



Apple Valley Fire Protection District 2018-19 Final Budget



Table of Contents

- TRANSMITTAL LETTER.....1
- 2018-19 BOARD OF DIRECTORS3
- DISTRICT PROFILE.....5
- DISTRICT BOUNDARIES6
- ORGANIZATIONAL CHART7
 - STAFFING.....7
- DISTRICT STATISTICS9
- DISTRICT GOALS 10
- BUDGET OVERVIEW 11
 - BUDGET PROCESS 11
- FINANCIAL/BUDGET POLICIES..... 12
 - BASIS OF BUDGETING 12
 - BUDGET CONTROL 12
 - GANN LIMIT..... 12
 - PURCHAING POLICIES 12
 - CAPITAL IMPROVEMENT PLAN 13
 - GENERAL FUND RESERVE POLICY 13
- BUDGET SUMMARY 14
 - General Fund - Multi-Year Comparison Analysis 14
 - Revenue Analysis 16
 - Expenditures Analysis 17
 - Other Financing Sources (Uses) Analysis 17
 - Fund Balance Analysis..... 18
- Capital Improvement Plan Fund 20
- Development Impact Fees Fund 21
- BUDGET DETAIL – ALL FUNDS 22



TRANSMITTAL LETTER

September 18, 2018

President Leary and Members of the Board,

On behalf of the Apple Valley Fire Protection District, we are pleased to present the Fiscal Year 2018-19 Final Budget to the Board of Directors. The FY 2018-19 Final Budget has been developed to support the District’s overall 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.” As presented, the FY 2018-19 Final Budget represents the culmination of collaborative efforts of all personnel.

The FY 2018-19 General Fund Final Budget is balanced, with revenues of \$12.4 million, expenditures of \$11.8 million and transfers of \$600 thousand to the Capital Improvement Fund. The Capital Improvement Fund Final Budget expenditures are \$518,500. The Development Impact Fee Fund is also presented. Budgeted expenditures in the FY 2018-19 Final Budget also include \$10 thousand for contingencies.

Fund Expenditures	2017-18	2018-19	Increase from 2017-18
	Final Budget	Final Budget	
General Fund	10,724,820	11,817,585	1,092,765
Capital Improvement Fund	164,711	518,500	353,789
Development Impact Fee Fund	-	-	-

District operations are funded through two main revenue sources including ad valorem property taxes and special tax revenue from the Districts’ special tax measure, which collectively represent 92% of the District’s revenue. The FY 2018-19 Final Budget includes 9% revenue growth over the 2017-18 Budget primarily from new construction and continued economic recovery within the District resulting in an assessed valuation increase of about 5.9% as well as conservative estimates used during the development of the 17-18 Budget. The District is also experiencing an increase in service demand and overall costs.

Property tax revenues have been forecasted to increase by 3.85% over the general levy and supplemental taxes collected in FY 2017-18. 2018-19 budgeted special tax revenues reflect a 2% increase over 2017-18 as approved by the District’s Board of Directors in April 2018.

Expenditures for staffing continue to increase from year to year. The FY 2018-19 Final Budget includes 59 full time positions and 8 part-time positions. The FY 2018-19 Final Budget also includes higher costs for CalPERS retirement related to unfunded liabilities due in part to overall retirement system investment losses in prior years.

The District is committed to efficient and transparent financial stewardship of both current and future financial assets and liabilities. Over the course of FY 2018-19, the District will continue to analyze and plan for future budget impacts such as the funding for the CalPERS pension unfunded liabilities,



other post-employment benefits (OPEP) unfunded liabilities and employee vacation and sick leave accruals as well as future capital expenditure requirements.

The 2018-19 Final Budget is structurally balanced and will enable the District to continue to provide fire protection service to residents throughout the District. Thank you to the Board of Directors for the continued support, direction, and leadership you provide to the District. Our appreciation also extends to all District staff who not only provided input for this process but who remain dedicated and committed to serving our community.

Sincerely,

A handwritten signature in blue ink that reads "Lorenzo M. Gigliotti".

Lorenzo M. Gigliotti
Fire Chief

A handwritten signature in blue ink that reads "Linda Milson".

