APPLE VALLEY FIRE DISTRICT

FINAL BUDGET

2013 – 2014

VIRGIL BARNES	PRESIDENT
LARS HANSON	VICE PRESIDENT
DAN LEARY	BOARD MEMBER
CLIFF EARP	BOARD MEMBER
BOB TINSLEY	BOARD MEMBER

Apple Valley Fire Protection District
Final Budget
Fiscal Year 2013-2014

Introduction

The Apple Valley Fire Protection District is a California Special District, separate from the Town of Apple Valley, located in the high desert region of San Bernardino County covering 206 square miles. The Fire District is locally governed by a 5-member elected board of directors, whose dynamic leadership has furthered state of the art EKG advanced life support and suppression services primarily to a residential community with a growing commercial component. Tasked with providing effective oversight of the use of public funds, elected officials have an incalculable impact on the District's financial health because they have the final say over policies and budgets. Marked by several years of staggering deficits and growing numbers of retirees, navigating the "how" and "when" to impose austerity cuts for fiscal sustainability has not been an easy task for the District's management team. Given the economic pressures bearing down on most governments, the annual budget is a key tool for District management to connect public priorities with community expectations.

No matter how good an organization's strategic plan, solid financial management is needed to support its goals and aspirations within the framework of a balanced budget. Called budgeting for outcomes, the development of the annual budget is guided by the District's Master Plan, goals established by the Board of Directors, the District's Financial Plan, and the desire to maintain high quality advanced life support emergency services and cost effective fire protection. The process typically consists of several staff activities encompassing evidence and logic to prioritize current services, and incorporates broad organizational goals as defined by the governing board recognizing public safety and service to the community as its reason for existence. Revenues or expenditure amounts for each program manager's activity or account must be justified. Thus, the process provides more certainty to the District's Board of Directors that only the resources needed are requested in the budget process.

Ultimately, the challenge for local District management has been in finding the right balance of matching revenues with expenditures while becoming more efficient and effective. The District has a balanced budget. Relying on a combination of decreases in full time personnel through attrition, incentivizing early retirements, increasing service fees, trimming program budgets, delaying purchases, developing partnerships with the private sector, and supporting the District's fleet operations to maintain a variety of vehicles and equipment necessary for the reliable delivery of essential emergency fire and rescue services, have all come together to provide the most efficient use of the public's tax dollars.

General Fund Budget Description

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, Special Taxes, State grants, and various other charges for services. The primary expenditures are general operating expenses related to the delivery of fire, rescue and emergency medical services.

Due to the great recession and corresponding decline in assessed values for property in the District, property tax revenue receipts to the District had fallen by approximately $1.8 million as compared to previous years. As a result of the loss of these revenues, the District's labor costs had risen to 94.8% of total revenues for fiscal year 2009-2010, driving a an overall reduction in General Fund Reserves by $535,410 for 2009-2010 and $630,326 for fiscal year 2010-2011. The District has since taken steps to cut services and reduce labor costs in an effort to balance its budgets in the long-term. Focusing on a multi-year forecast, the District has implemented a number of mitigating steps including, but not limited to:

1. Instituting one year bargaining agreements with its employee groups after all multi-year agreements ended on June 30, 2011 allowing for greater flexibility in managing labor costs;
2. Negotiated with employee groups for all full time District employees, beginning July 1, 2011, to pay their own employee share of PERS pension costs, representing 8% of their salaries for Miscellaneous and 9% for Tier I Safety employees. Newly hired Safety employees, of which there are two, now enter into Tier III, 2 @ 57% pension paying 10.25% of the own share of PERS pension costs. Previously, the District paid all employees' shares of pension contributions to PERS;
3. Laying off five part time employees, and reducing one fire station from 24/7 coverage to a 40 hour per week station as a result of not replacing two departing firefighters (estimated annual savings of $220,000);
4. Amending the CalPERS contract for all future employees hired via a lower second tier of pension benefits for long term annual savings in six figures;
5. In lieu of full time employee layoffs, the Board supported early retirement incentives. Eight employees decided to retire early with only one position needing to be rehired (projected savings constituted $1.1 million); and
6. Reducing overtime costs by providing for three Limited Term Firefighter positions by training and equipping lower cost full time personnel.

