 2](#)
- ☐ [06 - FS15-357 - Grand Materials and Supply CUP - Headquarters Rendering](#)
- ☐ [07 - FS15-357 - Grand Materials and Supply CUP - Faux Mansard Elevations](#)
- ☐ [08 - FS15-357 - Grand Materials and Supply CUP - Landscape Plan](#)
- ☐ [09 - FS15-357 - Grand Materials and Supply CUP - Presentation](#)

External Attachment Links:

Meeting Requirements:

Powerpoint x Video x White Board x Other x

Presentation Speaker Names (spelling and titles for TV captions):

Hobart Wingard, Planner II

Eric Fitzer, Director

CONDITIONAL USE PERMIT

REPORT TO THE PLANNING AND ZONING COMMISSION

Case: FS15-357

Project Name: Grand Materials & Supply Expansion

Council District: 4 - Mulberry

Meeting Date: March 3, 2016

Planner: Hobart Wingard, 623-222-3156, hobart.wingard@surpriseaz.gov

Owner: Chaim Avraham of GS Holdings, LLC

Applicant: Mike Kramer of JMK & Associates, Inc.

Request: Conditional Use Permit in an Industrial Performance (IP/I3) Zoning District

Site Location: Generally located southwest of the southwest corner of West Cottonwood and North Church Streets.

Site Size: 7.38 acres (approx.)

General Plan Conformance: The existing facility does not fully comply with the previous or current *Surprise General Plan 2035*. The project does fall under the guidance of the *City of Surprise Specific Plan for the Revitalization of the Original Townsite*. While entitled as an industrially zoned property, the applicant plans to improve and not negatively impact the existing community.

Support/Opposition: A Citizen Review meeting was held on December 4, 2015. No residents attended and no communication regarding support or opposition was received.

Findings:

- The proposed Conditional Use Permit is not in compliance with the current *General Plan 2035*.
- The proposed Conditional Use Permit demonstrates compliance with the existing zoning of Industrial Performance (IP/I3).

- The proposed Conditional Use Permit demonstrates general compliance with the *Specific Plan for the Revitalization of the Original Townsite*.
- The reviewing agencies have indicated no objections to the request.

Staff Recommendation: Staff recommends the Commission **approve** the Case **FS15-357**, a Conditional Use Permit for Grand Materials Expansion, as presented.

HISTORY:

- The subject parcel was part of the original incorporation of the Town of Surprise on December 12, 1960.
- On April 4, 2002, an administrative site plan for Grand Materials was approved by the Community Development Director.
- On April 16, 2002, the City Council approved the *Specific Plan for the Revitalization of the Original Townsite*.
- On November 14, 2012, a site plan amendment was administratively approved to add property to the Grand Materials site by the Community Development Director.
- The applicant met with staff for a Concept Review Meeting on June 26, 2014.
- The applicant submitted for a Conditional Use Permit on September 8, 2015.

PROJECT DESCRIPTION:

This existing Grand Materials & Supply is located east of the Dysart Road and Grand Avenue intersection. The property has frontage onto Santa Fe Drive, Cottonwood, and Church Streets. This location is one of five Grand Materials & Supply facilities across the valley. Because this site was selected to be the headquarters of the operation, the applicant proposes to provide improvements including a new structure that will serve as a contractor's show room, corporate facilities, and warehousing of small items.

While the existing site does not conform to the General Plan's 2035 description of Commerce and Office, the *Specific Plan for the Revitalization of the Original Townsite* provides for Nonconforming conditions. The plan states "*The Original Townsite community has a strong interest in seeing that nonconforming uses and structures are brought into closer compatibility with standards, regulations and codes as soon as practicable. Accommodation is made so as to encourage property investments. Conditional use approval may be considered, notwithstanding other non-conforming use restrictions, for projects intended to alleviate existing, detrimental circumstances by changing to a less intense use, substantially reducing structural or siting nonconformity, and reducing negative visual or environmental impacts. Any nonconforming use*

lawfully existing prior to the adoption of the Original Townsite Design Overlay District may continue until such time that the use has been discontinued for a period of 90 consecutive days. No nonconforming use can be expanded, intensified, or changed to another nonconforming use without special conditional use approval. Otherwise, any lawfully existing nonconforming use that is changed must conform to the underlying zoning requirements and the requirements and the requirements of the Townsite District's Development and Design Standards."

Because project is zoned industrial and its site plan approved prior to the adoption of the *Specific Plan for the Revitalization of the Original Townsite*, the document allows for expansion of nonconforming facilities as long as the uses are brought into closer compliance with the plan. Staff recognizes the aesthetic upgrades, paving, and the introduction of a sales facility as a movement towards this goal.

Existing structures on site consist of an open structure metal building approximately 100 feet wide by 195 feet long that serves as covered storage and the vehicle maintenance shop for company vehicles. A faux mansard roof will be installed on south end of the structure and will continue ten (10) feet up the east side and fifty feet up the west side. This proposed faux mansard roof will provide aesthetic enhancement and opportunity for signage along Santa Fe Drive.

There are three (3) existing buildings on the eastern parcel. These structures provide office areas and storage space for product. The existing truck scales will be relocated as shown on the plan and set at grade not elevated as the facility currently sits. A concrete apron will be poured around it and a new concrete driveway from the scale to the existing south gate will be provided.

The balance of the site is occupied by uncovered outdoor storage space. This space includes rock storage bins and various larger stone stock. Many of these areas will be reconfigured for improved circulation and function. The revisions include paved surfaces for each of the entrances for aesthetics and the reduction of stone runout onto city streets. The existing employee parking area located along Church Street will provide a combination of demonstration pavers and crushed asphalt surface with striping and wheel stops. The paving will also provide a solid surface for employees to enter the facility. A detention pond will be carved into the site to capture the first flush run off and improve storm runoff for the area.

A new 10,906 square foot building is proposed along Cottonwood Street. The building will house corporate offices and facilities, a contractor's showroom, and warehouse space for smaller inventory stock. The new modern styled facility will provide adequate access, parking, landscaping, and decorative fencing.

Business hours are to remain from 8:00 am until 5:00 pm, Monday through Friday.

SUDC CONDITIONS:

Certain uses may be appropriate in specific zone districts but have characteristics that, depending upon the location, design, building or traffic characteristics and standards of operation, may have a greater impact than permitted uses on adjoining properties, businesses, or residences within the city. When considering an application for a Conditional Use Permit, the following has been considered:

- 1) The proposed use is listed as a conditional use in the use matrix set forth in article V and meets any special requirements set forth for that particular use; The proposed uses meet the zoning use matrix for IP zoned property.
- 2) Location and character of the use shall be in harmony with the surrounding area; The proposed changes to the site will provide improved landscaping and fencing to buffer existing single family, multi-family, commercial, and industrial zoning found adjacent.
- 3) The proposed use shall not impair the integrity or character of the community nor shall it be detrimental to the public health, safety or general welfare of the city; The proposal will provide aesthetic and substantive improvements to an existing facility.
- 4) The proposed use shall conform to the goals and policies of the General Plan; While not conforming specifically to all of the goals and policies of the General Plan, the project will allow for the sales use and improved facilities to move towards the goals and policies of the General Plan.
- 5) The proposed use shall conform to the goals and policies of any specific district or plans for the area; The Specific Plan for the Revitalization of the Original Townsite provides for the expansion of existing nonconforming uses. The improvements provided with this project allows the facility and uses to move towards the concepts set forth in the General Plan.
- 6) The proposed use shall conform to the development standards and shall take into account the following factors:
 - a. Site and building design; The new retail building will provide a striking contrast that will bring variety along Church Street. The addition of a faux mansard roof on the open steel structure will lessen the industrial appearance.
 - b. Sensitivity to existing natural features; The existing site is being aesthetically improved to improve the character of the immediate community.
 - c. Volume or character of traffic; Reviewed and approved by Public Works.
 - d. Circulation patterns; Generally unchanged.
 - e. Connectivity; Generally unchanged.
 - f. Parking and loading; Parking area will be enhanced by paved parking associated with the new retail structure as well as the employee parking located off of Church Street.
 - g. Screening and buffering of uses; Additional landscaping and fencing will provide a more aesthetic buffer.

- h. Landscaping; Increased landscaping is being provided with this project.
- i. Exterior lighting; The lighting meets requirements of the municipal code.
- j. Signage; Opportunity for additional signage will be provided with the faux mansard roof provided on the open metal frame building along Santa Fe Drive and on the proposed retail facility along Cottonwood Street.
- k. Storm water retention and drainage; Stormwater retention is being improved with this project.
- l. Damage or nuisance arising from noise, smoke, odor, dust, vibration, or illumination; Generally unchanged.
- m. A demonstrated need for such use. Grand Materials and Supply has been a part of the business community in Surprise since the early 2000s and are commitment to make the Surprise location their corporate center.
- 7) The proposed use shall have adequate ingress and egress to property and proposed structures, pedestrian and vehicular circulation with particular reference to emergency service access; The existing facility and its proposed alterations do provide multiple access points with demonstrated emergency circulation while improving pedestrian connectivity along roads and to the proposed sales facility.
- 8) Adequate utilities, access roads, drainage sanitation; and/or
- 9) Necessary facilities will be provided and the use will not contribute toward an overburdening of municipal services. All utilities, roads, and drainage facilities have been reviewed by the appropriate departments and found to be adequate for the proposed uses.

SUMMARY:

The proposed Conditional Use Permit as provided by the *Specific Plan for the Revitalization of the Original Townsite* will provide the mechanism needed to allow the owner to Grand Materials & Supply to expand the existing business. The expansion will include aesthetic and functional updates while providing a new building that will provide a professional and safe facility for contractor sales and corporate activities.

Attachments:

- 01 – Vicinity Maps (2 Sheets)
- 02 – Public Engagement Form (1 Sheet)
- 03 – Site Plan (1 Sheet)
- 04 – Circulation and Fire Protection Plan (1 Sheet)
- 05 – Headquarters Elevations (2 Sheets)
- 06 – Headquarters Rendering (1 Sheet)
- 07 – Faux Mansard Elevations (1 Sheets)
- 08 – Landscape Plan (1 sheet)
- 09 – Presentation PowerPoint (11 Sheets)

VICINITY MAP



Bell Road

Original
Townsite

Site

Dysart Road

Grand Avenue

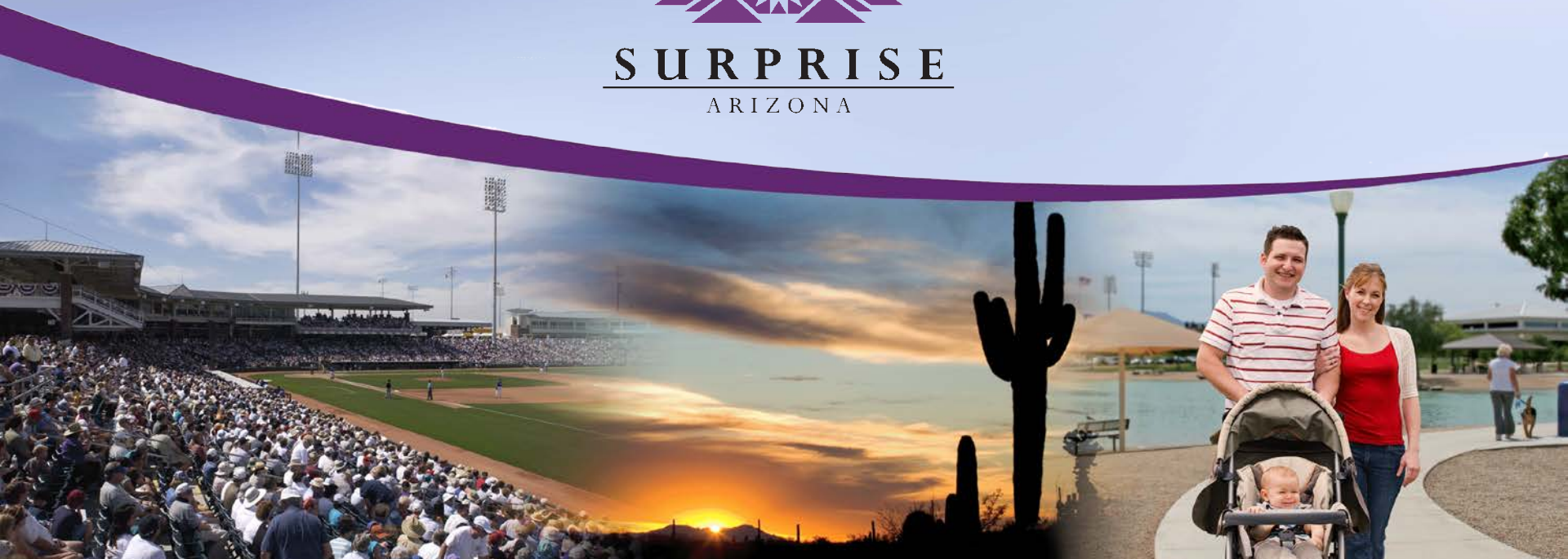
El Mirage Road

VICINITY MAP



Grand Materials CUP

March 3, 2016



VICINITY MAP



VICINITY MAP





City of Surprise

Specific Plan for the Revitalization of the Original Townsite

Prepared for the City by:

Community Sciences Corporation
3900 East Camelback Road, Suite 611
Phoenix, AZ 85018

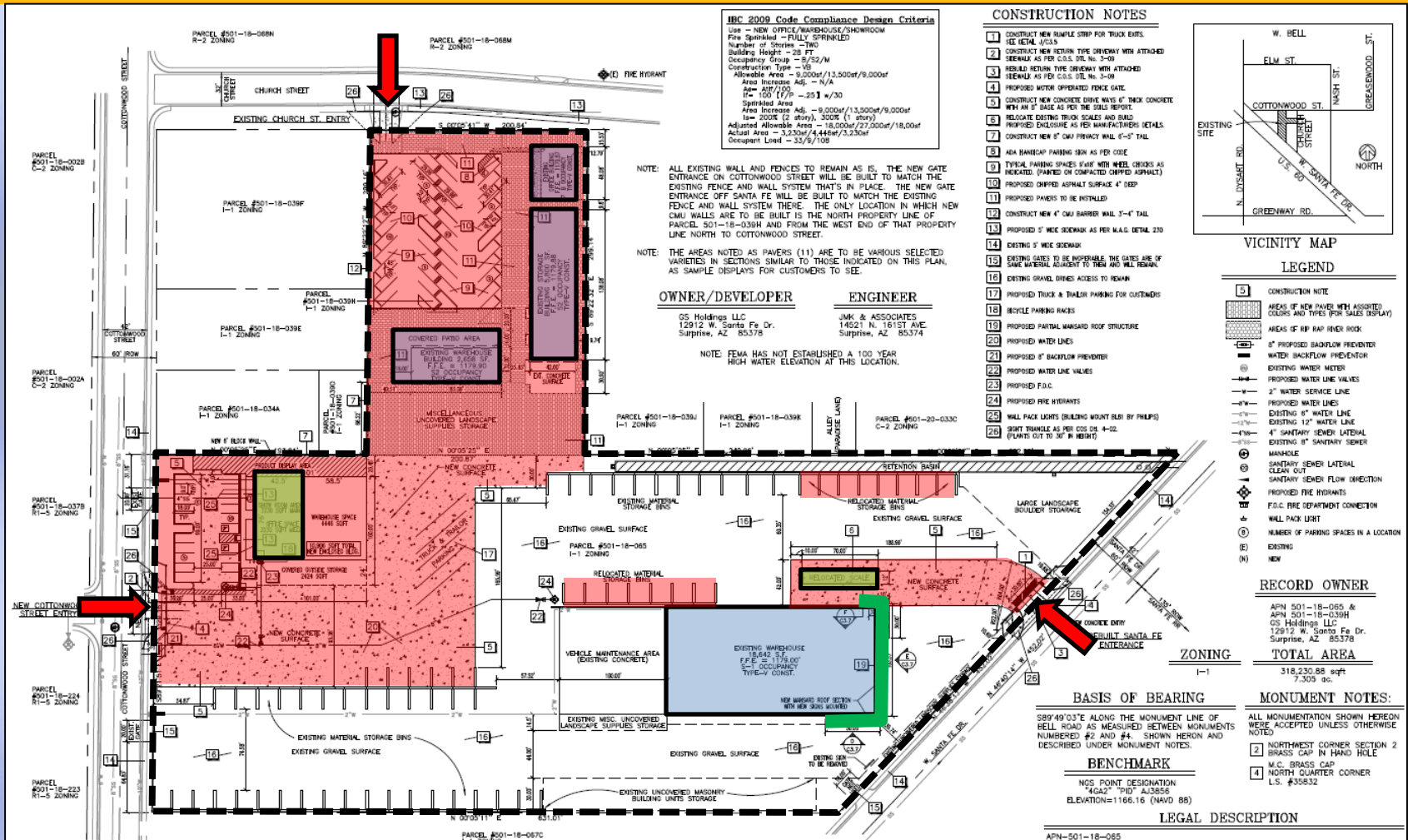
OTS REVITALIZATION PLAN



Nonconforming Conditions -- The Original Townsite community has a strong interest in seeing that nonconforming uses and structures are brought into closer compatibility with standards, regulations and codes as soon as is practicable. Accommodation is made so as to encourage property improvements. Conditional use approval may be considered, notwithstanding other non-conforming use restrictions, for projects intended to alleviate existing, detrimental circumstances by changing to a less intense use, substantially reducing structural or siting nonconformity, and reducing negative visual or environmental impacts. Any nonconforming use lawfully existing prior to the adoption of the Original Townsite Design Overlay District may continue until such time that the use has been discontinued for a period of 90 consecutive days. No nonconforming use can be expanded, intensified, or changed to another nonconforming use without special conditional use approval. Otherwise, any lawfully existing nonconforming use that is changed must conform to the underlying zoning requirements and the requirements of the Townsite District's Development and Design Standards.

City of Surprise Original Townsite Revitalization Plan

SITE PLAN



IBC 2009 Code Compliance Design Criteria
 Use - NEW OFFICE/WAREHOUSE/SHOWROOM
 Fire Sprinkled - FULLY SPRINKLED
 Maximum Building Height - 28 FT
 Occupancy Group - S-2/M
 Construction Type - II
 Allowable Area - 8,000sf/13,500sf/9,000sf
 Area Increase Adj. - N/A
 A= 100 (1/1) - 201 w/30
 Sprinkled Area
 Area Increase Adj. - 9,000sf/13,500sf/9,000sf
 Is= 200% (2 story), 300% (1 story)
 Adjusted Allowable Area - 18,000sf/27,000sf/18,000sf
 Actual Area - 3,230sf/4,448sf/3,230sf
 Occupant Load - 33/6/108

NOTE: ALL EXISTING WALL AND FENCES TO REMAIN AS IS. THE NEW GATE ENTRANCE ON COTTONWOOD STREET WILL BE BUILT TO MATCH THE EXISTING FENCE AND WALL SYSTEM THAT'S IN PLACE. THE NEW GATE ENTRANCE OFF SANTA FE WILL BE BUILT TO MATCH THE EXISTING FENCE AND WALL SYSTEM THERE. THE ONLY LOCATION IN WHICH NEW CMU WALLS ARE TO BE BUILT IS THE NORTH PROPERTY LINE OF PARCEL #501-18-039H AND FROM THE WEST END OF THAT PROPERTY LINE NORTH TO COTTONWOOD STREET.

NOTE: THE AREAS NOTED AS PAVERS (11) ARE TO BE VARIOUS SELECTED VARIETIES IN SECTIONS SIMILAR TO THOSE INDICATED ON THIS PLAN, AS SAMPLE DISPLAYS FOR CUSTOMERS TO SEE.