Linda Milson
Finance Officer

A handwritten signature in blue ink that reads "Mark Shaker".

Mark Shaker
Finance Officer



2018-19 BOARD OF DIRECTORS



Dan Leary
President



Jay Jeffs
Vice President



Bob Tinsley
Director



Michael Karen
Director



Brett Savage
Director



FOR FISCAL YEAR 2018 - 2019

ADMINISTRATIVE FINAL BUDGET PREPARATION

STAFF

Lorenzo Gigliotti, Fire Chief

Linda Milson, Finance Officer

Mark Shaker, Finance Officer

BOARD FINANCE COMMITTEE

MEMBERS

Dan Leary, President

Jay Jeffs, Vice-President

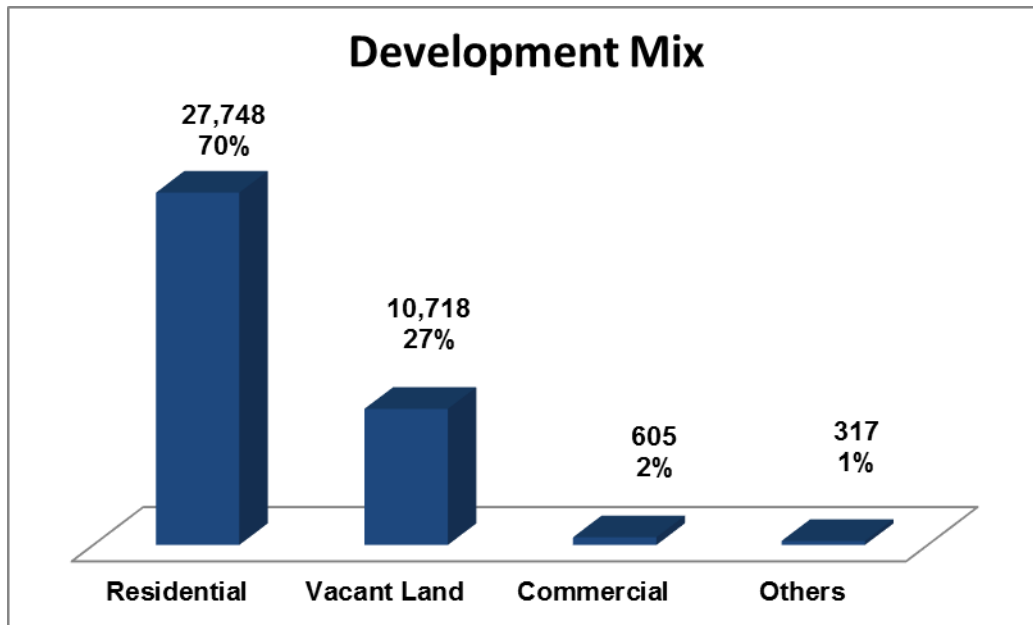


DISTRICT PROFILE

Formed in January 1951, Apple Valley Fire Protection District (District) is an independent and self-governed fire protection district governed by a board of five directors. Located in the high desert region of the County of San Bernardino (County), the District's boundary encompasses a 206 square mile area and population of nearly 94,000.

The District provides fire protection, paramedical services, fire prevention and code enforcement services to a varied mix of development. In the District there are approximately 27,748 residential dwelling units ranging from single-family dwellings, apartment complexes, town homes and mobile homes which make up 97 percent of all developed property. Commercial development accounts for 605 parcels or 2 percent of developed property while vacant land accounts for approximately 10,718 parcels or 27 percent of the parcels in the District's area of responsibility.

The District has seen recent growth and anticipates this growth to continue in the coming fiscal year. New developments in 2018 include: the Big Lots Distribution Center at 1.3 Million square feet, a Hotel & Six Commercial Buildings at 59,875 square feet, a Tractor Supply at 18,800 square feet as well as several additional developments occurring over the next fiscal year.