As a result of said cost cutting efforts, the District expects that services will not be materially impaired while achieving a balanced budget as shown below:

General Fund

	Actual 2009-2010	Actual 2010-2011	Actual 2011-2012	Unaudited 2012-2013	Budget 2013-2014
Revenues	$7,938,442	$7,659,167	$7,621,529	$7,537,502	$7,642,684
Expenditures	8,881,108	9,023,531	7,937,139	7,524,006	7,718,500
Excess Revenues Over (Under) Expenditures	($942,666)	($1,364,364)	($315,610)	$13,496	($75,816)
Other Financing Sources					
Development Impact Fees	191,248	114,765	154,178	28,383	56,766
Bond premium				23,074	
PASIS Dividends	200,000		150,000		
Lease Purchase Proceeds		614,360			
Sale of Assets	16,008	4,913		6,975	20,500
Net Change in Fund Balance	($535,410)	($630,326)	($11,432)	$71,928	$1,450
Beginning Fund Balance	$3,042,279	$2,506,869	$1,876,543	$1,865,111	$1,937,039
Ending Fund Balance	$2,506,869	$1,876,543	$1,865,111	$1,937,039	$1,938,489

In summary, financial resiliency is essential to continuing a consistent program of public emergency services despite the current volatile economic environment. Recovery from financial distress is a journey that requires leadership, skill, and hard choices. However, the recovery isn't just about dollars and cents. It is really about creating better value with public funds so taxpayers get the most for their money. The dedication of the District's elected officials shows their fiscal policies have finally taken hold by bringing in a balanced budget for the second year in a row, after three years of losses cumulatively totaling $1,177,168. In management's opinion, no document plays a more important role in public-sector finance than the annual operating budget. To be effective, the budget must succeed, not only as a policy document and as a financial plan, but also as an operations guide and as a communications device.

Fiscal Year 2013-2014 Summary of all Funds

Combined Revenue Sources:		**Combined Expenditures:**	
General Fund	$7,719,950	General Fund	$7,718,500
Jess Ranch Special Revenue	2	Jess Ranch Special Revenue	120
Development Impact Fees	56,871	Development Impact Fees	56,766
Total Revenues	$7,776,823	Total Expenditures	$7,775,386

Revenues

The District's general fund revenues are primarily supported by local property taxes. Additional general fund revenues are represented by a special assessment, government grants, the use of property and money, and charges to recoup costs for services rendered by District personnel.

There are two other funds, Jess Ranch Special Revenue Fund and Development Impact Fee Fund, whose special revenues are one-time charges assessed against a developer, and are legally restricted in nature, recognizing the need for financing of adequate fire suppression facilities and equipment made necessary by the impacts from new development within the territory of the Apple Valley Fire Protection District.

Property taxes. Property taxes are the principal revenue sources for the fire district. Through San Bernardino County, taxes are levied each Fiscal Year on real and personal property. Pursuant to Article XIIIA of the California Constitution (Proposition 13), property is valued for tax purposes at the 1975 fair market value, adjusted annually for inflation (not to exceed 2%). Generally, property is reassessed at fair market value upon change of ownership and for new construction.

There are several factors that contribute to assessment value growth and decline. Assessment roll growth is a result of 3 primary components: (1) change of ownership reappraisals in an appreciating real estate market; (2) abundant new construction, both residential and commercial; (3) assessed value added by the 2% California Consumer Price (CCPI) index factor. Assessment roll decline is the result of 4 primary components: (1) change of ownership reappraisals in a declining real estate market; (2) lack of new construction; (3)

assess value added/deducted by the CCPI factor – for 2010 and 2011 the CCPI was minus 0.237% and 0.753% respectfully; (4) Proposition 8 reductions. Property tax revenue collected on the basic 1% rate is used to support local schools, cities, special districts, county and redevelopment agencies (dissolved as of 2-1-2012). As one can imagine, when assessed values are increasing, property tax revenues supporting schools, cities, special districts, etc. are increasing. Conversely, when assessed values are decreasing, property tax revenues to schools and local governments are reduced, which is the current situation in San Bernardino County and the State of California.

The compilation of the 2013 assessment roll will not be completed until June 2013 and will be certified by the Assessor July 1, 2013. It is projected the San Bernardino County assessment roll value will decrease by 1.0% from 2012.

The Teeter Plan. The District has adopted the alternate procedure authorized in Chapter 3, Part 8, Division 1 of the Revenue and Taxation Code of the State of California (the "Teeter Plan Law), commonly referred to as the "Teeter Plan", for receiving certain property tax and assessment levies on the secured tax roll. In general, it guarantees the County of San Bernardino will forward 100% of the related billed property taxes for all secured properties on the County's tax roll within the Apple Valley Fire Protection District.

Generally, the Teeter Plan provides a more reliable revenue stream because property tax receipts distributed to local agencies are based on county secured tax roll levies versus the volatility of actual tax collections. In turn, the county then receives all future delinquent tax payments, penalties and interest related to the secured tax rolls since they bore the collection risk.

Proposition 1A

The state can borrow eight percent of property tax revenues, which it did in fiscal year 2009-2010. The Fire District sought out and participated in a statewide Prop 1A receivable financing program and sold the receivable for a 100% of the principal, thus, losing nothing at the hands of the State of California during 2009-2010 fiscal year. The amount of tax revenues the State of California wanted to borrow represented $417,289. Fortunately, a new law limits the State's ability to borrow new funds by requiring the prior funds to be repaid first. Thus, Prop 1A will not affect the Apple Valley Fire Protection District for 2013-2014.