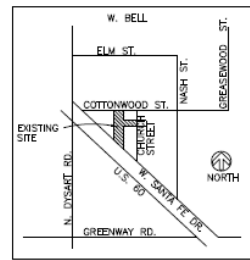
OWNER/DEVELOPER
 GS Holdings LLC
 12912 W. Santa Fe Dr.
 Surprise, AZ 85378

ENGINEER
 JMK & ASSOCIATES
 14521 N. 161ST AVE
 Surprise, AZ 85374

NOTE: FEMA HAS NOT ESTABLISHED A 100 YEAR HIGH WATER ELEVATION AT THIS LOCATION.

CONSTRUCTION NOTES

1. CONSTRUCT NEW RAMPLE STEP FOR TRUCK ENITS SEE DETAIL A-103
2. CONSTRUCT NEW RETURN TYPE DRIVEWAY WITH ATTACHED SIDEWALK AS PER C.S.S. DET. NO. 3-10
3. RELOCATE RETURN TYPE DRIVEWAY WITH ATTACHED SIDEWALK AS PER C.S.S. DET. NO. 3-10
4. PROPOSED MOTOR OPERATED FENCE GATE
5. CONSTRUCT NEW CONCRETE DRIVEWAYS 6" THICK CONCRETE WITH AN 8" BASE AS PER THE SOILS REPORT
6. RELOCATE EXISTING TRUCK SCALES AND BUILD PROPOSED ENCLOSURE AS PER MANUFACTURER DETAILS
7. CONSTRUCT NEW 8" CMU FENCE WALL 4'-6" TALL
8. NEW BARBER PARKING SIGN AS PER CITY
9. TYPICAL PARKING SPACES WITH NEW REEL CRIBS AS INDICATED (PAINTED ON COMPACTED CHIPPED ASPHALT)
10. PROPOSED CHIPPED ASPHALT SURFACE 4" DEEP
11. PROPOSED PAVERS TO BE INSTALLED
12. CONSTRUCT NEW 4" CMU BARRIER WALL 3'-4" TALL
13. PROPOSED 5" WIDE SIDEWALK AS PER M.A.S. DETAIL 370
14. EXISTING 5" WIDE SIDEWALK
15. EXISTING AREAS TO BE REPAIRED. THE GATES ARE OF SAME MATERIAL ADJACENT TO THEM AND WILL REMAIN.
16. EXISTING GRAVEL DRIVES ACCESS TO REMAIN
17. PROPOSED TRUCK & TRAILER PARKING FOR CUSTOMERS
18. BICYCLE PARKING RACKS
19. PROPOSED PARTIAL MANSARD ROOF STRUCTURE
20. PROPOSED WATER LINES
21. PROPOSED 8" BACKFLOW PREVENTER
22. PROPOSED WATER LINE VALUES
23. PROPOSED F.O.C.
24. PROPOSED FIRE HYDRANTS
25. WALL PACK UNITS (BUILDING MOUNT RULI BY PHILIPS)
26. BENT TRIANGLE AS PER C.S.S. DET. NO. 4-102 (FLANK CUT TO 30" IN HEIGHT)



LEGEND

5. CONSTRUCTION NOTE
6. AREAS OF NEW PAVEMENT WITH ASSIGNED COLORS AND TYPES (FOR SALES DISPLAY)
7. AREAS OF NEW PAVEMENT UNDER ROCK
8. 8" PROPOSED BACKFLOW PREVENTER
9. WATER BACKFLOW PREVENTER
10. EXISTING WATER METER
11. PROPOSED WATER LINE VALUES
12. 2" WATER SERVICE LINE
13. PROPOSED WATER LINES
14. EXISTING 8" WATER LINE
15. EXISTING 12" WATER LINE
16. 4" SANITARY SEWER LATERAL
17. EXISTING 4" SANITARY SEWER
18. MANHOLE
19. SANITARY SEWER LATERAL
20. CLEAN OUT
21. SANITARY SEWER FLOW DIRECTION
22. PROPOSED FIRE HYDRANTS
23. F.O.C. FIRE DEPARTMENT CONNECTION
24. WALL PACK UNIT
25. NUMBER OF PARKING SPACES IN A LOCATION
26. EXISTING
27. NEW

RECORD OWNER

APN 501-18-055 &
 APN 501-18-039H
 GS Holdings LLC
 12912 W. Santa Fe Dr.
 Surprise, AZ 85378

TOTAL AREA

318,230.88 sqft
 7,305.90 ac

MONUMENT NOTES:

1. ALL MONUMENTATION SHOWN HEREON WAS ACCEPTED UNLESS OTHERWISE NOTED
2. NORTHWEST CORNER SECTION 2 BRASS CAP IN HAND HOLE
3. NORTH CORNER SECTION 1 W.C. BRASS CAP
4. NORTH QUARTER CORNER L.S. #35832

BASIS OF BEARING

S89°49'03"E ALONG THE MONUMENT LINE OF RELL ROAD AS MEASURED BETWEEN MONUMENTS NUMBERED #2 AND #4. SHOWN HEREON AND DESCRIBED UNDER MONUMENT NOTES.

BENCHMARK

NGS POINT DESIGNATION
 "4642" TID "A3558"
 ELEVATION=1168.16 (NAVD 88)

LEGAL DESCRIPTION

APN-501-18-055
 DOCUMENT #2002-0565830, M.C.R.
 ALL THAT PART OF THE EAST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 2, TOWNSHIP 3 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, AND
 AND
 THAT PART OF THE EAST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 2, TOWNSHIP 3 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, LYING NORTHEASTERLY OF AND ADJACENT TO A LINE PARALLEL TO AND AT A DISTANCE OF 150 FEET NORTHEASTERLY FROM THE CENTER LINE OF THE SANTA FE RAILROAD RIGHT-OF-WAY, EXCEPT ANY PORTION LYING WITHIN THE NORTH 30 FEET THEREOF, AND
 AND
 APN-501-18-039H
 THE NORTH HALF OF THE FOLLOWING:
 THE EAST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 2, TOWNSHIP 3 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, EXCEPT THE NORTH 22.00 FEET, AND EXCEPT THE EAST 30.00 FEET, AND EXCEPT THE SOUTH 40.00 FEET.

OFF-STREET PARKING CALCULATIONS

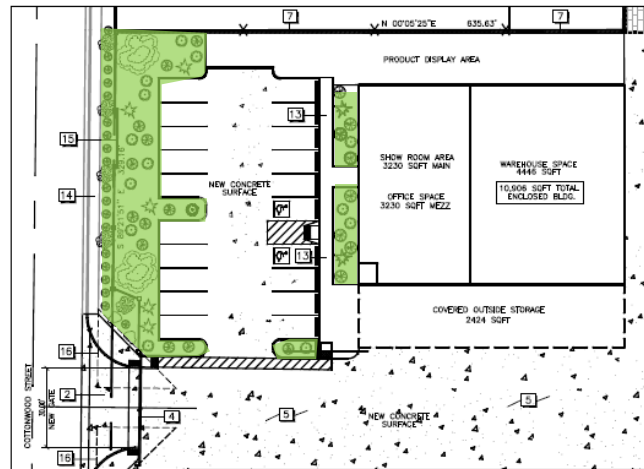
BUILDING AREA	PARKING UNIT	SURPRISE STANDARD SEC. 122-249	PARKING REQUIRED BOTH LOTS
NEW BUILDING			
OFFICE SPACE	3,230 S.F.	1 SP. PER 250 S.F.	13 SPACES
SHOW ROOM	3,230 S.F.	1 SP. PER 300 S.F.	11 SPACES
WAREHOUSE	4,448 S.F.	1 SP. PER 1,200 S.F.	3 SPACES
EXISTING BUILDINGS			
OFFICE SPACE	1,536 S.F.	1 SP. PER 250 S.F.	7 SPACES
STORAGE SPACE	3,800 S.F.	1 SP. PER 1,200 S.F.	4 SPACES
WAREHOUSE	2,858 S.F.	1 SP. PER 1,200 S.F.	2 SPACES
TOTAL PARKING			40 SPACES
BICYCLE SPACES			60 SPACES
			2 SPACES
			4 SPACES

SITE PLAN
 OF
GRAND MATERIALS & SUPPLY
 12912 W. Santa Fe Dr.
 Surprise, AZ 85378

SHEET INDEX

1. SPL1 SITE PLAN
2. SPL2 MANSARD ROOF DETAILS
3. SPL3 LANDSCAPE PLANS

LANDSCAPE PLAN

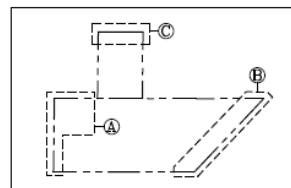


A PLANTING GUIDE/LEGEND

I.D. SYMBOL/PLANT TYPE/GENUS NAME	SIZE	NUMBER
TREES		
DESIERT WILLOW CHOLOPSIS LINEARIS	24" BOX	11
SISSOO TREE DALBERGIA SISSOO	24" BOX	2
ORNAMENTAL GRASSES/SHRUBS		
OLEANDER NERUM OLEANDER	5 GAL	43
TEXAS RANGER, SILVERLEAF, LEUCOMYLLUM PROTECTORIS COMPACTA	5 GAL	15
PAMPAS GRASS CORDOBERIA SELLOANA	5 GAL	7
ROCK BOULDERS (ASSORTED SIZES)		4

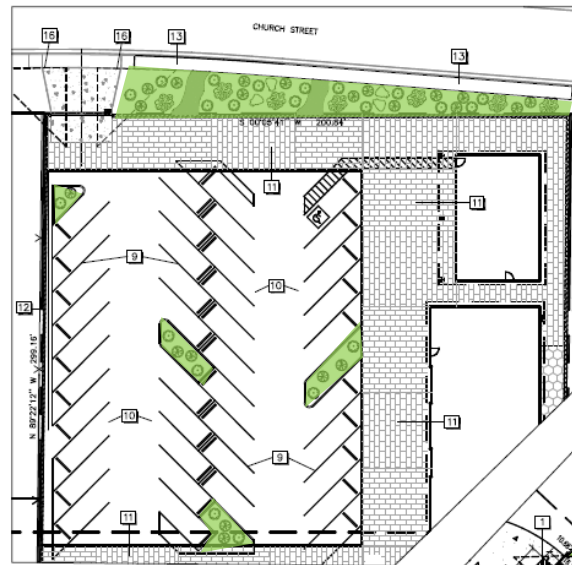
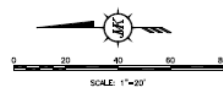
DECORATIVE LANDSCAPE ROCK AS GROUND COVER SHALL BE INSTALLED AT ALL PLANTING AREAS.
STREET SCAPE REQUIREMENTS
11-24" BOX TREES ARE REQUIRED/11 ARE PROVIDED
43-5 GAL SHRUBS ARE REQUIRED/44 ARE PROVIDED
(OLEANDER SHRUBS ALREADY EXISTING)

A PLAN
SCALE: 20'



SITE KEY

LANDSCAPE PLAN OF GRAND MATERIALS & SUPPLY 12912 W. Santa Fe Dr. Surprise, AZ 85378



B PLAN
SCALE: 20'

C PLANTING GUIDE/LEGEND

I.D. SYMBOL/PLANT TYPE/GENUS NAME	SIZE	NUMBER
TREES		
DESIERT WILLOW CHOLOPSIS LINEARIS	24" BOX	7
ORNAMENTAL GRASSES/SHRUBS		
OLEANDER NERUM OLEANDER	5 GAL	21
TEXAS RANGER, SILVERLEAF, LEUCOMYLLUM PROTECTORIS COMPACTA	5 GAL	21
ROCK BOULDERS (ASSORTED SIZES)		4

DECORATIVE LANDSCAPE ROCK AS GROUND COVER SHALL BE INSTALLED AT ALL PLANTING AREAS.
STREET SCAPE REQUIREMENTS
7-24" BOX TREES ARE REQUIRED/7 ARE PROVIDED
28-5 GAL SHRUBS ARE REQUIRED/28 ARE PROVIDED

D PLANTING GUIDE/LEGEND

I.D. SYMBOL/PLANT TYPE/GENUS NAME	SIZE	NUMBER
TREES		
SWAN HILL OLIVE OLEA ELIPSYPAEA	24" BOX	16
ORNAMENTAL GRASSES/SHRUBS		
OLEANDER NERUM OLEANDER	5 GAL	64
ROCK BOULDERS (ASSORTED SIZES)		4

DECORATIVE LANDSCAPE ROCK AS GROUND COVER SHALL BE INSTALLED AT ALL PLANTING AREAS.
STREET SCAPE REQUIREMENTS
16-24" BOX TREES ARE REQUIRED/16 ARE PROVIDED
62-5 GAL SHRUBS ARE REQUIRED/64 ARE PROVIDED
(OLEANDER SHRUBS ALREADY EXISTING)

LANDSCAPING NOTES

- ALL PLANTING BEDS SHALL BE CONSTRUCTED WITH WEED BARRIER FABRIC & TOP DRESSED WITH A MINIMUM 2 INCHES DEPTH OF REBEL ROCK MULCH.
- AREAS & TILL MINIMUM 6 INCH DEPTH ALL SOLID WHERE PLANTS ARE TO BE PLANTED. THESE AREAS SHALL RECEIVE A MINIMUM 4 CUBIC YARDS PER 1,000 S.F. OF COMPOSTED ORGANIC MATERIAL.
- ANY & ASSOCIATED, INC. SHALL NOT BE HELD RESPONSIBLE FOR THE MEANS, METHODS, OR APPROPRIATENESS OF CONSTRUCTION OR SAFETY PROCEDURE CHOSEN BY ANY CONTRACTORS.
- ALL LANDSCAPED AREAS TO BE PROVIDED WITH IRRIGATION SYSTEM DESIGNED BY THE SELECTED LANDSCAPE CONTRACTOR.
- RECYCLED WATER FOR IRRIGATION SYSTEM NOT AVAILABLE FOR THIS SITE. POTABLE WATER TO BE USED FOR LANDSCAPE PURPOSES.
- PURPLE PIPE SHALL BE USED FOR ALL IRRIGATION SYSTEM COMPONENTS.
- DUE TO THE USE OF RECYCLED DOMESTIC WATER FOR IRRIGATION, THE IRRIGATION SYSTEM SHALL BE SET TO IRRIGATE DURING THE OFF (EVENING) HOURS.

CONSTRUCTION NOTES

- CONSTRUCT NEW RAMPAL STRIP FOR TRUCK DOTS. SEE DETAIL D-10.3.
- CONSTRUCT NEW RETAIN TYPE DRIVEWAY WITH ATTACHED SIDEWALK AS PER C.O.S. DET. NO. 3-09.
- REBUILD RETAIN TYPE DRIVEWAY WITH ATTACHED SIDEWALK AS PER C.O.S. DET. NO. 3-09.
- PROPOSED WATER OPERATED FENCE GATE.
- CONSTRUCT NEW CONCRETE DRIVE WAYS 6" THICK CONCRETE WITH AN 8" BASE AS PER THE SOILS REPORT.
- CONSTRUCT NEW 8" CMU PERIMETER WALL 4'-5" TALL AS PER DETAIL DRAWING NO. A-10.3.
- TYPICAL PARKING SPACES 5'x10' WITH WEED CHOKES AS INDICATED. (PAINTED ON COMPACTED CHIPPED ASPHALT).
- PROPOSED CHIPPED ASPHALT SURFACE 4" DEEP.
- PROPOSED PAVEMENT TO BE INSTALLED.
- CONSTRUCT NEW 4" CMU DRIVE WAYS 4'-5" TALL AS PER DETAIL DRAWING NO. B-10.3.
- PROPOSED 5' WIDE SIDEWALK AS PER M.A.G. DETAIL 230.
- EXISTING 5' WIDE SIDEWALK.
- EXISTING GATES TO BE REMOVED. THE GATES ARE OF SAME MATERIAL ADJACENT TO THEM AND WILL REMAIN.
- 8'x12' TRAILER AS PER C.O.S. DET. NO. A-10.3. (PLANTS & BOULDERS NOT OVER 30" IN HEIGHT)

D PLAN
SCALE: 20'

PROPOSED HEADQUARTERS



FAUX MANSARD ROOF



FAUX MANSARD ROOF



Questions or Comments?

PUBLIC ENGAGEMENT FORM

PROJECT TITLE: Grand Materials Conditional Use Permit – Case FS15-357

OVERALL PUBLIC INVOLVEMENT LEVEL:

As required by the City of Surprise Municipal Code, mailers were sent to all property owners and HOA's within 300 feet of the subject property, the meeting was advertised in a local newspaper, and the site was notices with two (2) informational signs.

IDENTIFY STAKEHOLDERS:

Residents within the area, HOAs within the area, and those interested in the development of the Original Townsite.

OBJECTIVES:

The proposed project will expand an existing building materials facility within the Original Townsite.

PUBLIC ENGAGEMENT STRATEGIES & TOOLS:

Public Engagement & Project timeline:

Public outreach time frame (when to when) December 4, 2015

Future Council Work Session/Meetings target dates NA

Election dates (if applicable) NA

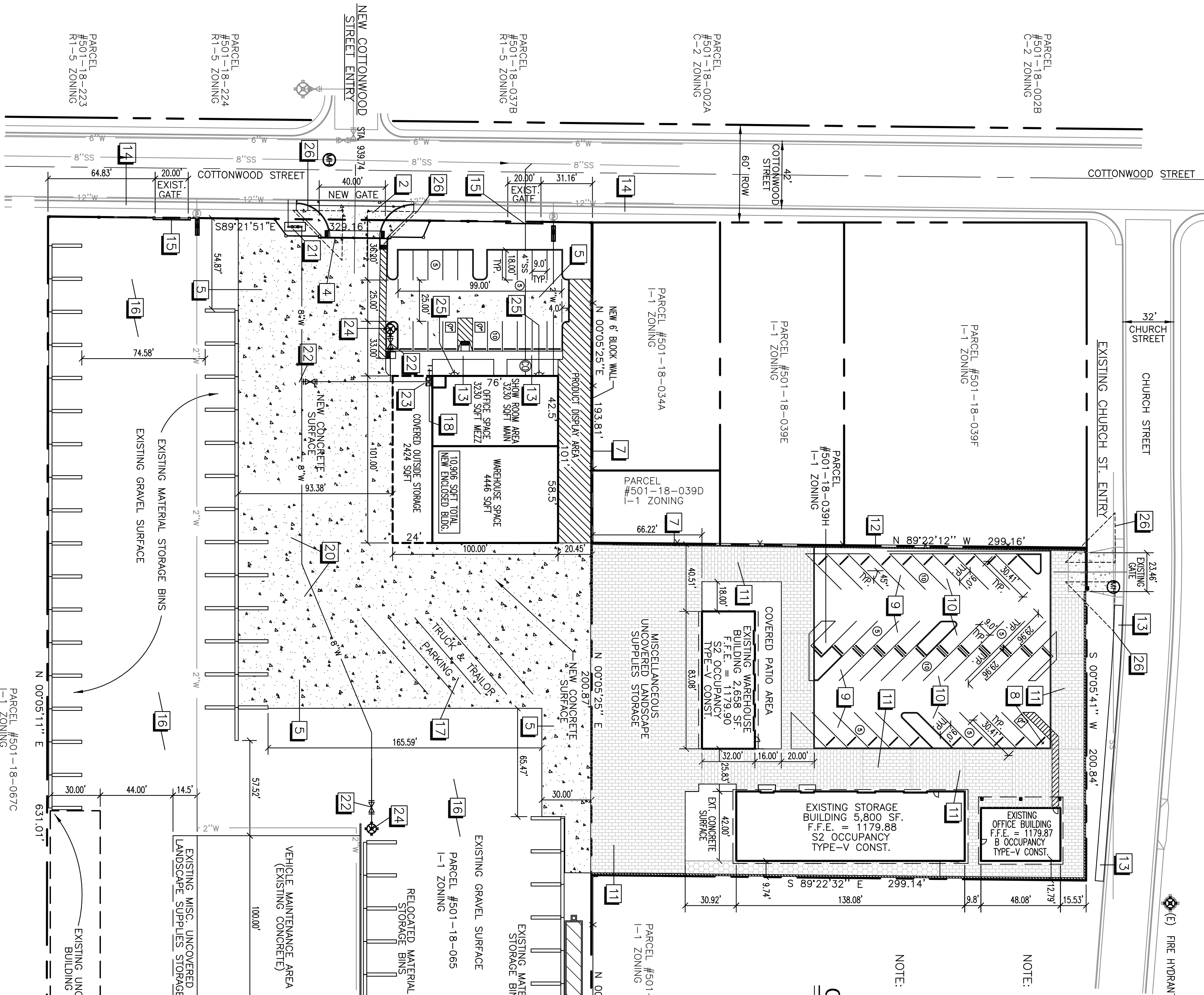
Project start/completion dates Within a year from approval

Communication Tools and Technique options: (which do you plan to use?)