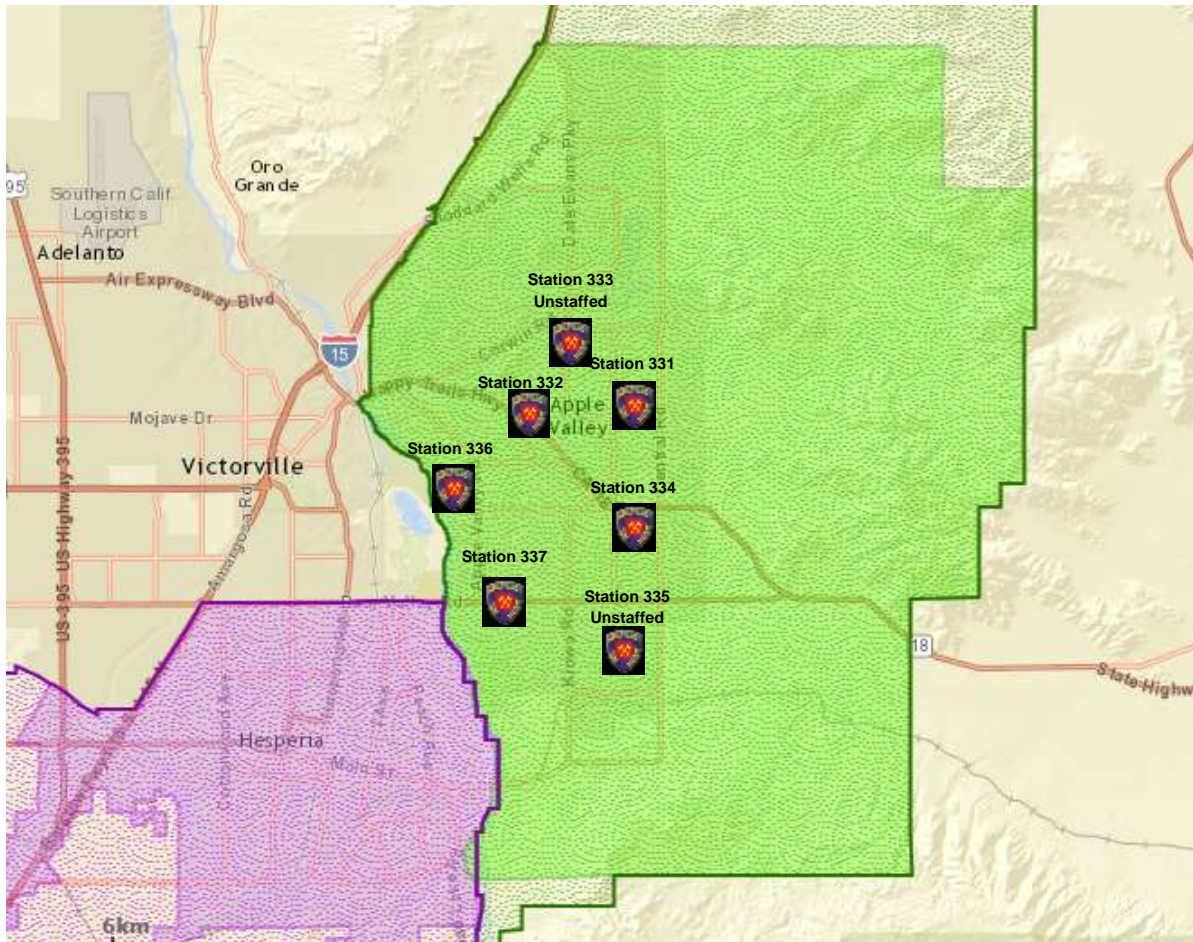




DISTRICT BOUNDARIES

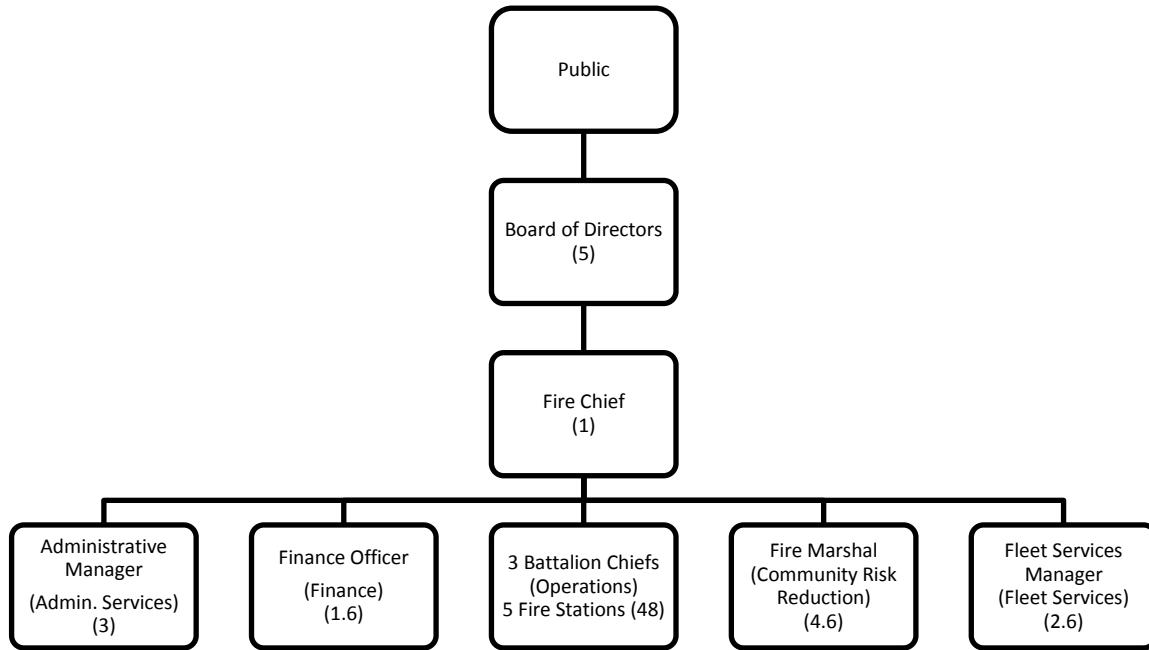
The District encompasses the Town of Apple Valley, bordering Interstate 15 and the cities of Victorville and Hesperia to the west; County unincorporated areas to the north and south, and Lucerne Valley to the east.

Within the District boundaries are 22 public and private schools, a general aviation airport, and thousands of acres of undeveloped vacant land. Apple Valley Airport houses 126 aircraft and handled 37,500 aircraft operations for the twelve month period ending December 31, 2018, of which 67% were local and 33% were transient flights.





ORGANIZATIONAL CHART



STAFFING

Administrative & Finance - All administrative functions of the District are managed by an Administrative Manager who supervises two full-time employees. A single Finance Officer manages all financial aspects of the district and in 2018-19 a part time accounting assistant is included in the budget to process accounts payable and other routine transactions to allow the Finance Officer to attend to higher level matters.

Operations - There are 48 full-time personnel in the operations section. Full-time staffing consists of a Fire Chief, 3 Battalion Chiefs, 15 Captains, 12 Engineers, 15 Firefighter/Paramedics and 3 Limited Term Firefighters.

The District staffs five stations 24 hours a day, 7 days a week. Stations 331, 332, 334, and 336 are staffed each with a Full Time Captain, Engineer and Firefighter Paramedic and Station 337 is staffed with a Full-Time Captain and Firefighter Paramedic. The District also utilizes Limited Term Firefighters, under a two year agreement with the Professional Firefighters Union, to augment daily staffing. A total of three Battalion Chief's, each assigned to a shift, provide supervision of the five station Captains and their crews. The required minimum staffing necessary to staff the five staffed District Fire Stations and provide for the necessary command and control is 15 personnel per day.

Two additional stations are owned by the District but are not staffed by District personnel. These stations are leased to outside agencies including Cal Fire at Station 335 and American Medical Response (AMR) at Station 333.

Fleet Services - A Fleet Services Manager supervises one mechanic and a part time clerk. Fleet services is responsible for the repair and maintenance of all the District's vehicles and fire apparatus.



Community Risk Reduction - The Fire Marshal supervises a staff of three full-time employees. An additional part-time employee has been budgeted for this year to assist with data input, thereby allowing the full-time staff to stay current on inspections, plan review, permitting and weed abatement.