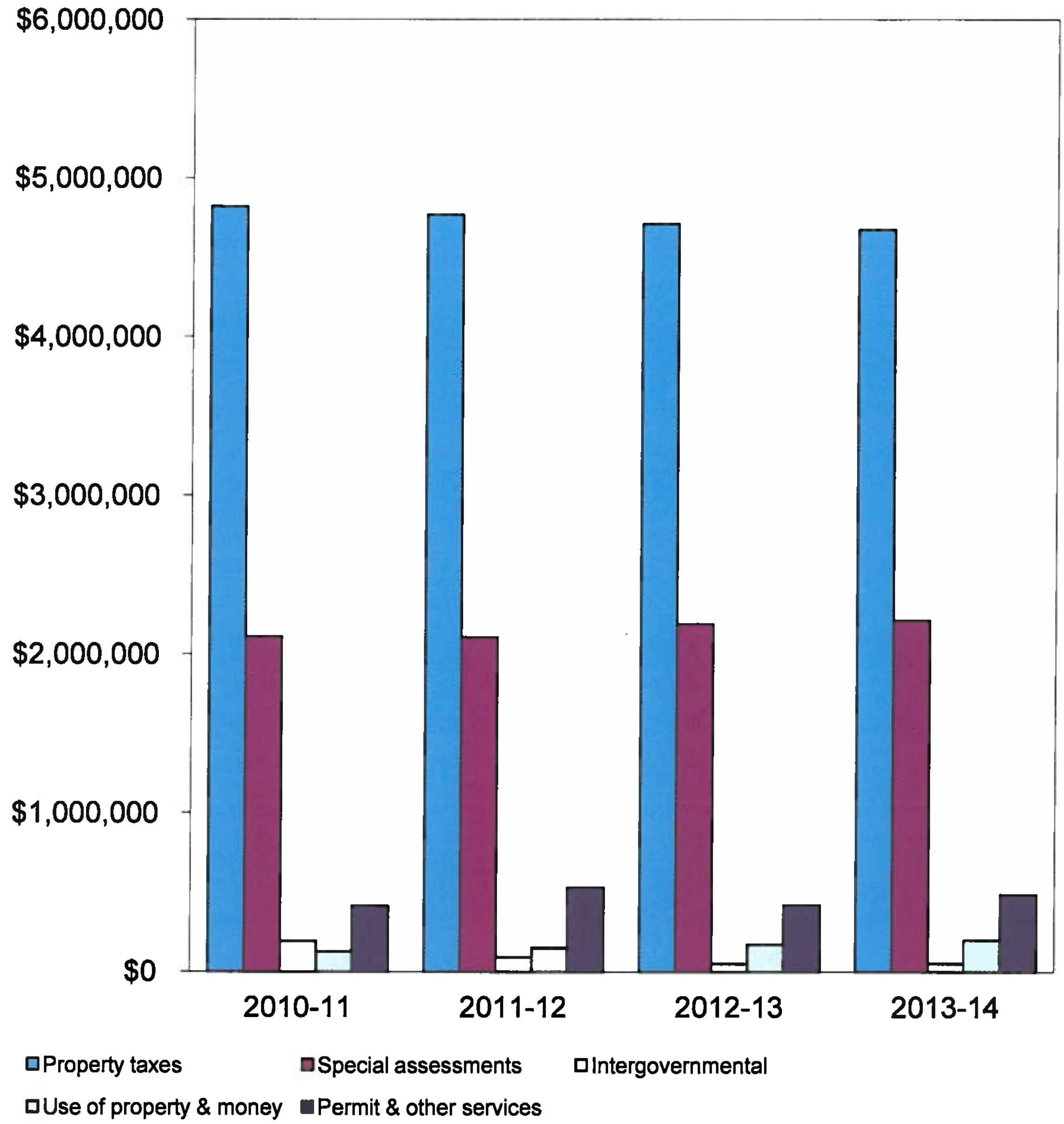
Four year comparison of General Fund property taxes are as follows:

	2010-11 Actual	**2011-12** Actual	**2012-13** Unaudited	**2013-14** Budgeted
Property taxes	$4,820,347	$4,704,637	$4,708,252	$4,666,316
Increase (decrease) over prior year in %	(10.06%)	(2.40%)	0.08%	(0.89%)

Special tax assessments. Measure V, a special tax voted on and passed in November 1997 by the residents within the Apple Valley Fire Protection District to restore fire protection and emergency medical services, represents a significant 29.07% or $2,211,288 of the District's 2013-2014 budgeted revenue. The Special Tax rates shall automatically increase each year in accordance with the Consumer Price Index applicable to the District's territory, but in no case shall the Consumer Price Index exceed 2% of the Special Tax levied in the District's previous fiscal year, thus making it a very stable and quantifiable revenue source. The duration of Measure V was originally 20 years, including 2013-2014, there are 5 years remaining. Measure V sunsets in 2017-2018.