- ☐ Press releases
- ☐ Public meetings (video/photos, poster boards, fact sheet(s) *do you need Spanish version?)
- ☒ Presentations to boards and commissions, other interested community partners/stakeholders
- ☐ Third-party consultant/moderator (pending budget)
- ☐ Survey (online/paper/both?)
- ☐ Social media
- ☐ Surprise 11
- ☐ Notify Me email/ Council newsletters (opt-in audience)
- ☒ Paid advertising (pending budget)
- ☐ Surprise Progress (mailed quarterly and tied to print deadlines)
- ☐ Booth at city events
- ☒ Paid mailings (pending budget)
- ☐ Creation of a subcommittee/task force
- ☐ Youth/adult activities, registration, or orientation (HOA Academy)
- ☒ Website updates

PARCEL #501-18-068N
R-2 ZONING

PARCEL #501-18-068M
R-2 ZONING



OFF-STREET PARKING CALCULATIONS

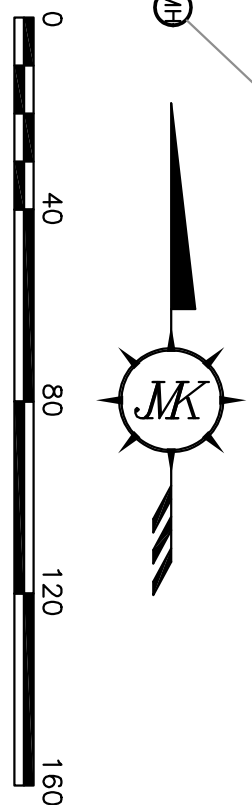
BUILDING AREA	PARKING UNIT	SURPRISE PARKING STANDARD SEC. 125-249	PARKING REQUIRED	PARKING PROVIDED BOTH LOTS
NEW BUILDING:				
OFFICE SPACE	1 SP. PER 250 S.F.		13 SPACES	
SHOW ROOM	1 SP. PER 300 S.F.		11 SPACES	
WAREHOUSE	1 SP. PER 1,500 S.F.		3 SPACES	
EXISTING BUILDINGS:				
OFFICE SPACE	1 SP. PER 250 S.F.		7 SPACES	
STORAGE SPACE	1 SP. PER 1,500 S.F.		4 SPACES	
WAREHOUSE	1 SP. PER 1,500 S.F.		2 SPACES	
TOTAL PARKING			40 SPACES	60 SPACES
BICYCLE SPACES			2 SPACES	4 SPACES

SITE PLAN
OF
GRAND MATERIALS & SUPPLY

12912 W. Santa Fe Dr.
Surprise, AZ 85378

SP1.1 SITE PLAN
SP1.2 MANSARD ROOF DETAILS
L9.1 LANDSCAPE PLANS

SHEET INDEX



CONSTRUCTION NOTES

IBC 2009 Code Compliance Design Criteria

Use - NEW OFFICE/WAREHOUSE/SHOWROOM

Fire Sprinkled - FULLY SPRINKLED

Number of Stories - TWO

Building Height - 26' FT

Occupancy - B-2

Construction Type - VB

Allowable Area - 9,000sf/13,500sf/9,000sf

Area Increase Adj. - N/A

If = 100 [F/P - 25] W/30

Sprinkled Area

Area Increase Adj. - 9,000sf/13,500sf/9,000sf

Is = 200% (2 story), 300% (1 story)

Adjusted Allowable Area - 18,000sf/22,000sf/18,000sf

Adjusted Area - 12,500sf/14,445sf/12,500sf

Occupant Load - 33/6/108

NOTE: ALL EXISTING WALL AND FENCES TO REMAIN AS IS. THE NEW GATE ENTRANCE ON COTTONWOOD STREET WILL BE BUILT TO MATCH THE EXISTING FENCE AND WALL SYSTEM THAT'S IN PLACE. THE NEW GATE ENTRANCE OFF SANTA FE WILL BE BUILT TO MATCH THE EXISTING FENCE AND WALL SYSTEM THERE. THE ONLY LOCATION IN WHICH NEW CMU WALLS ARE TO BE BUILT IS THE NORTH PROPERTY LINE OF PARCEL 501-18-039H AND FROM THE WEST END OF THAT PROPERTY LINE NORTH TO COTTONWOOD STREET.

NOTE: THE AREAS NOTED AS PAVERS (11) ARE TO BE VARIOUS SELECTED VARIETIES IN SECTIONS SIMILAR TO THOSE INDICATED ON THIS PLAN, AS SAMPLE DISPLAYS FOR CUSTOMERS TO SEE.

OWNER/DEVELOPER

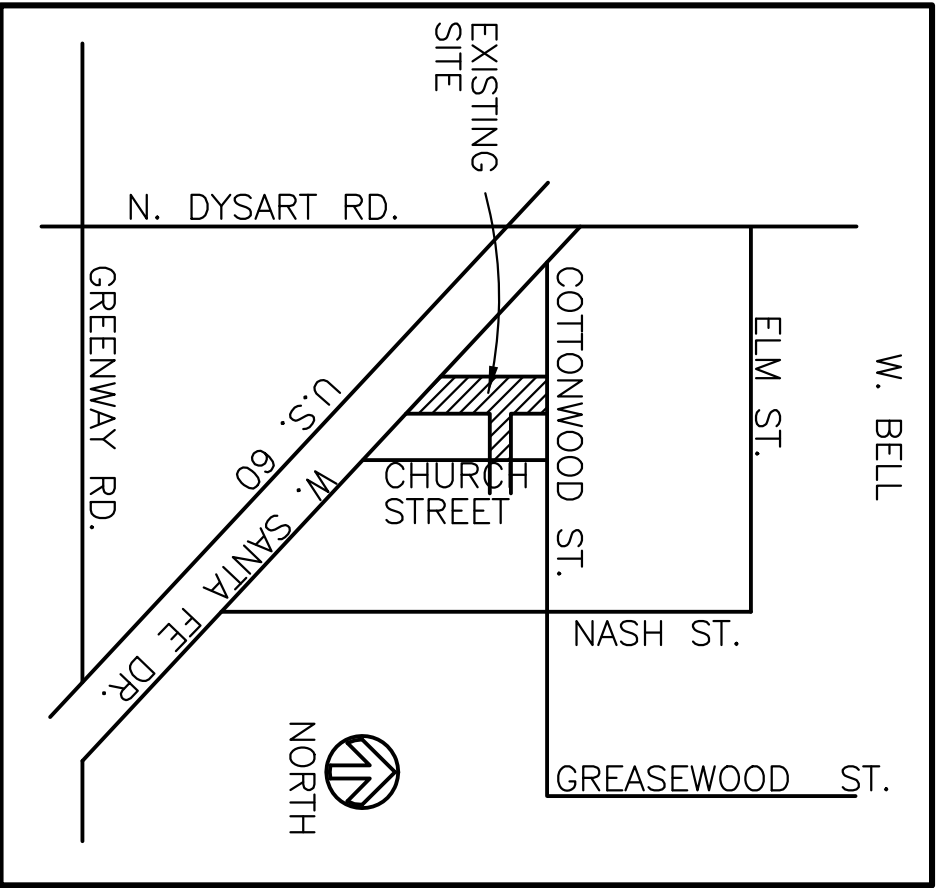
GS Holdings LLC
12912 W. Santa Fe Dr.
Surprise, AZ 85378

ENGINEER

JMK & ASSOCIATES
14521 N. 161st Ave.
Surprise, AZ 85374

NOTE: FEMA HAS NOT ESTABLISHED A 100 YEAR HIGH WATER ELEVATION AT THIS LOCATION.

VICINITY MAP



LEGEND

- 5 CONSTRUCTION NOTE
- AREAS OF NEW PAVES WITH ASSORTED COLORS AND TYPES (FOR SALES DISPLAY)
- AREAS OF RAP RAP RIVER ROCK
- 8" PROPOSED BACKFLOW PREVENTER
- WATER BACKFLOW PREVENTOR
- EXISTING WATER METER
- PROPOSED WATER LINE VALVES
- 2" WATER SERVICE LINE
- PROPOSED WATER LINES
- EXISTING 6" WATER LINE
- EXISTING 12" WATER LINE
- 4" SANITARY SEWER LATERAL
- EXISTING 8" SANITARY SEWER MANHOLE
- SANITARY SEWER LATERAL CLEAN OUT
- SANITARY SEWER FLOW DIRECTION
- PROPOSED FIRE HYDRANTS
- F.D.C. FIRE DEPARTMENT CONNECTION
- WALL PACK LIGHT
- NUMBER OF PARKING SPACES IN A LOCATION
- EXISTING
- NEW

RECORD OWNER

APN 501-18-065 &
APN 501-18-039H
GS Holdings LLC
12912 W. Santa Fe Dr.
Surprise, AZ 85378

TOTAL AREA

318,230.88 sqft
7,305 ac.

BASIS OF BEARING

S89°49'03"E ALONG THE MONUMENT LINE OF BELL ROAD AS MEASURED BETWEEN MONUMENTS NUMBERED #2 AND #4, SHOWN HERON AND DESCRIBED UNDER MONUMENT NOTES.

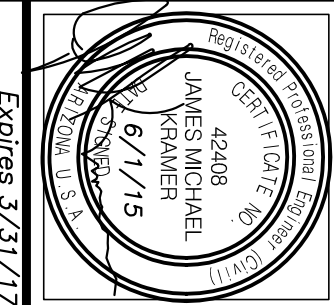
BENCHMARK

NOS POINT DESIGNATION
"46A2" "PID" AJ3856
ELEVATION=1166.16 (NAVD 88)

LEGAL DESCRIPTION

APN-501-18-065
DOCUMENT #2002-0565939, M.C.R.
ALL THAT PART OF THE EAST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 2, TOWNSHIP 3 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA; AND THAT PART OF THE EAST HALF OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 2, TOWNSHIP 3 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA; LYING NORTHEASTERLY OF, AND ADJACENT TO, A LINE PARALLEL TO AND A DISTANCE OF 160 FEET NORTHEASTERLY FROM THE CENTER LINE OF THE SANTA FE RAILROAD RIGHT-OF-WAY, EXCEPT ANY PORTION LYING WITHIN THE NORTH 30 FEET THEREOF, AND
APN-501-18-039H
THE NORTH HALF OF THE FOLLOWING:
THE WEST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 2, TOWNSHIP 3 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA; LYGED TO THE NORTH 224.00 FEET; AND EXCEPT THE EAST 30.00 FEET; AND EXCEPT THE SOUTH 40.00 FEET.

REVISIONS	BY
RESUBMITTAL	JMK
1/22/16	

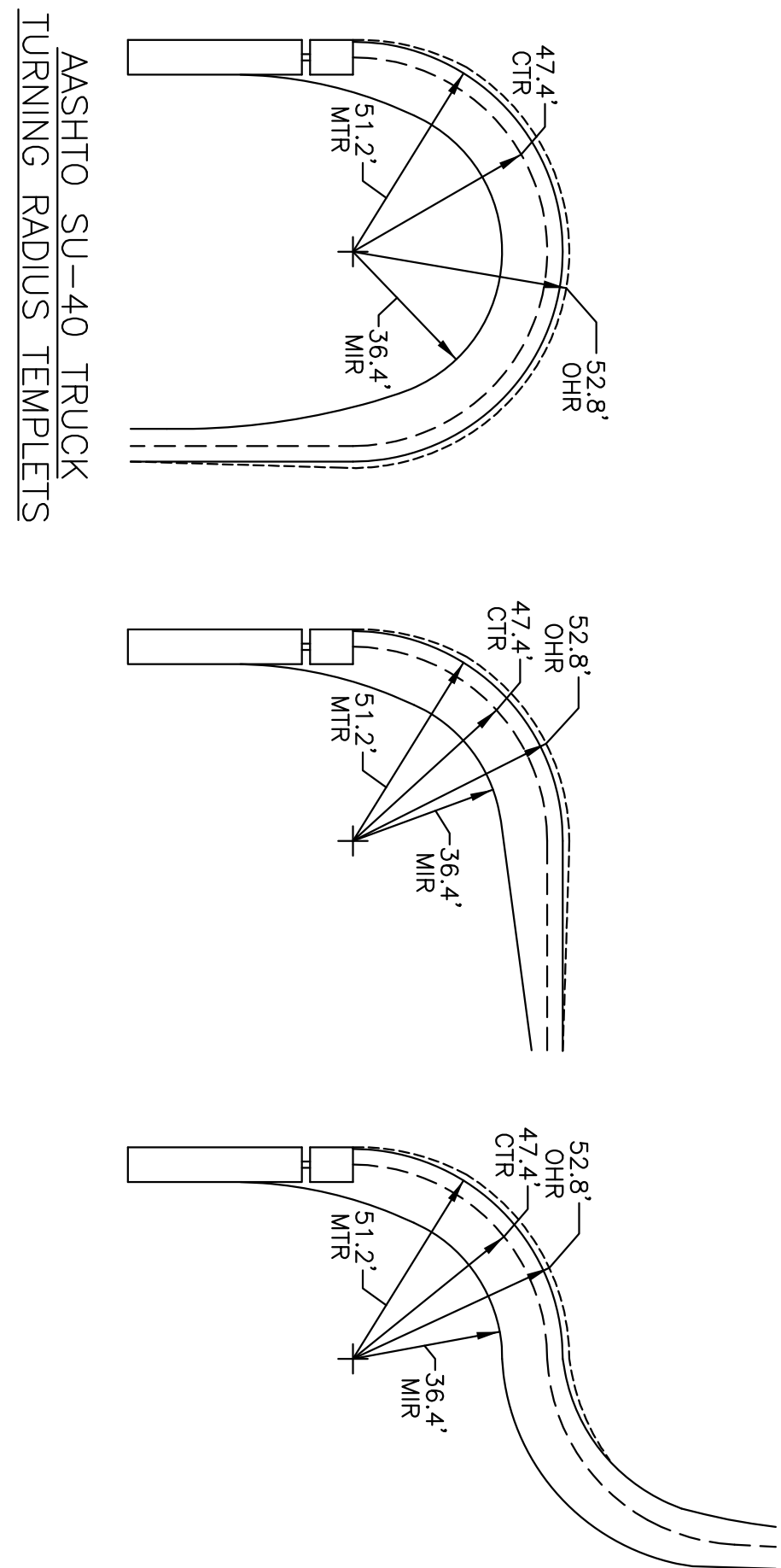


GRAND MATERIALS & SUPPLY
12912 W. Santa Fe Dr.
Surprise, AZ 85378

SITE PLAN
GRAND MATERIALS & SUPPLY

JMK & ASSOCIATES, Inc.
15421 N. 161st Ave.
Surprise, Arizona 85374
(623) 251-5148

Drawn: JMK
Scale: AS SHOWN
Date: 6/1/15
Sheet: SP1.1

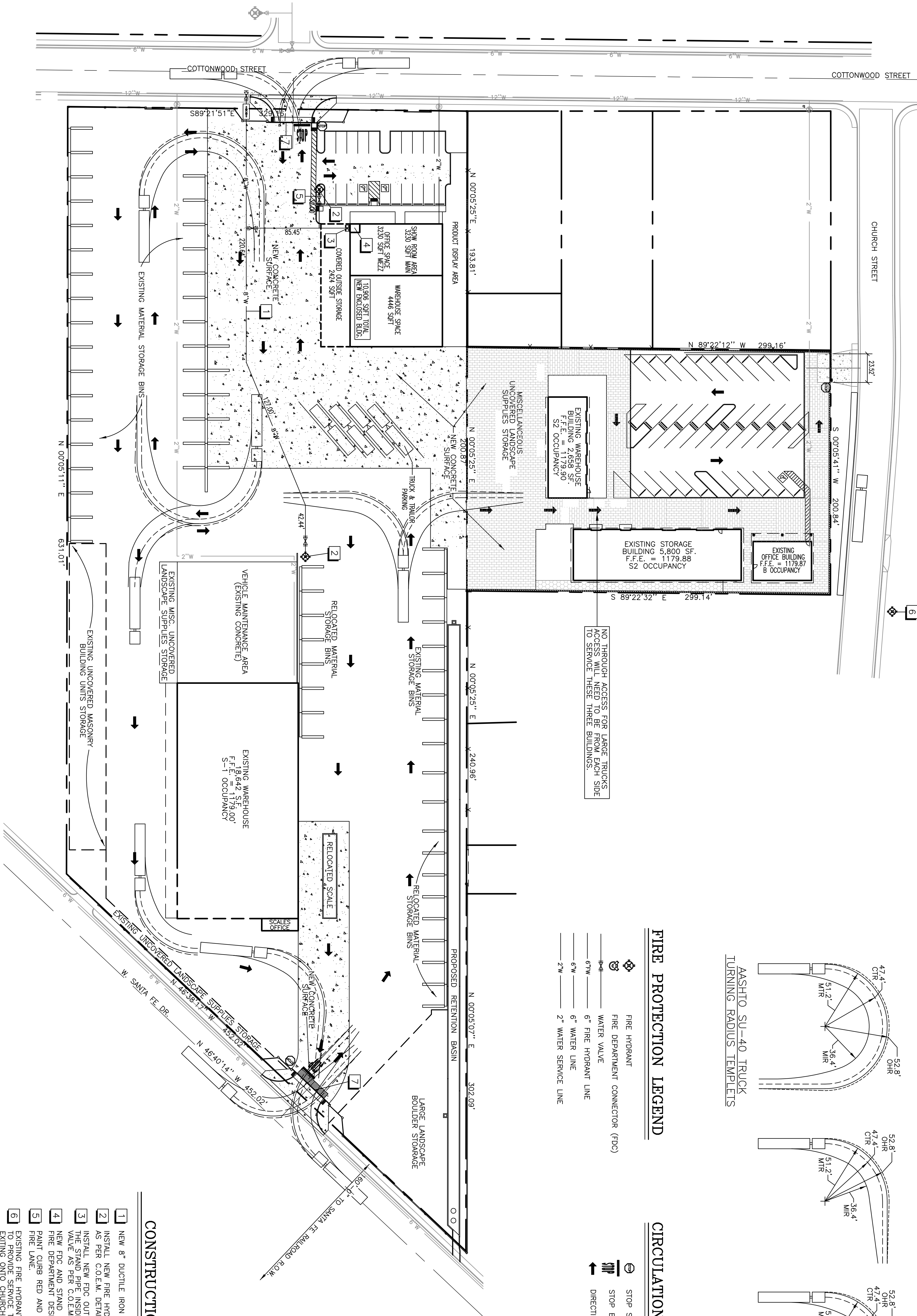


FIRE PROTECTION LEGEND

- FIRE HYDRANT
- FIRE DEPARTMENT CONNECTOR (FDC)
- WATER VALVE
- 6" FIRE HYDRANT LINE
- 6" WATER LINE
- 2" WATER SERVICE LINE

CIRCULATION LEGEND

- STOP SIGN
- STOP BAR
- DIRECTIONAL ARROW



CONSTRUCTION NOTES

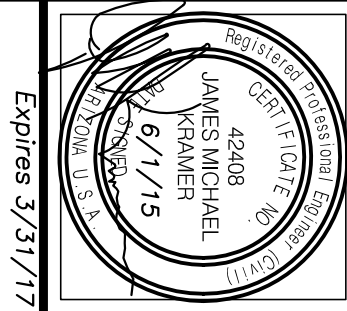
- NEW 8" DUCTILE IRON PIPE (CLASS 350)
- INSTALL NEW FIRE HYDRANT AND GATE VALVE AS PER C.O.E.M. DETAIL 360
- INSTALL NEW FDC OUT SIDE THE BUILDING WITH THE STAND PIPE INSIDE THE BUILDING AND GATE VALVE AS PER C.O.E.M. DETAIL 360
- NEW FDC AND STAND PIPE ROOM PER C.O.S. FIRE DEPARTMENT DESIGN REQUIREMENTS.
- PAINT CURB RED AND NO PARKING NOTED FOR
- EXISTING FIRE HYDRANT AND GATE VALVE TO PROVIDE SERVICE TO EAST BLOCK OF PROPERTY EXISTING ONTO CHURCH STREET.
- AUTOMATIC ENTRY GATE TO COMPLY WITH C.O.S. FIRE DEPARTMENT EMERGENCY ACCESS DETAIL BOOK CHAPTER 7 (AUTOMATIC GATES).