Intergovernmental revenues. In the past, this category represented small grants from various governmental agencies. However, on April 24, 2007, the Town of Apple Valley amended the safety element of its General Plan to allow the Town to collect Development Impact Fees on behalf of the Apple Valley Fire Protection District. Starting July 1, 2007 revenues from said fees were recorded as intergovernmental revenues in a separate special revenue fund titled Development Impact Fees. Said revenues were restricted to financing capital items such as new fire suppression facilities, vehicles and equipment. It should be noted it was not intended for the development impact fees to address all of the District's capital needs, especially the replacement of aging facilities, vehicles and equipment. Nevertheless, with a large amount of vacant land to be developed over the years to come, the development impact fees will go a long way in preserving the existing levels of service currently offered to and enjoyed by the existing community within the 206 square miles of the District's boundary.

Comparative General Fund Revenues



Services / Program highlights:

- Paramedic services are provided by three 24 hour engine companies, and one 40 hour per week medic unit at fire station 337 as staffing permits.
- Previously adopted second tiered Safety and Miscellaneous pension plan for new employees is being utilized to lower future pensions costs.
- Partnered with Apple Valley Ranchos Water for public education $ 10,000
- Replace jaws of life capable of cutting through harder materials $ 25,000
- Replace fleet maintenance computer diagnostic capabilities $ 6,000
- Acquire chain saw sharpener to lower cost of fighting wildfires $ 5,000
- Fund 3 Limited Term Firefighter positions to assist staffing in support of limiting overtime costs.
- Committed Reserves of $768,580 or 10% of fiscal year 2013-2014 total expenditures to be held for economic uncertainty.

Expenditures

Total general fund expenditures were projected at $7,718,500 in 2013-2014 versus an estimated $7,524,006 for the previous fiscal year 2012-2013. We have been tasked with providing fire protection, EMS, and a myriad of other special-response and life-safety missions. To provide these services effectively, we also must invest in continued training to enhance competencies for our responders, as our employees constitute a critical resource to our organization. Additionally we need to ensure that employees in the pipeline have the leadership skills to move into top management. Thus, management continues to provide training and job-stretching experiences as well as hands on training. Management feels, when you are in a survival mode, it can be very difficult to take the long view. Nevertheless, if we're not attentive to the future, then we're not going to be able to provide that safety net that people expect.

Below is a four year comparative example of the District's personnel costs of wages and benefit totals as a percentage of General Fund Revenues:

	2010-2011 Actual	**2011-2012 Actual**	**2012-2013 Unaudited**	**2013-2014 Budgeted**
Regular Wages	**$4,239,348**	**$4,092,326**	**$3,576,405**	**$3,709,521**
Overtime	**391,512**	**322,889**	**452,697**	**405,229**
Employee Benefits	**1,892,745**	**1,769,160**	**1,681,844**	**1,752,064**
Total Labor Costs	**$6,523,605**	**$6,184,375**	**$5,710,946**	**$5,866,814**
Revenues	**$7,659,167**	**$7,621,529**	**$7,537,502**	**$7,642,684**
Labor Costs as a % of Revenues	**85%**	**81%**	**76%**	**77%**