CIRCULATION AND FIRE PROTECTION PLAN OF GRAND MATERIALS & SUPPLY

12912 W. Santa Fe Dr.
Surprise, AZ 85378

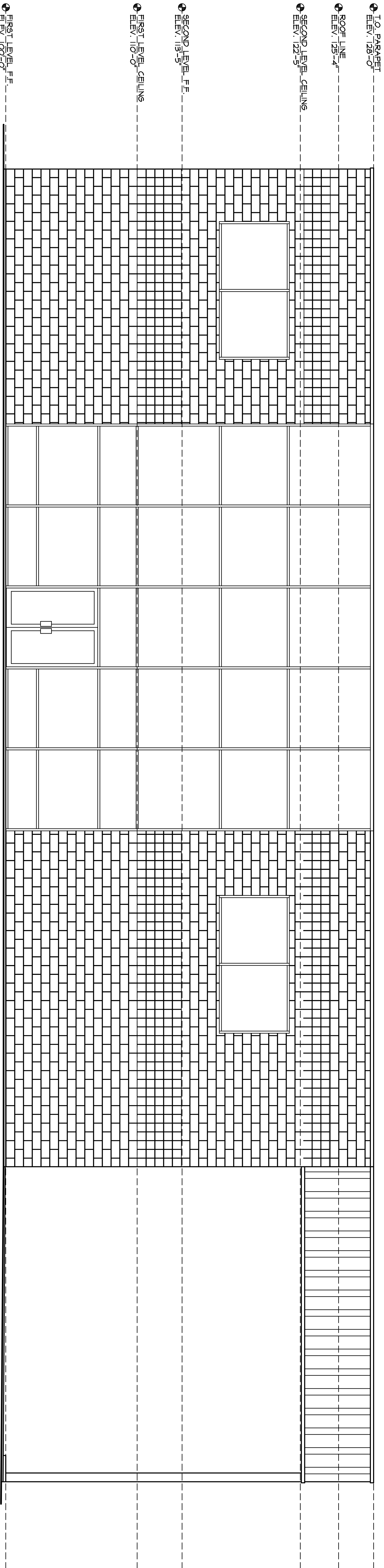
REVISIONS	BY
RESUBMITTAL	JMK
12/17/15	



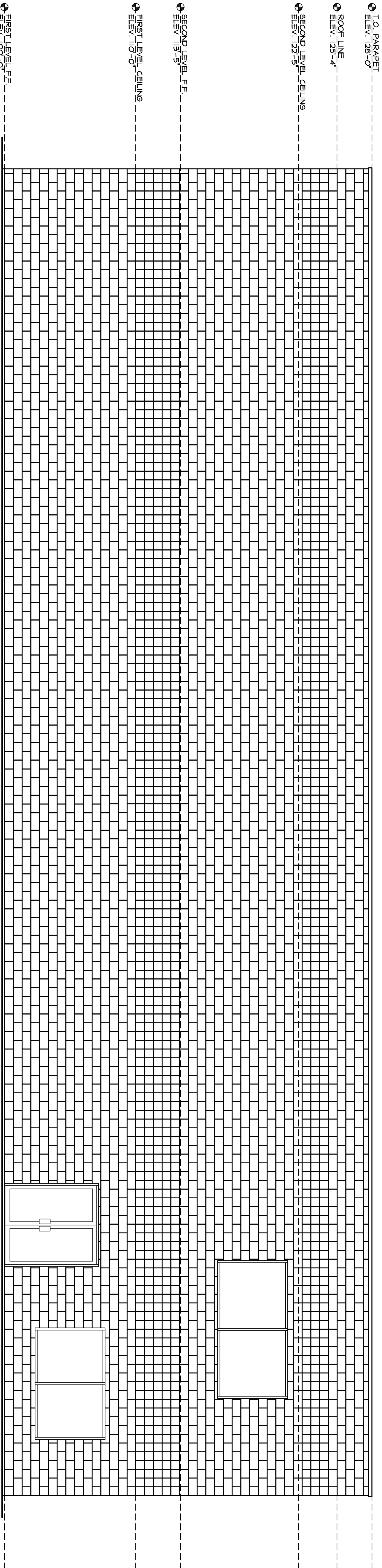
GRAND MATERIALS & SUPPLY
12912 W. Santa Fe Dr.
Surprise, AZ 85378

JMK & ASSOCIATES, Inc.
15421 N. 161st Ave.
Surprise, Arizona 85374
(623) 251-5148

Date 6/1/15
Scale AS SHOWN
Drawn JMK
Sheet C6.1

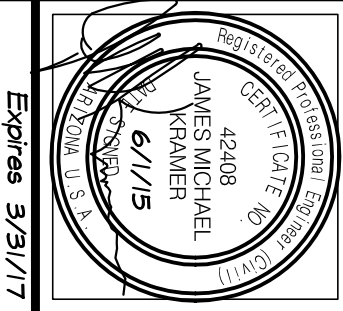


A FRONT ELEVATION
A2.1 SCALE: 1/4" = 1'-0"



B EAST ELEVATION
A2.1 SCALE: 1/4" = 1'-0"

REVISIONS		BY



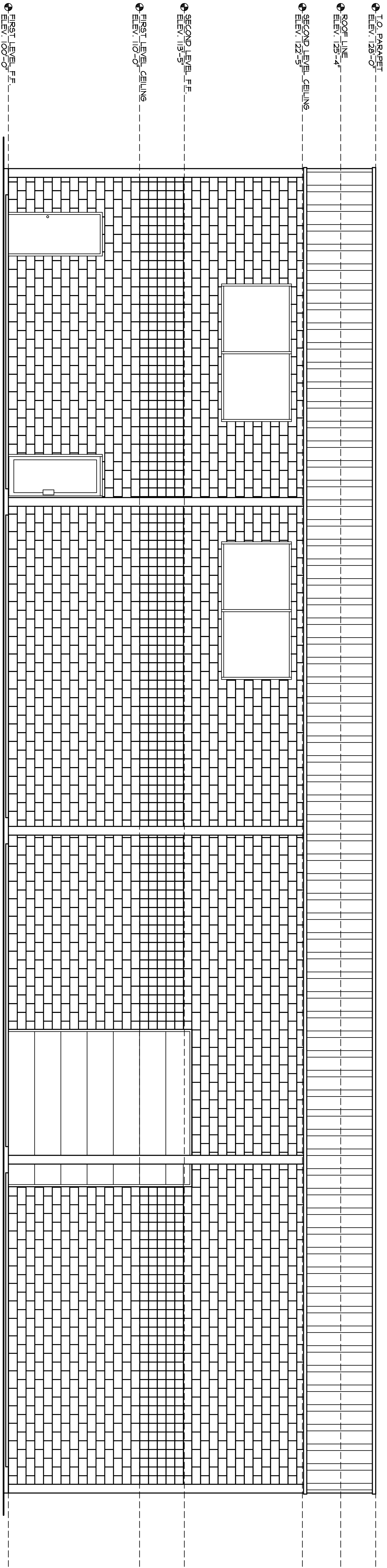
Expires 3/31/17

GRAND MATERIALS & SUPPLY
12912 W. Santa Fe Dr.
Surprise, AZ 85378

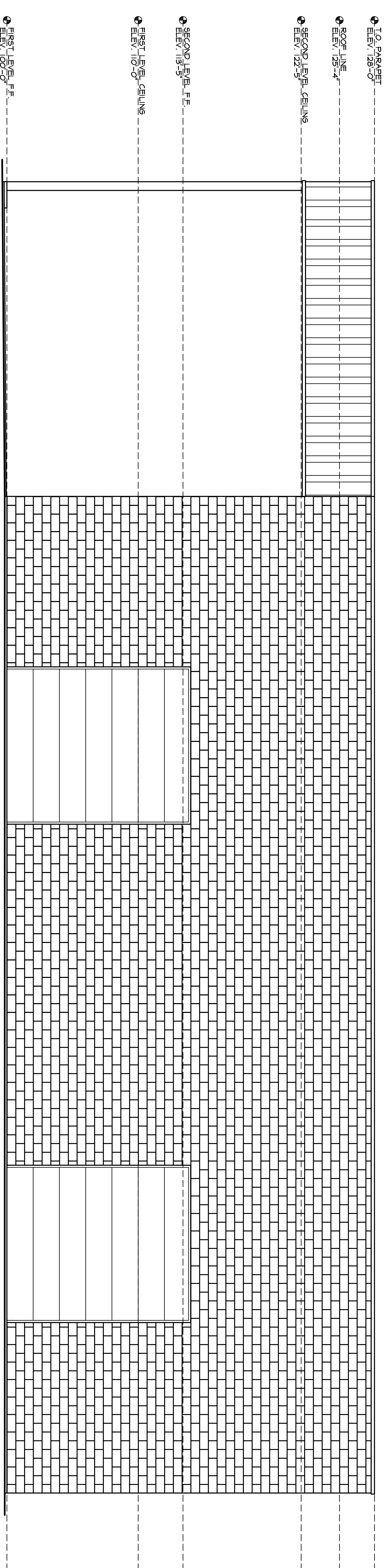
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Surprise, Arizona 85374
(623) 251-5148

Date 6/1/15
Scale AS SHOWN
Drawn JMK

Sheet
A2.1



A WEST ELEVATION
A2.2 SCALE: 1/4" = 1'-0"



B REAR ELEVATION
A2.2 SCALE: 1/4" = 1'-0"

REVISIONS		BY

THESE CONCEPTS & DRAWINGS
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AVENUE
SUITE 100
PHOENIX, AZ 85028
6/1/15
Expires 3/31/17

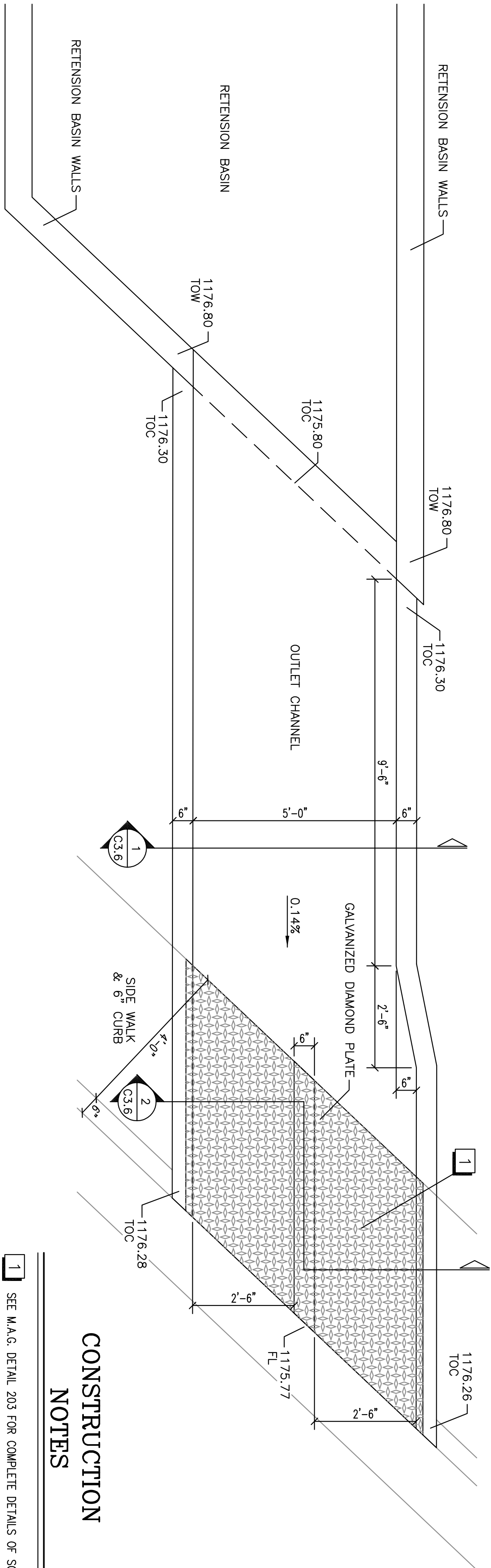
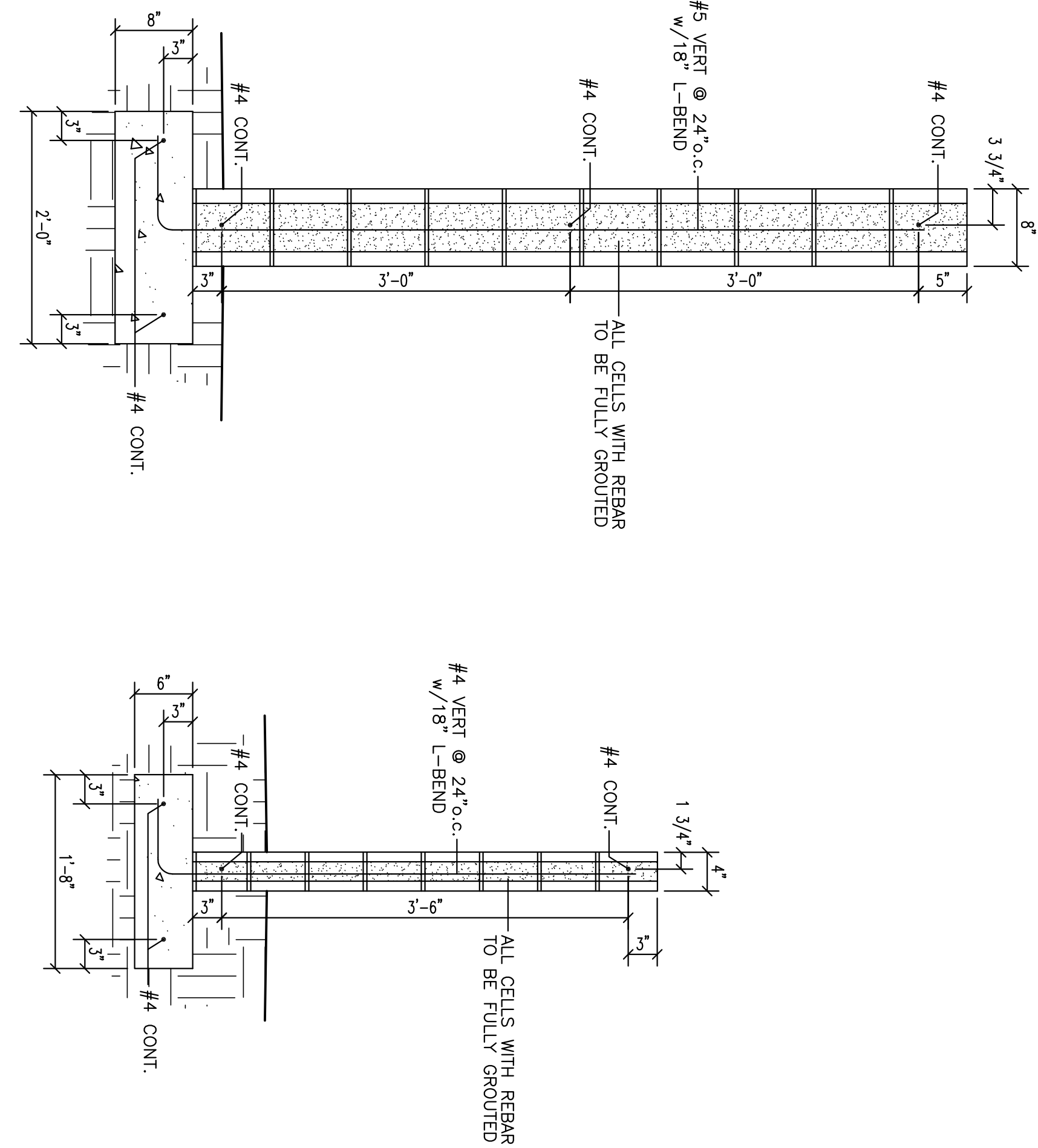
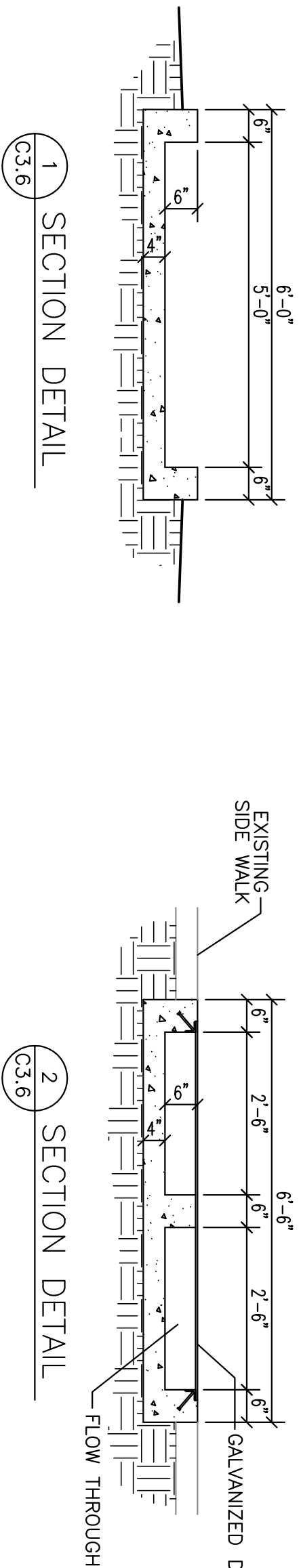
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GRAND
MATERIALS & SUPPLY