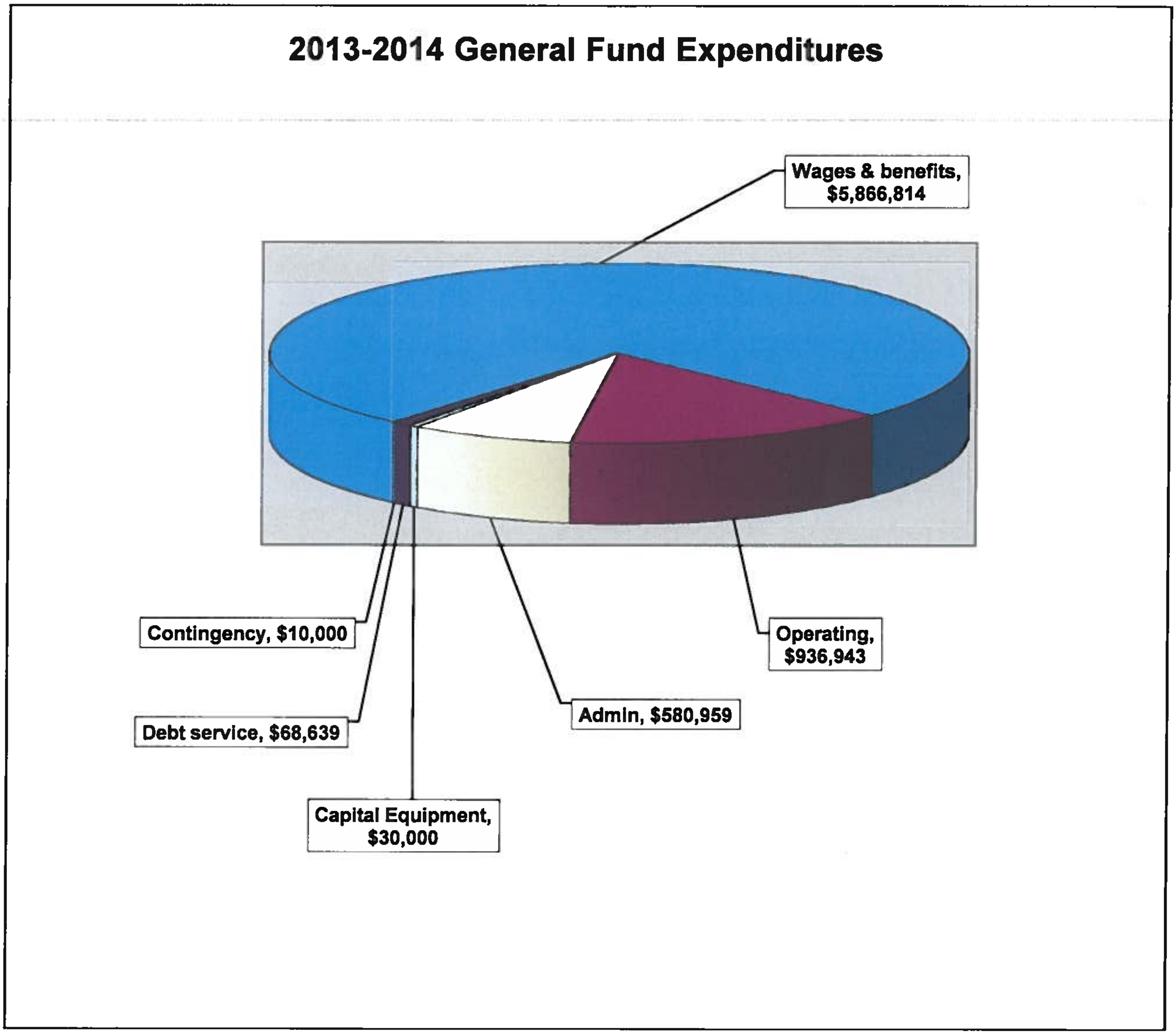
Other Post Employment Benefits (OPEB) Trust Established
The District established an OPEB trust on October 1, 2008 related to health-care. Health-care is a major factor in the cost of "other" post-employment benefits (OPEB) for state and-local government employers. Health-care coverage is a special challenge for retirees more than 55 years old, which is the typical age of our District's firemen, but not yet eligible for Medicare.

The term "other post-employment benefits" (OPEB) refers to a range of employer-provided benefits, other than pensions, that accrue over an employee's career and are paid out after retirement. Issued in June 2004, the Governmental Accounting Standards Board (GASB) issued its Statement No. 45, requiring public-sector employers to assess and disclose their local government's OPEB costs other than pensions, such as retiree health-care costs. The GASB does not require prefunding of OPEB, however, 5 years ago, District management began rethinking its past practice of "pay-as-you-go" funding versus the benefit of cost-management strategies including prefunding current costs and future liabilities. Traditionally as with most governmental agencies, the District's retiree health care benefits had been funded on a pay-as-you-go basis. With health care costs increasing at an unpredictable pace, "pay-as-you-go" funding would automatically double in a decade, and ultimately quadruple or worse. Not wanting to "kick the can" of this daunting fiscal challenge to successor management teams and future taxpayers, the Apple Valley Fire Protection District's Board of Directors chose prefunding as a necessary and fiscally responsible action. As of June 2013, the market value of the OPEB Trust is in excess of $1.1 million. One of the main advantages to prefunding through an irrevocable trust is satisfying the GASB requirement to recognize the cost of other post employment benefits when they are earned, regardless of when they are paid.

In June 2007, with the aid of an independent actuarial consultant, the Apple Valley Fire Protection District recognized it had no realistic hope of meeting OPEB's actuarially required contributions in its unlimited form. Thus, to reduce an initial $7.5million unfunded OPEB liability by 70%, the Board of Directors implemented a tiered (OPEB) benefit plan utilizing individual benefit caps through the collective bargaining process, opting for the process of pre-funding its supplemental benefit contributions through an irrevocable trust fund with US Bank later named as the Trustee on October 1, 2008. Although not required by GASB 45 to make such a decision for another two years, the District's Board of Directors recognized getting started sooner than later was important in two ways: One by creating investment assets that could produce earnings to reduce unfunded liabilities, and two, accumulate earnings for additional contributions.