1 SEE MAG. DETAIL 203 FOR COMPLETE DETAILS OF SCUPPER

CONSTRUCTION NOTES

A-BLOCK WALL DETAIL

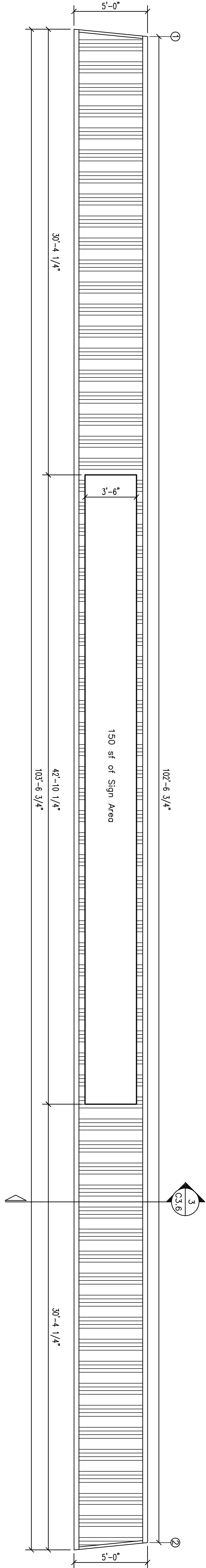
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B-BLOCK WALL DETAIL

SCALE: 1"=1'-0"

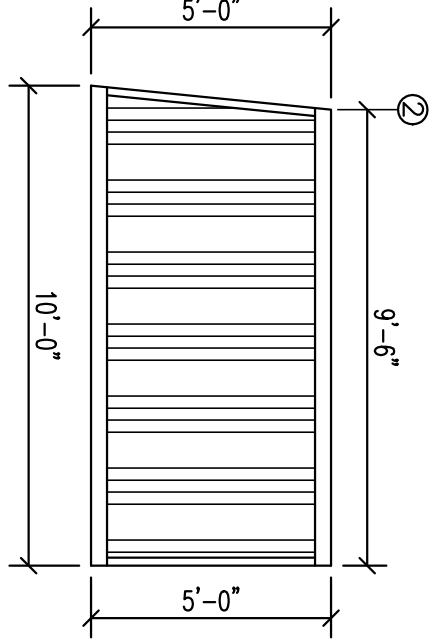
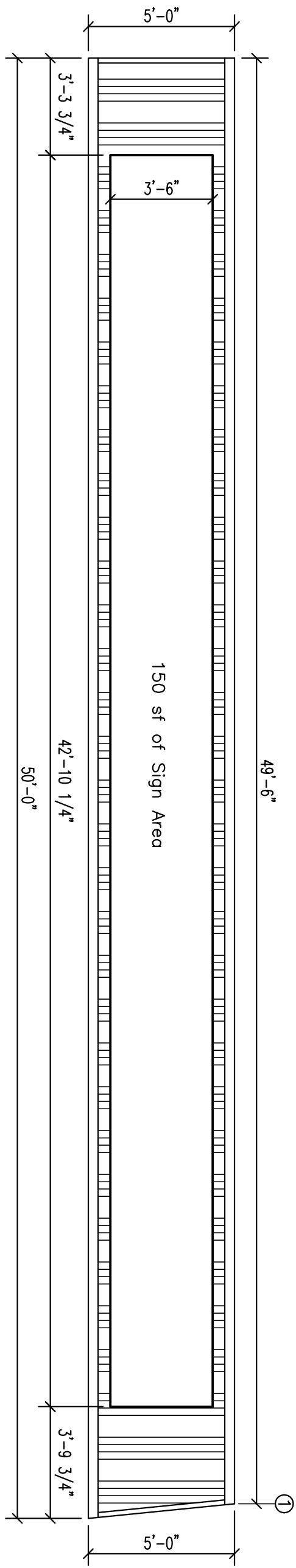
C-RETENSION BASIN OUTLET DETAIL

SCALE: 1/2"=1'-0"



D-MANSARD ROOF SOUTH ELEVATION

SCALE: 1/4"=1'-0"

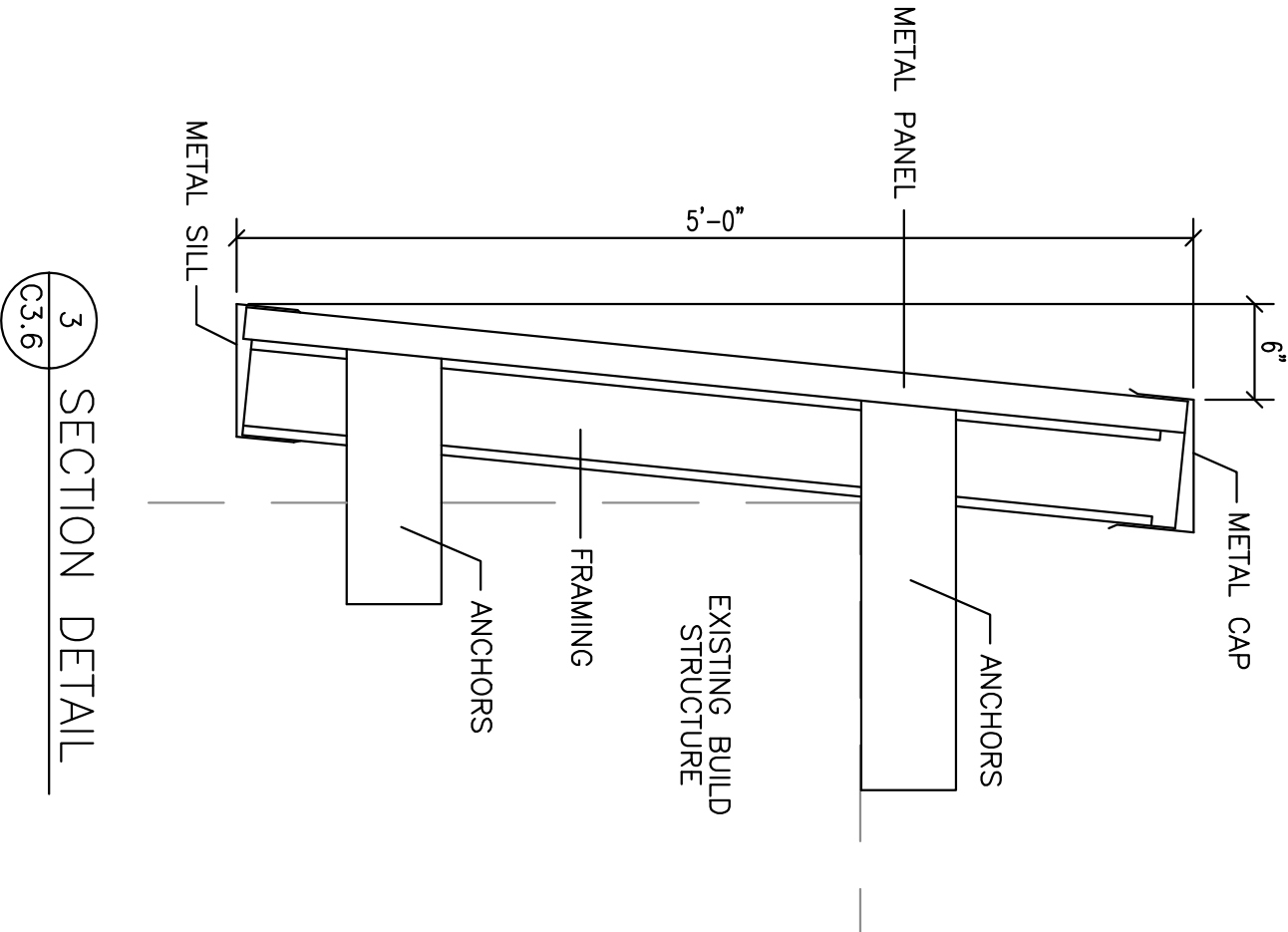


E-MANSARD ROOF WEST ELEVATION

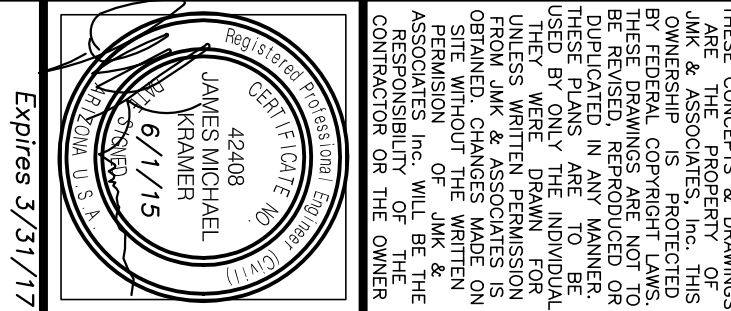
SCALE: 1/4"=1'-0"

F-MANSARD ROOF EAST ELEVATION

SCALE: 1/4"=1'-0"



REVISIONS	BY
RESUBMITTAL	JMK
1/22/16	



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C3.6

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LANDSCAPING NOTES

- ALL PLANTING BEDS SHALL BE CONSTRUCTED WITH WEED BARRIER FABRIC & TOP DRESSED WITH A MINIMUM 2 INCHES DEPTH OF REBEL ROCK MULCH.
- AMEND & TILL MINIMUM 6 INCH DEPTH ALL SOILS WHERE PLANTS ARE TO BE PLANTED. THESE AREAS SHALL RECEIVE A MINIMUM 4 CUBIC YARDS PER 1,000 S.F. OF COMPOSTED ORGANIC MATERIAL.
- JMK & ASSOCIATES, INC. SHALL NOT BE HELD RESPONSIBLE FOR THE MEANS, METHODS OR APPROPRIATENESS OF CONSTRUCTION OR SAFETY PROCEDURE CHOSEN BY ANY CONTRACTORS.
- ALL LANDSCAPED AREAS TO BE PROVIDED WITH IRRIGATION SYSTEM DESIGNED BY THE SELECTED LANDSCAPE CONTRACTOR.
- RECYCLED WATER FOR IRRIGATION SYSTEM NOT AVAILABLE FOR THIS SITE. PORTABLE WATER TO BE USED FOR LANDSCAPE PURPOSES.
- PURPLE PIPE SHALL BE USED FOR ALL IRRIGATION SYSTEM COMPONENTS. DUE TO THE USE OF METERED DOMESTIC WATER FOR IRRIGATION.
- THE IRRIGATION SYSTEM SHALL BE SET TO IRRIGATE DURING THE OFF (EVENING) HOURS.

CONSTRUCTION NOTES

- CONSTRUCT NEW RUMBLE STRIP FOR TRUCK EXITS.
- SEE DETAIL J/C3.5
- CONSTRUCT NEW RETURN TYPE DRIVEWAY WITH ATTACHED SIDEWALK AS PER C.O.S. DTL No. 3-09
- REBUILD RETURN TYPE DRIVEWAY WITH ATTACHED SIDEWALK AS PER C.O.S. DTL No. 3-09
- PROPOSED MOTOR OPERATED FENCE GATE.
- CONSTRUCT NEW CONCRETE DRIVE WAYS 6" THICK CONCRETE WITH AN 8" BASE AS PER THE SOILS REPORT.
- CONSTRUCT NEW 8" CMU PRIVACY WALL 6'-5" TALL AS PER DETAIL DRAWING No. A/C3.7
- TYPICAL PARKING SPACES 9'x18' WITH WHEEL CHOCKS AS INDICATED. (PAINTED ON COMPACTED CHIPPED ASPHALT)
- PROPOSED CHIPPED ASPHALT SURFACE 4" DEEP
- PROPOSED PAVERS TO BE INSTALLED
- CONSTRUCT NEW 4" CMU BARRIER WALL 3'-4" TALL AS PER DETAIL DRAWING No. B/C3.7
- PROPOSED 5' WIDE SIDEWALK AS PER M.A.G. DETAIL 230
- EXISTING 5' WIDE SIDEWALK
- EXISTING GATES TO BE INOPERABLE. THE GATES ARE OF SAME MATERIAL ADJACENT TO THEM AND WILL REMAIN.
- RIGHT TRIANGLE AS PER COS DTL. 4-02
- (PLANTS & BOULDERS NOT OVER 30" IN HEIGHT)

PLAN
SCALE: 20

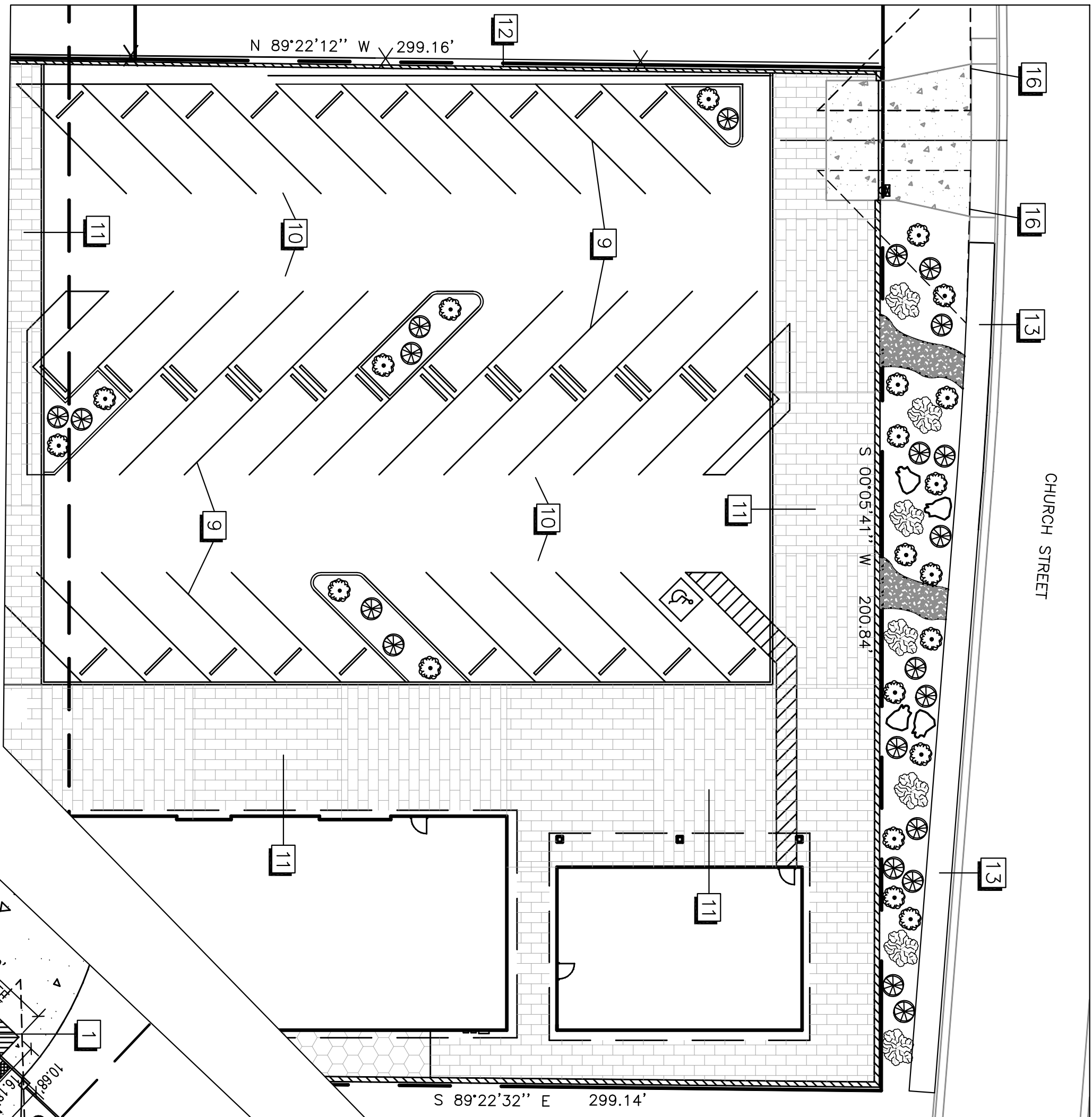
PLANTING GUIDE/LEGEND			
I.D. SYMBOL/PLANT TYPE/GENUS NAME	SIZE	NUMBER	
TREES			
SWAN HILL OLIVE OLEA EUROPAEA	24" BOX	16	
ORNAMENTAL GRASSES/ SHRUBS			
OLEANDER NERIUM OLEANDER	5 GAL.	64	
ROCK BOULDERS (ASSORTED SIZES)			
		4	

STREET SCOPE REQUIREMENTS
16-24" BOX TREES ARE REQUIRED/16 ARE PROVIDED
62-5 GAL. SHRUBS ARE REQUIRED/64 ARE PROVIDED
(OLEANDER SHRUBS ALREADY EXISTING)

PLAN
SCALE: 20

PLANTING GUIDE/LEGEND			
I.D. SYMBOL/PLANT TYPE/GENUS NAME	SIZE	NUMBER	
TREES			
SWAN HILL OLIVE OLEA EUROPAEA	24" BOX	16	
ORNAMENTAL GRASSES/ SHRUBS			
OLEANDER NERIUM OLEANDER	5 GAL.	64	
ROCK BOULDERS (ASSORTED SIZES)			
		4	

STREET SCOPE REQUIREMENTS
16-24" BOX TREES ARE REQUIRED/16 ARE PROVIDED
62-5 GAL. SHRUBS ARE REQUIRED/64 ARE PROVIDED
(OLEANDER SHRUBS ALREADY EXISTING)



PLAN
SCALE: 20

PLANTING GUIDE/LEGEND			
I.D. SYMBOL/PLANT TYPE/GENUS NAME	SIZE	NUMBER	
TREES			
DESERT WILLOW CHILOPSIS LINEARIS	24" BOX	7	
ORNAMENTAL GRASSES/ SHRUBS			
OLEANDER NERIUM OLEANDER	5 GAL.	21	
TEXAS RANGER SILVERLEAF LEUCOPHYLLUM FRUTESCENS	5 GAL.	21	
ROCK BOULDERS (ASSORTED SIZES)			
		4	

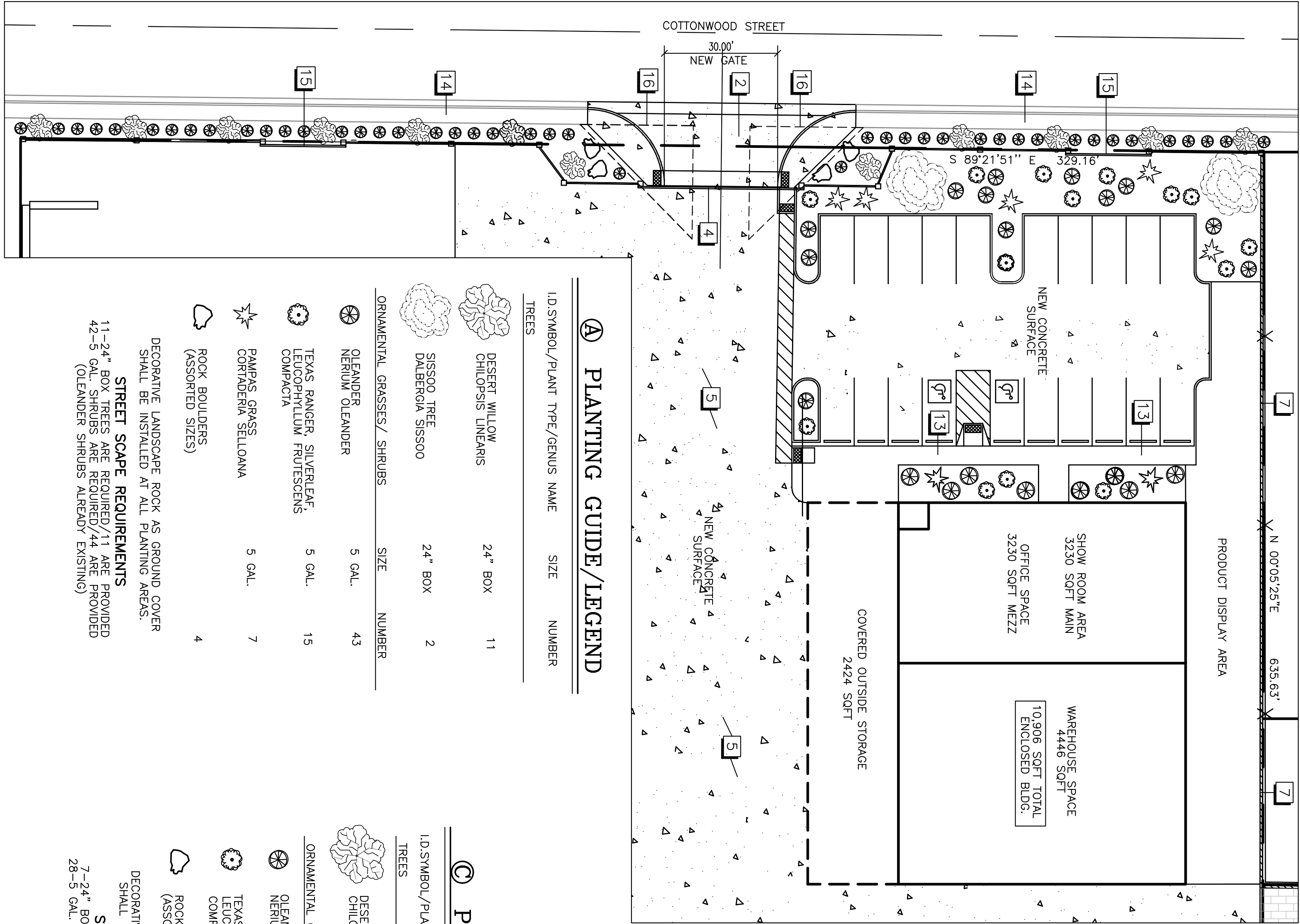
STREET SCOPE REQUIREMENTS
7-24" BOX TREES ARE REQUIRED/7 ARE PROVIDED
28-5 GAL. SHRUBS ARE REQUIRED/28 ARE PROVIDED

PLANTING GUIDE/LEGEND

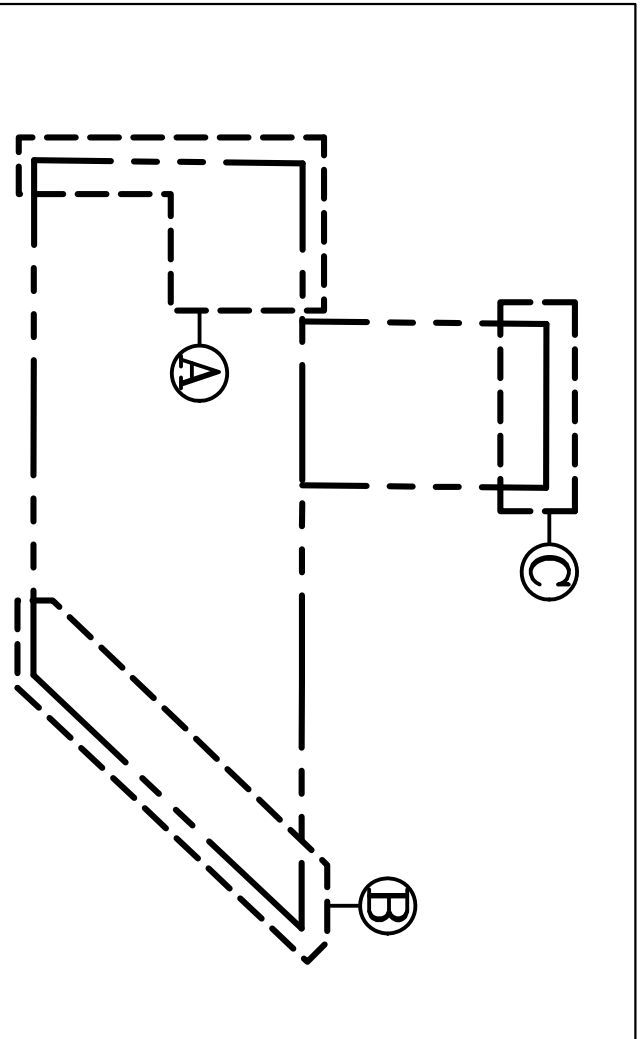
I.D. SYMBOL/PLANT TYPE/GENUS NAME	SIZE	NUMBER
TREES		
DESERT WILLOW CHILOPSIS LINEARIS	24" BOX	11
SISSOO TREE DALBERGIA SISSOO	24" BOX	2
ORNAMENTAL GRASSES/ SHRUBS		
OLEANDER NERIUM OLEANDER	5 GAL.	43
TEXAS RANGER SILVERLEAF LEUCOPHYLLUM FRUTESCENS	5 GAL.	15
PAMPAS GRASS CORTADERIA SELLOANA	5 GAL.	7
ROCK BOULDERS (ASSORTED SIZES)		
		4

STREET SCOPE REQUIREMENTS
11-24" BOX TREES ARE REQUIRED/11 ARE PROVIDED
42-5 GAL. SHRUBS ARE REQUIRED/44 ARE PROVIDED
(OLEANDER SHRUBS ALREADY EXISTING)

PLAN
SCALE: 20

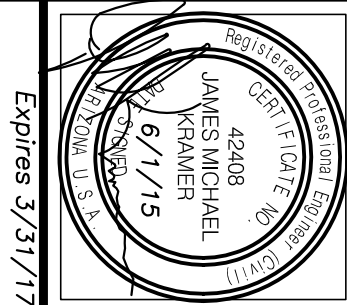


PLAN
SCALE: 20



SITE KEY

REVISIONS	BY
RESUBMITTAL 1/22/16	JMK



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L9.1



CITY OF SURPRISE
Planning and Zoning Commission

March 3, 2016 @ 6:00:00 PM

Back Print

Board Meeting Date:	March 3, 2016	Contact Person:	Robert Kuhfuss, Community Development
Submitting Department:	CD Boards and Commissions	District:	4
Staff Recommendations:	Approve		

Consent	Regular	Public Hearing	x	Report/Discussion
---------	---------	----------------	---	-------------------

Agenda Wording:

Consideration and action regarding a Major PAD Amendment/Rezone to the Canyon Ridge West PAD changing the zoning of the property from PAD (High Density Residential 9-22 DU/Ac) to PAD (Community Commercial).

Motion:

Move to recommend approval to the City Council of the proposed Major PAD Amendment/Rezone from PAD (High Density Residential 9-22 DU/Ac) to PAD (Community Commercial), subject to stipulations 'a'-'c' as presented by staff.

Background:

Brian Greathouse of Burch and Cracchiolo, on behalf of 115th Avenue and Bell Road, LLC and QuikTrip Corporation, seeks approval of a Major PAD Amendment / Rezone to change the zoning of the subject property from PAD (High Density Residential 9-22 DU/Ac) to PAD (Community Commercial) for the ultimate purpose of extending a driveway from the existing QT Mart west to 115th Avenue, while adding one (1) freestanding monument sign where said driveway will meet 115th Avenue. The proposed action anticipates a future site plan amendment together with a final plat prior to either the driveway or sign construction.

Financial Impact Statement:

All activity related to ongoing development of the City of Surprise has an economic and fiscal impact on the city and the region.

ATTACHMENTS:

[Click to download](#)

- ☐ [FS15-506 - Quiktrip 0494 Rezone - Public Engagement Form](#)
- ☐ [00 FS15-506 PADA 03-03-16 PZ Staff Report](#)
- ☐ [01 - FS15-506 - Quiktrip 0494 Rezone - Vicinity Map](#)
- ☐ [02 - FS15-506 - Quiktrip 0494 Rezone - Case Map](#)
- ☐ [03 - FS15-506 - Quiktrip 0494 Rezone - PADA/Zone Change Narrative w/exhibits](#)
- ☐ [04 - FS15-506 - Quiktrip 0494 Rezone - Presentation](#)

External Attachment Links:

Meeting Requirements:

Powerpoint x Video x White Board x Other x

Presentation Speaker Names (spelling and titles for TV captions):

Robert H. Kuhfuss, Planner II

Eric Fitzer, Director

PUBLIC ENGAGEMENT FORM

PROJECT TITLE: Quik Trip Major PAD Amendment /Rezone

OVERALL PUBLIC INVOLVEMENT LEVEL:

This activity will follow the citizen outreach and public hearing notification processes as outlined in state statute and the SUDC.

IDENTIFY STAKEHOLDERS:

Impacted residents; schools; churches; businesses; public at-large; property owners?

OBJECTIVES:

What is the purpose of the project/service/program and why is it needed? What are the impacts if the project/service/program is not achieved?

PUBLIC ENGAGEMENT STRATEGIES & TOOLS:

Public Engagement & Project timeline:

Public outreach time frame (when to when)

Future Council Work Session/Meetings target dates

Election dates (if applicable)

Project start/completion dates

Communication Tools and Technique options: (which do you plan to use?)

- ☐ Press releases
- ☐ Public meetings (video/photos, poster boards, fact sheet(s) *do you need Spanish version?)
- ☐ Presentations to boards and commissions, other interested community partners/stakeholders
- ☐ Third-party consultant/moderator (pending budget)
- ☐ Survey (online/paper/both?)
- ☐ Social media
- ☐ Surprise 11
- ☐ Notify Me email/ Council newsletters (opt-in audience)
- ☐ Paid advertising (pending budget)
- ☐ Surprise Progress (mailed quarterly and tied to print deadlines)
- ☐ Booth at city events
- ☐ Paid mailings (pending budget)
- ☐ Creation of a subcommittee/task force
- ☐ Youth/adult activities, registration, or orientation (HOA Academy)
- ☐ Website updates

MAJOR PAD AMENDMENT/REZONE

REPORT TO THE PLANNING AND ZONING COMMISSION

Case: FS15-506

Project Name: Quik Trip Major PAD Amendment/Rezone

Council District: 4

Meeting Date: March 3, 2016

Planner: Robert H. Kuhfuss, AICP

Owner: 115th Avenue and Bell Road, LLC

Applicant: Brian Greathouse of Burch and Cracchiolo on behalf of 115th Avenue and Bell Road, LLC and QuikTrip Corporation

Request: Major PAD Amendment/Rezone to the Canyon Ridge West PAD changing the zoning of the property from PAD (High Density Residential 9-22 DU/Ac) to PAD (Community Commercial)

Site Location: Northeast corner of 115th Avenue and Bell Road

Site Size: 3.06 gross acres / 2.32 net acres (approx.)

Density: N/A

General Plan Conformance: The proposal is consistent with the Surprise General Plan 2035

Support/Opposition: None known

Staff Recommendation: Staff recommends the Commission move to recommend **approval** of the proposed Major PAD Amendment/Rezone to the City Council, subject to stipulations 'a'- 'c'.

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49 **Background:**

50
51 **August 28, 1997:** The City Council approved the original Canyon Ridge PAD under case PAD97-006.

52
53 **August 1, 2001:** The City Council approved a Major PAD Amendment to Parcel 5 of the Canyon
54 Ridge PAD for the purpose of revising the land use from High Density Residential to Low Density
55 Residential under case PADA00-101.

56
57 **April 28, 2005:** The City Council approved a Major PAD Amendment to Parcel 4 and portions of
58 Parcels 2 and 3 of the Canyon Ridge PAD for the purpose of revising the land use from Community
59 Commercial and Multi-Family Residential to Single-Family Residential under case PADA04-349.

60
61 **September 27, 2007:** The City Council approved a Major PAD Amendment for the purpose of
62 changing the land use of the subject property from Community Commercial to High Density
63 Residential to accommodate The Seasons at Surprise Apartments under case PADA07-118.

64
65 **September 3, 2015:** Staff met with the applicant to discuss the subject project during a regularly
66 scheduled Concept Review meeting under CR15-329.

67
68 **December 1, 2015:** The City Council approved a Major PAD Amendment / Rezone and related
69 Preliminary Plat for Garrett/Walker Homes under case FS15-205.

70
71 **December 11, 2015:** The applicant filed a request for a Major PAD Amendment / Rezone to the
72 Canyon Ridge PAD under case FS15-506, the subject case.

73
74 **January 12, 2016:** Garrett-Walker Homes submitted an application for the Southgate at Canyon
75 Ridge Final Plat.

76
77 **January 28, 2016:** The applicant held a neighborhood outreach meeting to discuss the project.

78
79 **Citizen Outreach:**

80
81 The site was posted and advertised in accordance with the SUDC. As noted above, the applicant
82 held a Citizen Review meeting on January 28, 2016. Two local residents were in attendance who
83 offered no objections to the request.

Analysis and Discussion:

The subject property is located immediately to the west of the existing QT Mart located near the northeast corner of Bell Road and 115th Avenue, and is currently undeveloped except for certain infrastructure relating to regional drainage as well as several power lines. In addition, the site is significantly encumbered by a number of electrical and drainage easements. As such, the site is unsuited for development under its current multi-family zoning.

Since the site lies between the existing QT Mart and 115th Avenue, and is otherwise unsuited for most development, an opportunity exists to extend access from the existing QT Mart to 115th Avenue in order to capture some of the southbound traffic present on 115th Avenue. The applicant would also like to ultimately erect a freestanding monument sign where the new driveway meets 115th Avenue. A conceptual site design is included in Exhibit 2 of the attached narrative report and will be finalized at a later date through a separate major site plan application. Staff notes that the cities of Surprise, El Mirage, Peoria and Maricopa County are in the process of finalizing their design for a regional drainage feature that will bisect the subject site. Any future site design with respect to the driveway and any signage will take the Flood Control project into consideration.

As currently configured, any signs erected on the property would essentially be considered off-premise signage, which is not permitted within the City of Surprise. To remedy this situation, the applicant will bring a separate final plat application forward that will combine the subject property with the existing QT Mart property at a later date.

Staff also notes that the preliminary site plan included as Exhibit 2 of the Narrative, anticipates approximately 7.5' of landscaping to be located between the northern edge of the future sidewalk and the adjacent Lot 23 of the Southgate at Canyon Ridge subdivision, which was added in order to provide a buffer between the driveway and the adjacent lot.

Utility and Services Table:

Electric:	APS
Water:	EPCOR
Wastewater:	EPCOR
Refuse:	City of Surprise
Natural Gas:	SWG
Irrigation:	N/A
Schools:	Dysart USD #89

113 **Conformance with Adopted Plans:**

114
115 **Surprise General Plan 2035:** The Surprise General Plan 2035, as recently amended, shows the
116 subject property as lying within the Neighborhood Character Area, which supports convenience
117 uses such as what exists to the east of the site and reinforced by the subject proposal. The subject
118 property also lies within the Transit Oriented Development Sub Area. Although the proposed
119 rezone does little to enhance the goals and policies of the Sub Area, the proposed PAD Amendment
120 does not conflict with those goals and policies.

121
122 **Reviewing Agencies:**

123
124 The subject request was routed to the standard city reviewing agencies, in addition to Luke Air
125 Force Base, Maricopa Water District, Arizona Department of Transportation, and Arizona Public
126 Service who indicate no objections to the requests.

127
128 **Summary:**

129
130 Staff believes the proposed Major PAD Amendment/Rezone will create the zoning that will allow
131 the adjacent convenience market access to 115th Avenue in manner that does not interfere with
132 proposed regional drainage improvements to occur on said property, while providing a buffer
133 between the future driveway and future residential development to the north.

134
135 **Findings:**

- 136
137
 - The proposed Major PAD Amendment is consistent with the Surprise General Plan 2035.
 - The reviewing agencies have indicated no objections to the request.

138
139
140 **Recommendation:**

141
142 Based on the findings noted above, staff recommends the Commission move to recommend
143 **approval** of the proposed Major PAD Amendment/Rezone under case **FS15-506** to the City Council,
144 subject to stipulations 'a' through 'c' as outlined below:

- 145
146
 - a. Development and use of the site shall be consistent with the PADA/Zone Change document
147 entitled "Canyon Ridge West PAD Amendment for QuikTrip" consisting of eleven (11)
148 pages including exhibits, dated revised January 22, 2016 and stamped received January 22,
149 2016, except as modified by the following stipulations.
 - b. Non-compliance with the stipulations of approval of this case will be treated as a violation in
150 accordance with the provisions of Article XIV of the Surprise Unified Development Code.

- 154 c. The Property owner and successors waive claim for diminution of in value if the City takes
155 action to rescind approval of this zone change request due to non-compliance with the
156 stipulations of approval.

157
158 However, should the Commission wish to recommend denial of the request, the Commission
159 should make its own findings and base its decision on those alternative findings.