Another significant advantage to prefunding through a retiree benefit trust fund is that it is almost always less expensive than the pay-as-you-go method over the long term. That's because prefunding through a trust allows an employer to invest in diversified, long-term assets, which typically have higher returns than short-term assets, and would therefore further lower the annual required contribution. Prefunding also helps ensure plan assets are dedicated to providing benefits to retirees and their beneficiaries. Supplemental benefit contributions for retiree health-care costs are a form of deferred compensation. Prefunding this promise to employees in an irrevocable trust ensures that the money needed to pay for these benefits is protected from creditors of the employer or the plan administrator, and not diverted to other commitments. The annual required contribution is actuarially recalculated every two years, the most recent being June 30, 2013.

The following graph highlights major cost categories for the 2013-2014 fiscal year beginning July 1, 2013:



Accounting policies used in budget process:
The budgetary basis of accounting and the basis of accounting used by management for reporting purposes follow generally accepted accounting principles (GAAP), as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting.

In the original budget, the general fund was presented using the *modified-accrual basis of accounting.* Their revenues are recognized when they become *measurable* and a*vailable* as net current assets. *Measurable* means that the amounts can be estimated, or otherwise determined. *Available* means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

The District considers restricted amounts in the Fund Balance, to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Assigned and unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Purchasing Policies

Formal contracts
Procurement in excess of $20,000 shall be submitted to the Board of Directors for approval. Formal notices for bids shall be published 10 days prior to the bid opening date.

Open Market
Goods and supplies more than $1,500 but less than $20,000 shall be approved by the Fire Chief and all documentation supporting the service shall be submitted to process payments.

Small Purchases
Program managers, Chief Officers and the Finance Director can make and approve small purchases up to $1,500, depending upon appropriate programs.

Budget Available
A contract or purchase may only be initiated if sufficient funds are available from the proper budgetary accounts.

General Fund Reserve Policy
Many factors determine a jurisdiction's long-term fiscal health, but the single most important ingredient is developing and articulating clear fiscal policies before financial crises hit. They will help avoid fiscal crisis to begin with; and they will help the organization respond in a prudent manner during times of financial stress.

While numerous governmental agencies have a varying amount of reserves held for economic uncertainty, some agencies had little or none when the 2007 residential housing recession hit. Six years earlier in 2001, the Apple Valley Fire Protection District Board of Directors voted to formalize years of setting aside funds for economic uncertainty by having adopted a General Fund Reserve Policy. The District established a Specific Reserve Policy goal of maintaining funds held in reserve for economic uncertainty to be ten percent (10%) of the total current fiscal year budgeted expenditures less planned capital expenditures for the same fiscal year, with a minimum amount not less than seven percent (7%) of the total current fiscal year budgeted expenditures less budgeted capital expenditures for the same fiscal year. The 2013-2014 budget has committed $768,850 of a $1.9 million General Fund Balance to be held for economic uncertainty. Overall, the District's General Fund Reserve Policy has continued to establish, dedicate and maintain reserves annually to meet known and estimated future obligations.

Description of Governmental Funds
The accounts of the District are organized in three funds, a general fund and two special revenue funds, which are considered separate accounting entities. The operations of the funds are accounted for with a set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. The following types of funds are used:

- *General Fund* – Because the District provides fire protection and life safety services, all resources are accounted for in this fund.
- *Special Revenue Fund* – The Special Revenue Fund is used to account for the proceeds of a specific revenue source that is legally restricted to expenditures for a specified purpose.

Capital Improvement Program. The District's Capital Improvement Program ("CIP") represents a reinvestment in the infrastructure of the District. Generally, these investments are in District facilities or the necessary improvements to such facilities that exceed routine maintenance. Incorporated in the CIP is the District's Master Plan updated February 19, 2004, which is an adopted plan for general planning purposes related to the need for construction of District fire stations and equipment over a 20-year period. The CIP is funded from annual reoccurring revenues and from District Reserves. Amounts expended to acquire capital assets, which include land, buildings, improvements, and equipment, are reported in the Governmental Activities column of the Government-Wide Financial Statements. Several variables are considered in a comprehensive financial analysis, including but not limited to taking into account not only the initial costs but also the long-term renewal costs. Capital items shall be identified for purchase through three methods:

1. New
2. Replacement
3. Emergency

To be a capital asset, it must meet a cost threshold of $5,000, with a minimum life of 2 years. An exception would be building improvements which require a minimum threshold of $100,000 expended. Donated capital assets are recorded at estimated market value at the date of the donation.

All of the equipment and buildings we use cost money, and some are expensive. It should be noted, heavy and specialized equipment in any industry is expensive; but, unlike private industry, we are subject to strict guidelines concerning how and what we purchase.

One-Time Expenditure Plan. The District's One-time Expenditure Plan ("OEP") includes new programs, which may be funded once every several years, or purchases that assist in meeting the District's mission to enhance the quality of life for our citizens and visitors through the protection of life, property and the environment from the effects of fire, health and hazardous threats. Additionally, OEP issues can assist with enhancing the District's general operations or community interaction. The OEP is generally funded from the Fiscal Year's fund balance at the beginning of the year.