160
161 **Attachments:**

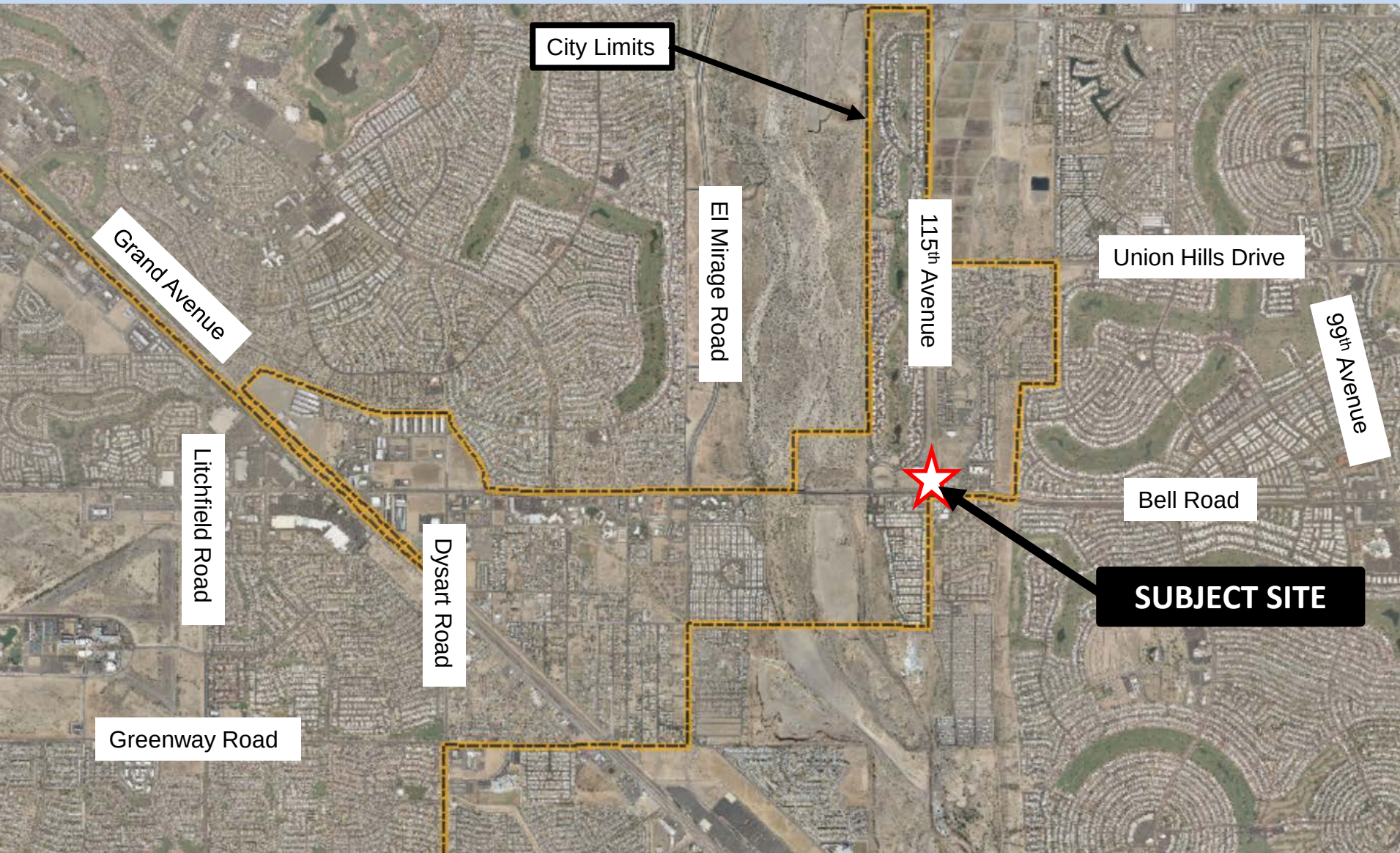
162
163 01 – Vicinity Map (1 page)

164 02 – Case Map (1 page)

165 03 – PADA/Zone Change Narrative w/ Exhibits (11 pages)

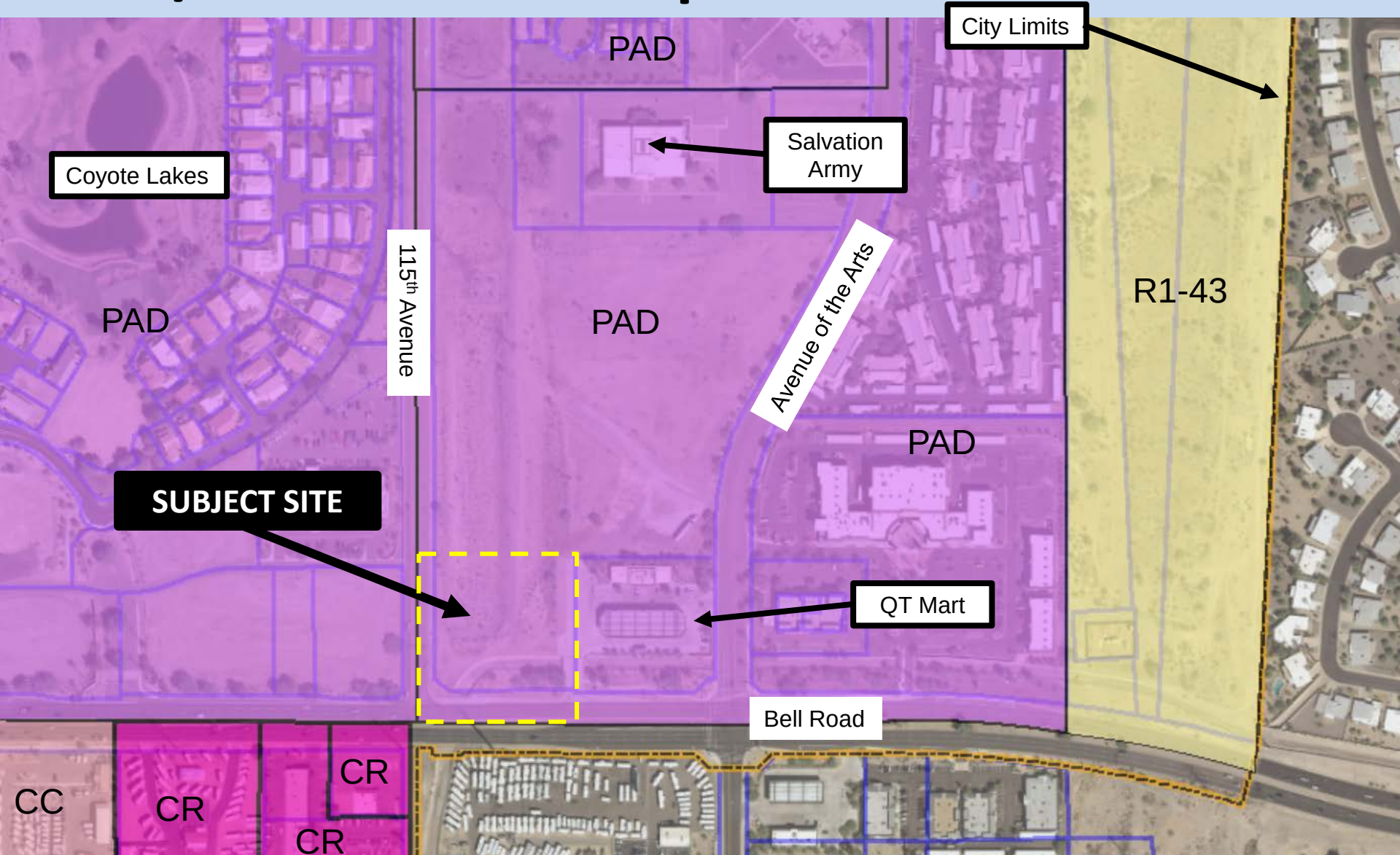
FS15-506 Quik Trip at Canyon Ridge West

Vicinity Map



FS15-506 Quik Trip at Canyon Ridge West

PADA/Rezone Case Map



Canyon Ridge West PAD Amendment For QuikTrip

Case No. FS15-506

**Northeast Corner of 115th Avenue and Bell Road
Surprise, Arizona**

Applicant: Brian Greathouse
Burch & Cracchiolo, P.A.
702 E. Osborn Road, Suite 200
Phoenix, Arizona 85383

Owner: 115th Avenue & Bell Road, LLC
2828 N. Central Avenue, Suite 1110
Phoenix, Arizona 85004

December 11, 2015
1st Revision: January 22, 2016

CANYON RIDGE WEST PAD AMENDMENT

A. INTRODUCTION AND OVERVIEW

The subject of this PAD amendment is approximately 3.06 gross acres (2.24 net acres) located at the northeast corner of 115th Avenue and Bell Road (“Site”). See Aerial Map at **Exhibit 1**. QuikTrip Corporation (“QT”) is requesting an amendment to the Canyon Ridge West Planned Area Development (“PAD”) to allow the development of a private driveway across the Site that connects QT’s existing gas station and convenience store (“QT Store”) to 115th Avenue and to allow the installation of a new QT sign along 115th Avenue (“QT Sign”). See Conceptual Site Plan at **Exhibit 2**.

The Site is within Parcel 1 of the Canyon Ridge West PAD. Parcel 1 is split into three “Lots.” Lot 1 is the 1.5 acre QT Store Site. Lot 2 is 13.80 acres that was recently rezoned from High Density Residential to Single Family Residential by Garrett Walker Homes. Lot 3 is the subject of this PAD Amendment. See “Current” Land Use Map at **Exhibit 3**. A PAD Amendment was approved in 2007, changing the land use designation on Lot 3 from Community Commercial to High Density Residential. This PAD Amendment seeks to change Lot 3 back to its original Community Commercial land use designation to allow the development of QT’s proposed driveway and monument sign. See “Proposed” Land Use Map at **Exhibit 3**. Prior to issuance of any building permits relating to the QT Sign, QT will complete the City’s site plan review process and combine the Site with APN 200-13-016V (the existing QT Store) through the Final Plat process.

B. EXITING CONDITIONS

1. **Surrounding Area.** The Site is bounded on the north by Lot 2, which was recently rezoned to Single Family Residential. The Site is bounded on the east by the existing QT Store. The Site is bounded on the south and west by Bell Road and 115th Avenue, respectively.
2. **Current Land Use and Zoning within the PAD.** The land uses within the PAD have evolved since its approval in 1997. Parcels 5 and 6 are completed single family residential communities. Parcel 3 is the location of a small community church (Community Commercial) and a partially completed single family residential community. Parcel 4 is a partially completed single family residential community. Parcel 2 is the location of a Salvation Army store (Community Commercial). Parcel 7 is the location of the Canyon Ridge Apartments (High Density Residential). Parcel 8 is the location of the Bell Mar Retail Center (Community Commercial). Parcel 1, Lot 1 is the location of the QT Store (Community Commercial). Parcel 1, Lot 2 is vacant land proposed to be developed with single family homes on the east portion of the Parcel/Lot by Garrett Walker Homes.
3. **Physical Features.** This vacant Site is primarily vegetated with sagebrush, bushes and other small ground cover. There are 3 separate overhead APS transmission and distribution lines running north-south within a 224 feet wide electric easement along the west portion of the Site. There is an existing shared driveway with various access easements and parking easements along the east property line of the Site. There is an existing 32 feet wide water easement running north-south down the middle of the Site. There is also an existing concrete drainage channel located on the south portion of the Site.

C. AMENDMENT TO THE PAD FOR PARCEL 1, LOT 3

1. **Existing Land Use and Zoning.** The purpose of this request is for approval to amend the Canyon Ridge West PAD to allow the development of a private driveway across the Site that connects QT's Store to 115th Avenue and to allow the installation of a new freestanding QT monument sign along the east side of 115th Avenue. The land use designation on the Site was changed from Community Commercial to High Density Residential in 2007. Since then, the Site has sat vacant with no development potential given the existing drainage channel, water easement, and overhead APS electric lines.
2. **Proposed Land Use and Zoning.** An amendment to the PAD from High Density Residential to Community Commercial on the Site will allow for the best use of this challenging, vacant Site. QT intends to construct a private driveway across the Site and install a new freestanding monument sign along the east side of 115th Avenue.

D. CIRCULATION

1. **Vehicular Circulation.** Traffic circulation will be improved on the Site with the additional driveway connecting the QT Store to 115th Avenue. This additional driveway will allow the QT Store to operate with three access points (115th Ave., Bell Road, and Avenue of the Arts), providing excellent vehicular circulation.
2. **Pedestrian Circulation.** There are currently no pedestrian walkways from 115th Avenue to the QT Store or the Bell Mar retail shopping center. The proposed private driveway will include a new sidewalk along the north side, providing a pedestrian connection to/from 115th Avenue.

E. DEVELOPMENT STANDARDS

The Development Standards applicable to the Site shall be in accordance with the Community Commercial Development Standards provided in the Canyon Ridge West PAD, except as modified as follows:

1. **Signage.**
 - a. **Location.** QT shall be allowed to install one freestanding monument sign along 115th Avenue. See Conceptual Monument Sign at **Exhibit 4**.
 - b. **Size.** The reader panel area of the QT Sign shall not be greater than 66% of the total face area of the sign.
 - c. **Setbacks.** The QT sign shall be setback from the west property line of the Site by a minimum of 5 feet, which is necessary given the proximity to the large drainage corridor and retention requirements on the west portion of the Site.

Exhibit 1 – Aerial Map



N 115th Dr

N 115th Ave

SITE

QuikTrip

Hurricane Grill & Wings

Ave of the Arts

Apartments

Butcher Bob's

W Bell Rd

Tom's Camperland

Orangewood RV Center

N 114th Ave

W Bell Rd

W Brenda Lynne Ln

Rose Garden Mobile Home Resort

Sierra Dr

Mirand

th Ave

Google

W Amber Trail

N 113th Ave

Exhibit 2 – Conceptual Site Plan

Exhibit 3 – Land Use Map

PROPOSED



PROPOSED PAD LAND USE TABLE		
PARCEL	USE	AREA (AC)
1, LOT 1	COMMUNITY COMMERCIAL	1.50
1, LOT 2	SINGLE FAMILY RESIDENTIAL	13.80
1, LOT 3	COMMUNITY COMMERCIAL	2.32
2	COMMUNITY COMMERCIAL	9.57
3	COMMUNITY COMMERCIAL	3.74
3	SINGLE FAMILY RESIDENTIAL	5.45
4	SINGLE FAMILY RESIDENTIAL	23.27
5	SINGLE FAMILY RESIDENTIAL	42.12
6	SINGLE FAMILY RESIDENTIAL	112.38
7	HIGH DENSITY RESIDENTIAL	10.20
8	COMMUNITY COMMERCIAL	10.07

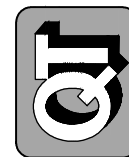
SHEET NUMBER:
1 of 1

Exhibit 3 – QT Sign

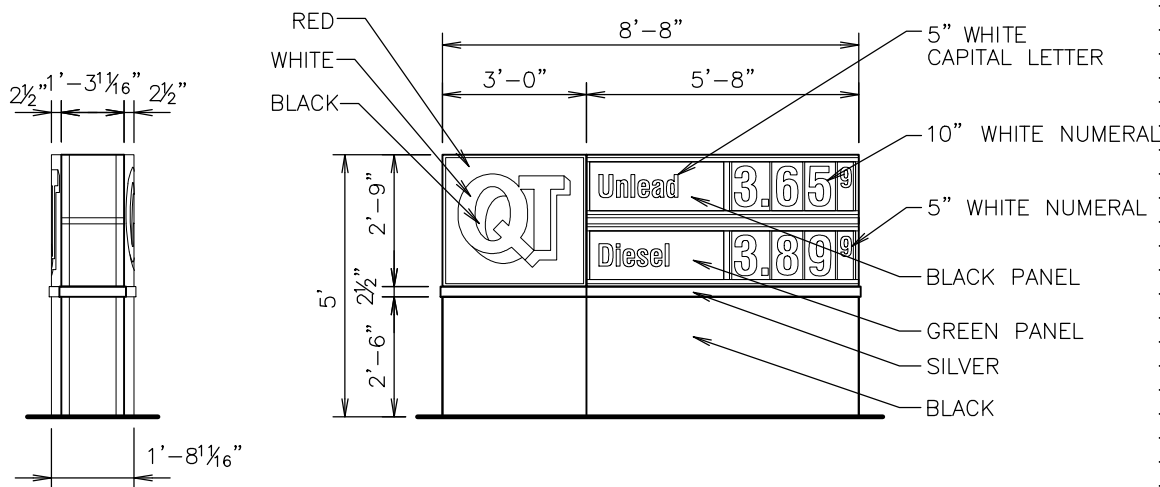


QuikTrip.

4705 S. 122nd, L. Ave. - Tulsa, OK 74134-7008
P.O. Box 1477 - Tulsa, OK 74116-0147
918.685.1000
918.685.1002



Horizontal Monument Sign MH10-2P24SF



SPECIFICATIONS:

Logo: Flat Solar grade, Clear Cyro Face, .177 thickness, painted on 2nd surface to match 3M Cardinal Red Translucent #3632-53, Akzo Nobel, no embossment.

Unlead Panel: .177" thickness Cyro Acrylic with 1/4" Radius Corners. Panels are painted 2nd Surface with Akzo Noble Opaque Black Background with Translucent White Text

Diesel Panel: .177" thickness Cyro Acrylic with 1/4" Radius Corners. Panels are painted 3M 3632 GPS-26 Green with Matching PMS #349C Green with Translucent White Text

Logo Cabinet/Pricer Cabinet/Base: Aluminum Construction, Internally illuminated with GE Tetra PowerStrip DS65/GE PS24 Power Supplies. LOGO Cabinet painted Akzo Noble, QT Red SIGN9141 Low Gloss. Pricer Cabinet and Base painted Akzo Noble Black Low Gloss. Accent Trim section painted 1st surface Akzo Noble Silver-Low Gloss.

NOTES

DRAWN BY

ISSUE DATE 12/3/14

SQUARE FOOTAGE

TYPEFACE

INSIDE CAN

ENTIRE SIGN

24

SCALE:

1/4" = 1'-0"

SERIAL NUMBER:

MH10-2P24SF

STORE NUMBER:

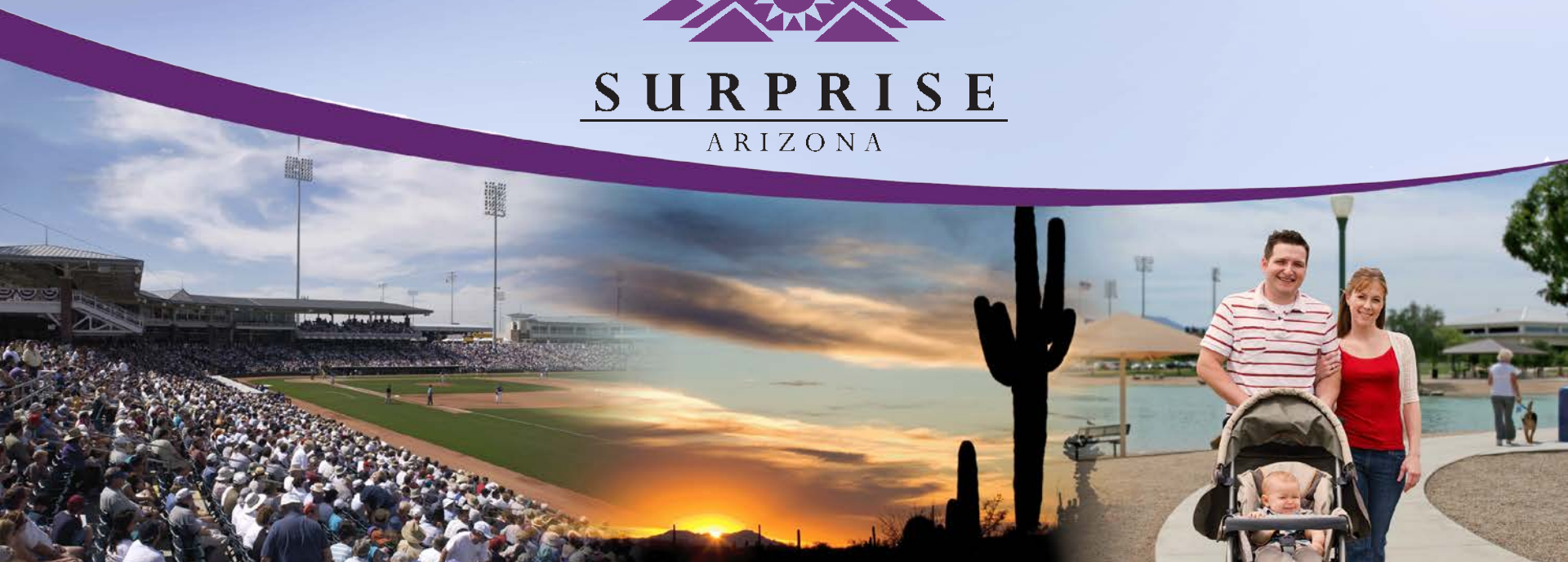
FS15-506

Quik Trip at Canyon Ridge West Major PAD Amendment / Rezone Planning and Zoning Commission Regular Session

March 3, 2016

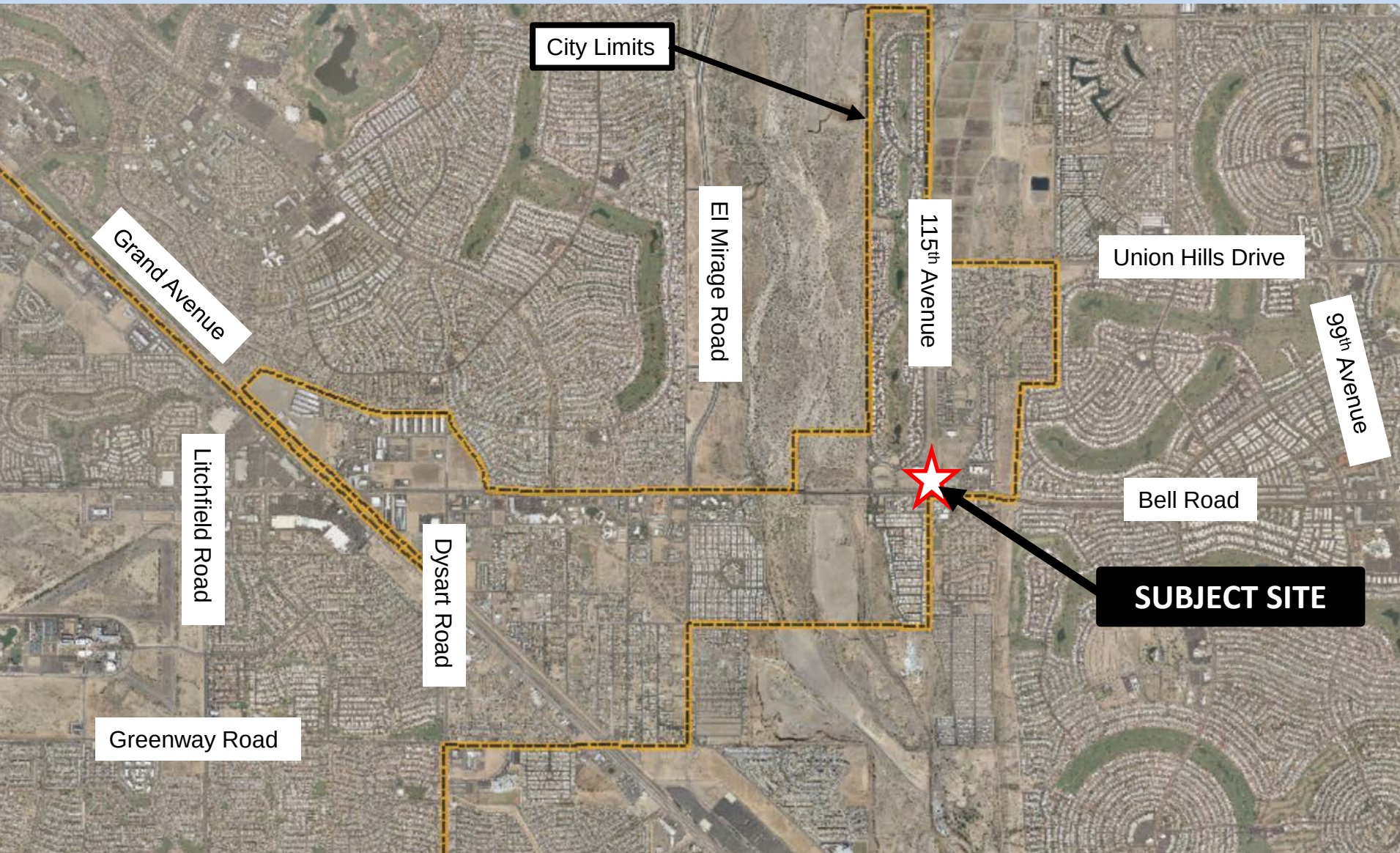


SURPRISE
ARIZONA



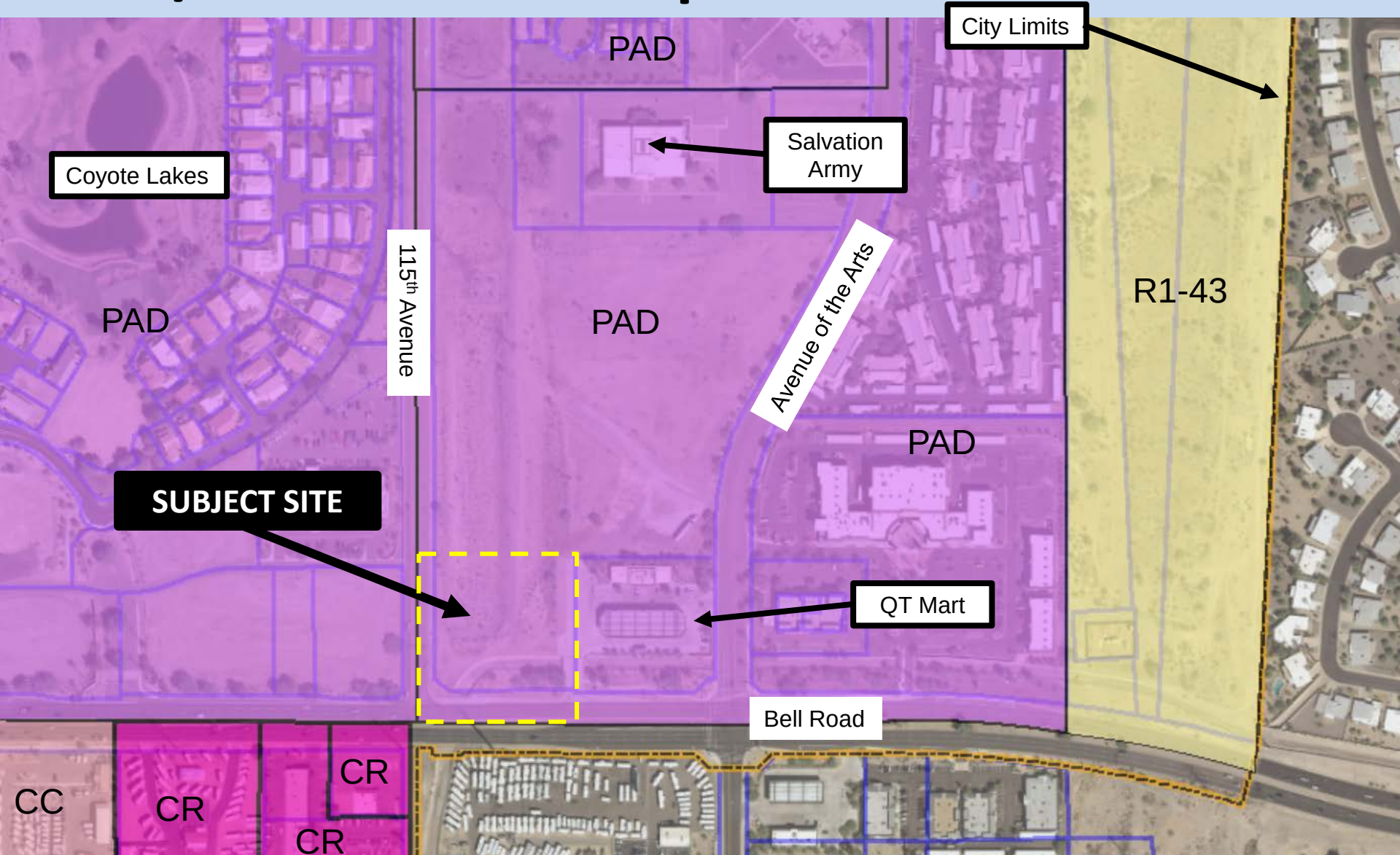
FS15-506 Quik Trip at Canyon Ridge West

Vicinity Map



FS15-506 Quik Trip at Canyon Ridge West

PADA/Rezone Case Map



FS15-506 Quik Trip at Canyon Ridge West



LAND USE MAP CANYON RIDGE WEST PAD AMENDMENT FOR QUIKTRIP



ORIGINAL



ORIGINAL PAD LAND USE TABLE		
PARCEL	USE	AREA (AC)
1	COMMUNITY COMMERCIAL	16.41
2	COMMUNITY COMMERCIAL	16.76
3	HIGH DENSITY RESIDENTIAL	9.19
4	COMMUNITY COMMERCIAL	23.27
5	HIGH DENSITY RESIDENTIAL	42.12
6	SINGLE FAMILY RESIDENTIAL	112.38
7	HIGH DENSITY RESIDENTIAL	10.20
8	COMMUNITY COMMERCIAL	10.07

PREVIOUS PAD LAND USE TABLE		
PARCEL	USE	AREA (AC)
1, LOT 1	COMMUNITY COMMERCIAL	1.50
1, LOT 2	HIGH DENSITY RESIDENTIAL	16.12
2	COMMUNITY COMMERCIAL	9.57
3	COMMUNITY COMMERCIAL	3.74
3	SINGLE FAMILY RESIDENTIAL	5.45
4	SINGLE FAMILY RESIDENTIAL	23.27
5	SINGLE FAMILY RESIDENTIAL	42.12
6	SINGLE FAMILY RESIDENTIAL	112.38
7	HIGH DENSITY RESIDENTIAL	10.20
8	COMMUNITY COMMERCIAL	10.07

CURRENT PAD LAND USE TABLE		
PARCEL	USE	AREA (AC)
1, LOT 1	COMMUNITY COMMERCIAL	1.50
1, LOT 2	SINGLE FAMILY RESIDENTIAL	13.80
1, LOT 3	HIGH DENSITY RESIDENTIAL	2.32
2	COMMUNITY COMMERCIAL	9.57
3	COMMUNITY COMMERCIAL	3.74
3	SINGLE FAMILY RESIDENTIAL	5.45
4	SINGLE FAMILY RESIDENTIAL	23.27
5	SINGLE FAMILY RESIDENTIAL	42.12
6	SINGLE FAMILY RESIDENTIAL	112.38
7	HIGH DENSITY RESIDENTIAL	10.20
8	COMMUNITY COMMERCIAL	10.07

PROPOSED PAD LAND USE TABLE		
PARCEL	USE	AREA (AC)
1, LOT 1	COMMUNITY COMMERCIAL	1.50
1, LOT 2	SINGLE FAMILY RESIDENTIAL	13.80
1, LOT 3	COMMUNITY COMMERCIAL	2.32
2	COMMUNITY COMMERCIAL	9.57
3	COMMUNITY COMMERCIAL	3.74
3	SINGLE FAMILY RESIDENTIAL	5.45
4	SINGLE FAMILY RESIDENTIAL	23.27
5	SINGLE FAMILY RESIDENTIAL	42.12
6	SINGLE FAMILY RESIDENTIAL	112.38
7	HIGH DENSITY RESIDENTIAL	10.20
8	COMMUNITY COMMERCIAL	10.07

PROJECT NO. 15-044
WLB
WILLIAMS & BROS. INC.
1000 N. CENTRAL AVENUE
SUITE 100
PHOENIX, AZ 85004
TEL: 602.441.1111
FAX: 602.441.1112
WEB: WWW.WLB.COM

CANYON RIDGE WEST
PAD
SURPRISE, ARIZONA



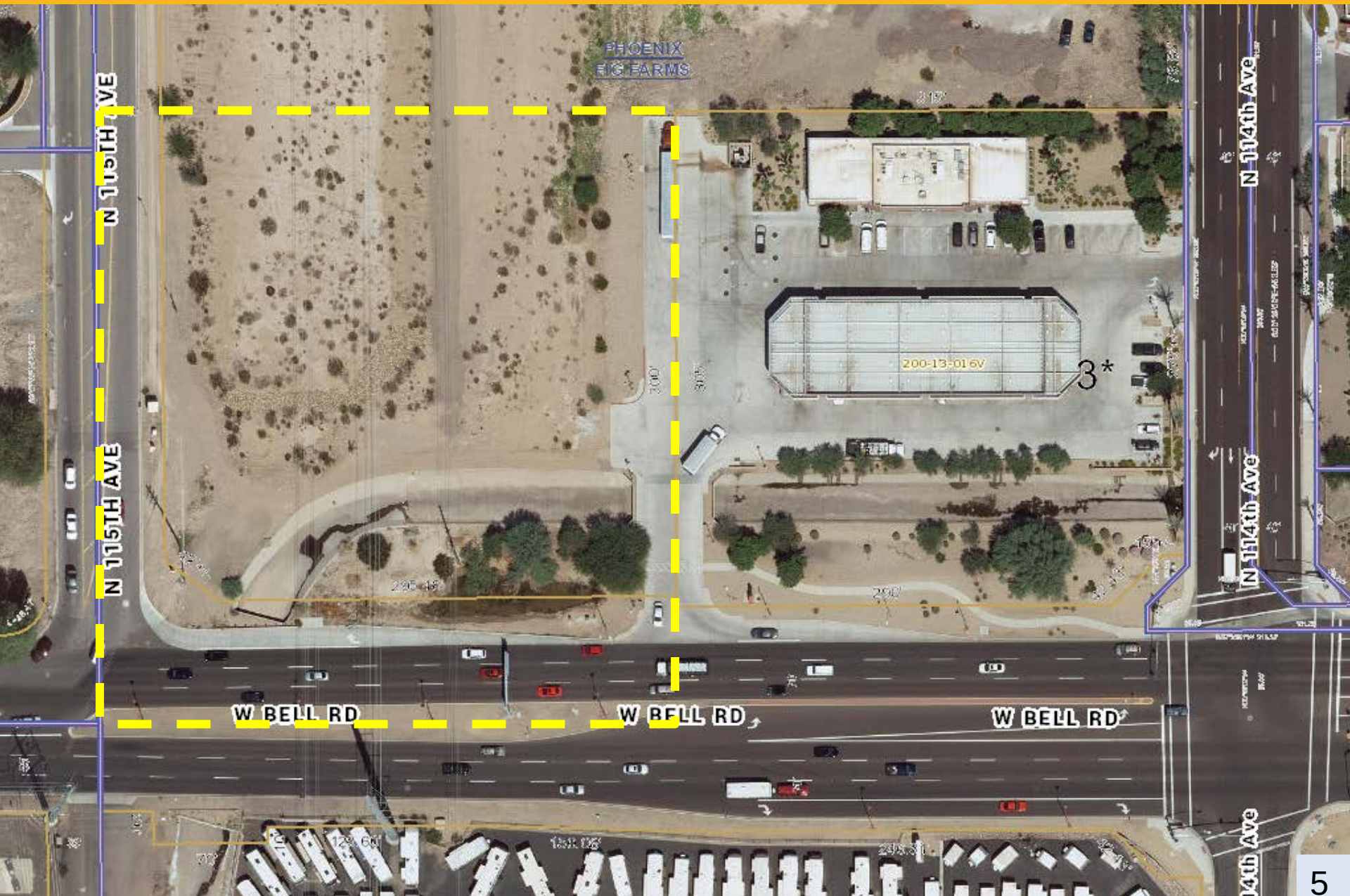
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DRAWN BY: [Signature]
REVIEWED BY: [Signature]

REV	DATE	DESCRIPTION

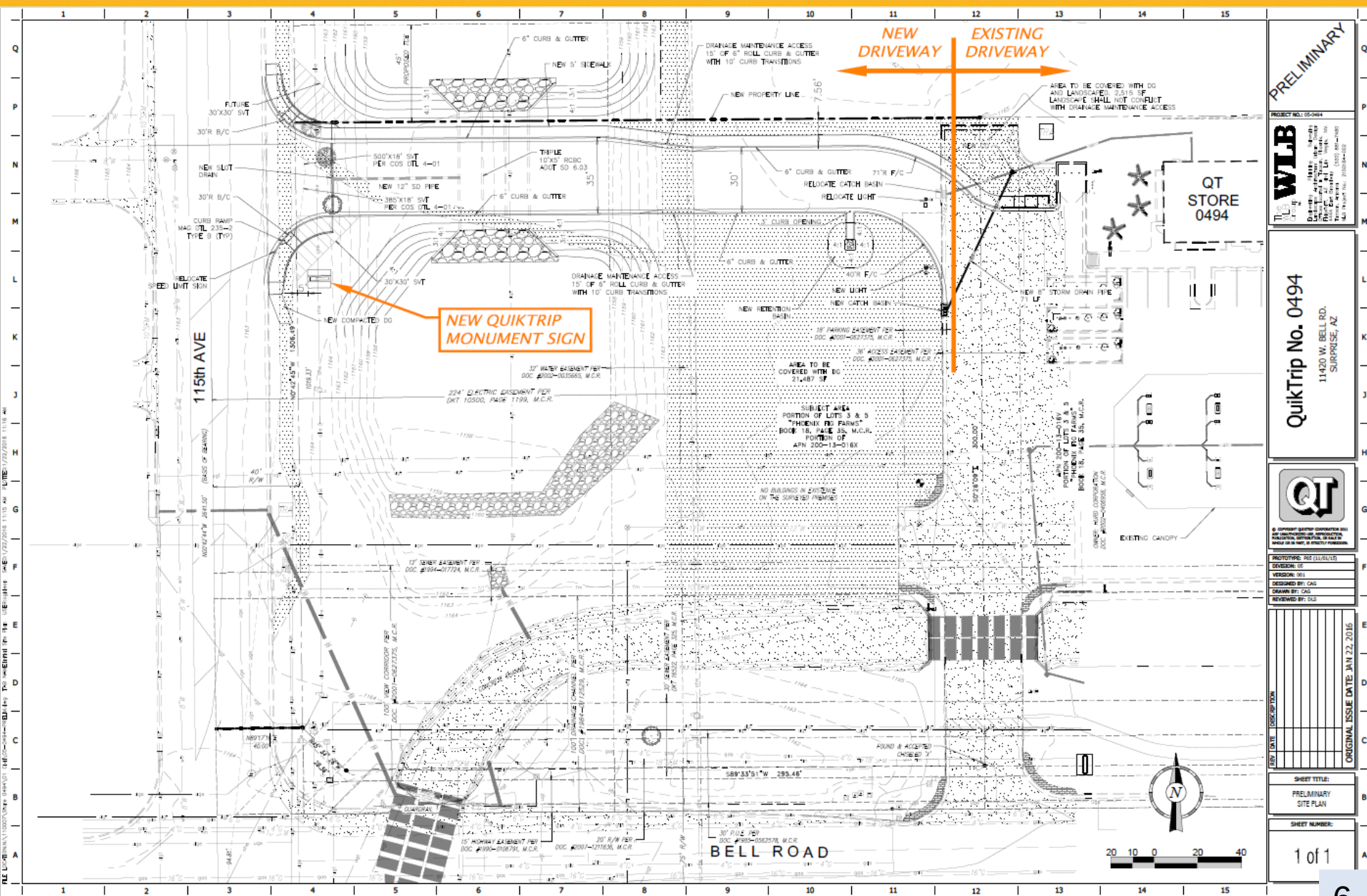
SHEET TITLE:
LAND USE MAP
EXHIBIT A

SHEET NUMBER:
1 of 1

FS15-506 Quik Trip at Canyon Ridge West



FS15-506 Quik Trip at Canyon Ridge West



PRELIMINARY

PROJECT NO. 15-0494
W.L.B.
DESIGNED BY: W.L.B.
CHECKED BY: W.L.B.
DATE: 03/05/2015

QuikTrip No. 0494
11420 W. BELL RD.
SURPRISE, AZ



PRELIMINARY SITE PLAN
DESIGNED BY: W.L.B.
CHECKED BY: W.L.B.
DATE: 03/05/2015

REV	DATE	DESCRIPTION

SHEET TITLE:
PRELIMINARY
SITE PLAN

SHEET NUMBER:
1 of 1

ORIGINAL ISSUE DATE: JAN 22, 2015

Citizen Outreach

- Citizen Review meeting January 28, 2016

Recommendation:

Major PAD Amendment/Rezone:

- ✓ Recommend **approval** to the City Council subject to stipulations “a” through “c”

Questions or Comments?





CITY OF SURPRISE
Planning and Zoning Commission

March 3, 2016 @ 6:00:00 PM

Back Print

Board Meeting Date:	March 3, 2016	Contact Person:	Eric Fitzer, Community Development
Submitting Department:	CD Boards and Commissions	District:	Internal
Staff Recommendations:	No Action		

Consent	Regular	Public Hearing	Report/Discussion
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Agenda Wording:

Discussion pertaining to future agenda items.

Motion:

Background:

Financial Impact Statement:

No Financial Impact

ATTACHMENTS:

[Click to download](#)

No Attachments Available

External Attachment Links:

Meeting Requirements:

Powerpoint x Video x White Board x Other x

Presentation Speaker Names (spelling and titles for TV captions):