Other Financing Sources (Uses)

- The proceeds of long-term debt are recorded as *other financing source* rather than as a fund liability.
- Since inflows of current financial resources from other funds are to be distinguished from a government's regular revenues, interfund transfers received from other special revenue funds are reported as other financing sources rather than as revenue.
- Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

Economic Outlook

Like the nation, the California and San Bernardino County residential housing recession was considerably deeper in percentage terms than the one that affected Southern California after June 1990. The construction of Single Family homes will ramp up when the excess vacancy in the High Desert and the Inland Empire is absorbed due to an increase in household formations. Local economists have estimated the presence of 5,000 to 7,000 excess vacant units in the High Desert. The Inland Empire and the High Desert housing markets will be in equilibrium when these excess units are occupied. The number of households in the High Desert is expected to increase because of population growth, driven by the formation of jobs and an increase in the number of retired people. With many real estate analysts and economists estimating it will take another five years before the excess of vacant housing units are absorbed, commercial growth and specifically industrial growth activity is slowly making headway in Apple Valley.

One of the primary economic drivers of the Inland Empire and therefore the High Desert is the expansion of warehousing and distribution facilities as well as manufacturing operations. Industrial agents are now suggesting there will be a new wave of construction for buildings larger than 500,000 Square Feet, as presently they are reporting there is no vacancy for buildings of 500,000 SF and larger in the Los Angeles Basin. When this is coupled with the fact there are only 4 sites in the Los Angeles Basin that can accommodate a building greater than 800,000 SF it is logical to conclude it will not be long before the High Desert will be able to successfully compete for the larger warehousing and distribution tenants. A higher level of industrial development will occur in the High Deseret, though the timing is uncertain and unfortunately very much a function of public policy that will be determined in Washington and in Sacramento, California.

In spite of all the political and economic uncertainty, the big box industrial market in the High Desert is likely to add one or more users each year for the next few years before the increase in demand accelerates in the second half of this decade. This will probably be the case because large industrial users will continue to relocate from Los Angeles County to the Inland Empire, Banning, or the High Desert in order to build larger, more efficient facilities.

There are no magic bullets to guarantee success when it comes to forecasting the future for financial planning and budgeting. The forecast that never makes mistakes does not exist. No matter how thoroughly one plans, events will arise that affect the plan and require adjustments. As in all forecasting, future inferences on costs would only be valid if all the assumptions about future events were exactly realized. Thus, continual monitoring of the outcomes in regards to assumptions about future events is an extremely important step in the District's budgeting process and will remain so.

APPLE VALLEY FIRE PROTECTION DISTRICT

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN GENERAL FUND BALANCE

BUDGET 2013-2014

	2010-2011 Actual	2011-2012 Actual	2012-2013 Unaudited	2013-2014 Final Budget
Revenues				
Property Taxes	$4,820,347	$4,704,637	$4,708,251	$4,666,316
Special Assessments	2,107,937	2,147,351	2,189,090	2,230,208
Intergovernmental	191,845	92,420	49,866	64,408
Use of Property and Money	127,209	149,208	171,426	198,133
Charges for services and other revenue	411,829	527,913	418,869	483,619
Total Revenues	7,659,167	7,621,529	7,537,502	7,642,684
Expenditures				
Wages and Benefits				
Wages	4,630,860	4,415,215	4,029,102	4,114,750
Fringe Benefits	1,892,745	1,769,160	1,681,844	1,752,064
Total Wages and Benefits	6,523,605	6,184,375	5,710,946	5,866,814
Operating Costs				
Materials & Supplies	172,005	158,513	139,457	133,197
Communications	518,977	527,256	560,335	581,342
Food	5,264	2,256	1,640	3,953
General Household	32,805	33,134	32,641	34,186
Equipment Maintenance	232,327	168,954	268,995	249,463
Facility Maintenance	41,469	55,956	37,971	46,919
Fuel & Mileage	101,099	110,283	110,255	113,028
Total Operating Costs	1,103,946	1,056,352	1,151,294	1,162,088
Administrative Costs				
Office Expense	32,001	31,348	31,030	34,370
Professional Services	215,603	307,559	246,652	278,290
Memberships & Publications	14,540	12,694	11,889	12,491
Special Department Expense	65,254	39,432	21,657	62,847
Training	31,928	18,962	24,439	26,709
Transportation & Travel	9,355	4,901	6,933	8,350
Insurance	71,118	74,529	78,202	77,256
Utilities	78,979	76,362	80,542	80,646
Total Administrative Costs	518,778	565,787	501,344	580,959
Capital Outlays				
Building, vehicles & equipment	870,310	65,879	46,068	30,000
Total Capital Outlays	870,310	65,879	46,068	30,000
Debt Service				
Principal		29,447	30,788	32,189
Interest	6,892	35,299	54,953	35,410
Issuance Costs			28,613	1,040
Appropriations for Contingencies				10,000
Total Expenditures	9,023,531	7,937,139	7,524,006	7,718,500
Excess revenues over (under) expenditures	(1,364,364)	(315,610)	13,496	(75,816)
Other Financing Sources (Uses)				
Transfer from special revenue funds	114,765	154,178	28,383	56,766
Premium on bonds issued			23,074	
PASIS dividends		150,000		
Lease purchase proceeds	614,360			
Proceeds from sale of assets	4,913		6,975	20,500
Net change in fund balances	(630,326)	(11,432)	71,928	1,450
Fund Balances, beginning of year	2,506,869	1,876,543	1,865,111	1,937,039
Fund Balances, end of year	$1,876,543	$1,865,111	$1,937,039	$1,938,489

APPLE VALLEY FIRE PROTECTION DISTRICT
GENERAL FUND REVENUE DETAIL
BUDGET 2013-2014

	2010-2011 Actual	2011-2012 Actual	2012-2013 Unaudited	2013-2014 Final Budget
Property Taxes				
Current Secured	3,868,738	3,783,161	3,749,846	3,712,348
Current Unsecured	175,475	163,257	165,814	164,156
Current Utility	108,094	137,470	129,787	129,787
Prior Secured	495	(2,384)	1,286	1,286
Prior Unsecured	4,049	3,421	2,994	3,421
Interest/Penalties	10,058	7,084	7,071	7,071
Homeowners Reimb	57,493	56,902	53,760	53,760
Supplemental - Current	2,335	3,838	5,618	5,618
Supplemental - Prior	31,415	21,327	18,800	21,327
ERAF	0	0	0	0
RDA Pass Throughs	562,195	530,561	573,275	567,542
Total	4,820,347	4,704,637	4,708,251	4,666,316
Special Assessments				
Prior Assessments	174	237	466	0
Current Year Special Tax	1,998,256	2,029,434	2,079,837	2,119,354
Prior Year Special Tax	109,507	117,680	108,787	110,854
Total	2,107,937	2,147,351	2,189,090	2,230,208
Intergovernmental				
Grants	109,521	22,997	11,950	21,000
EPO Contract	82,324	69,423	37,916	43,408
Total	191,845	92,420	49,866	64,408
Use of property and money				
Interest Income	6,269	4,211	7,284	4,212
Rents & Concessions	120,940	144,997	164,142	193,921
	127,209	149,208	171,426	198,133
Permits and other services				
UFC Permit Fees	32,224	44,820	44,478	44,478
Inspection Fees	9,264	7,900	10,520	10,520
Plan Review Fees	57,065	53,012	39,120	53,012
Burning Permit Fees	30,314	41,933	36,257	41,933
Hydrant Fees	13,576	17,020	2,052	14,335
AMR Restock Fees			8,312	
Copy Revenue	385	351	377	377
Discounts Taken	237	278	133	133
Other Revenue	92,807	48,467	17,902	34,046
Fleet Maint Repairs	20,303	41,183	23,526	30,000
CPR and First Aid	10,175	21,538	12,830	14,665
Court Reimbursements	7	450	1,015	450
Weed Abatement	116,196	220,670	202,132	220,670
Donations	29,276	30,291	20,215	19,000
Total	411,829	527,913	418,869	483,619
Total Revenues	7,659,167	7,621,529	7,537,502	7,642,684

APPLE VALLEY FIRE PROTECTION DISTRICT
GENERAL FUND BALANCE
BUDGET 2013-2014

	2010-2011 ACTUAL	2011-2012 ACTUAL	2012-2013 UNAUDITED	2013-2014 BUDGET
Fund Balance				
Beginning balance at July 1	$2,506,869	$1,876,543	$1,865,111	$1,937,039
Unadjusted net change in fund balance	(630,326)	(11,432)	71,928	1,450
Add back transfer to reserves				
Less transfers from reserves				
Adjusted net change in fund balance	(630,326)	(11,432)	71,928	1,450
Ending balance at June 30	$1,876,543	$1,865,111	$1,937,039	$1,938,489

Compostion of Fund Balance	2010-2011 ACTUAL	2011-2012 ACTUAL	2012-2013 UNAUDITED	2013-2014 BUDGET
Restricted:				
Debt service	$29,447	$30,788	$32,188	$33,653
Committed:				
Petty cash and revolving cash	2,250	2,250	2,250	2,250
Held for economic uncertainty	815,322	793,713	761,203	768,850
Assigned:				
Equipment & facilities	78,000	438,000	660,683	884,269
Unpaid sick and vacation benefits	408,129	353,379	297,440	140,296
Unassigned	543,395	246,981	183,275	109,171
Ending fund balance at June 30	$1,876,543	$1,865,111	$1,937,039	$1,938,489