To better quantify the number of personnel within the fire district Full Time Equivalency (FTE) is utilized. Part-Time employees are shown as FTE based on the number of hours worked divided by 40. In 2018-19 the District will have 6 Part-Time employees who account for 2 FTE's providing a total staffing of 61 employees. This number is quantified in the Staffing Analysis by Division chart below.

Staffing Analysis By Division 2018-19 Preliminary Budget							
	Fire Chief	Administrative Services	Finance	Operations	Community Risk Reduction	Fleet Services	Total
2014-15							
Full-Time	1	3	1	32	4	3	44
Part-Time	0	1	0	15	6	1	23
Total	1	4	1	47	10	4	67
2015-16							
Full-Time	1	3	1	32	3	2	42
Part-Time	0	1	0	15	5	3	24
Total	1	4	1	47	8	5	66
2016-17							
Full-Time	1	3	1	32	3	2	42
Part-Time	0	1	0	15	4	1	21
Total	1	4	1	47	7	3	63
2017-18							
Full-Time	1	3	1	45	3	2	55
Part-Time FTE	0	0.6	0	2.8	1.6	0	5
Total	1	3.6	1	47.8	4.6	2	60
2018-19							
Full-Time	1	3	1	48	4	2	59
Part-Time FTE	0	0	0.6	0	0.8	0.6	2
Total	1	3	1.6	48	4.8	2.6	61



DISTRICT STATISTICS

For the calendar year ended December 2017, the District responded to 11,219 calls for service, an increase of more than 6 percent from 2016. The majority of responses, 9,278 or 83 percent, were for rescue or medical emergency incidents. A total of 263 fire incidents were handled by the District including structure fires, vehicle fires and vegetation fires.

Incident Type YTD	Dec 2015	Dec 2016	Dec 2017
Fire	175	200	263
Rescue & Emergency Medical	8439	8658	9278
Hazardous Condition	109	99	98
Service Calls	770	845	940
Good Intent Calls	439	394	327
False Alarms	202	252	254
Special Incident Types	103	103	52
Severe Weather & Natural Disaster	0	2	4
Over pressure Rupture, Explosion, Overheat - (No Fire)	1	2	3
Total Incidents	10238	10555	11219

The Fire Prevention Division activities for the three years ended December are shown in the table below:

Activity YTD	Dec 2015	Dec 2016	Dec 2017
Inspections (Annuals, C/O, Development)	1950	1927	1609
Permits	342	401	430
Fire Plan Reviews	227	245	282
Vegetation Management	31449	47911	46000
Fire Investigations	103	103	123
Pub-Ed Programs: # of programs/Attendance	103/11015	100/12806	125/12860



DISTRICT GOALS

- Develop a multi-year strategic plan for the Fire District.
- To select a qualified personnel necessary to fill District vacancies as they occur.
- To assure that all probationary employees meet District expectations throughout and prior to the conclusion of their probationary process.
- To forecast and maintain 15 year rolling fleet and facility needs schedule to assure the Capital Improvement Fund is adequately funded to replace fire apparatus and staff vehicles and to meet facility requirements.
- To continually analyze response times and take appropriate actions necessary to improve the District's response time to an emergency scene.
 - Engage the "Standard of Response Coverage" process to ensure the District is meeting required resource distribution and concentration requirements to meet District needs.
- To meet the fire prevention needs of our community by performing timely inspections, permitting and plan review.
- Continue to improve the budget preparation process.
- Select and implement a new accounting system capable of meeting the District's needs.



BUDGET OVERVIEW

The budget document is the Fire District's fiscal year financial plan. It is prepared by the Fire Chief and Finance Officer with input from all program managers and Board Finance Committee members. Approval requires a majority vote of the Fire District Board of Directors.

The District's FY 2018-19 budget covers the period from July 1, 2018 through June 30, 2019. The Final General Fund budget shows \$12.4 million in budgeted revenues, \$11.8 million in expenditures and \$600 thousand transfer to the Capital Improvement Funds.

The budget was developed with the District's overall mission in mind:

Mission Statement

It shall be the mission of the Apple Valley Fire Protection District 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.

BUDGET PROCESS

The District's overall budget process is a very collaborative one, with input provided from all levels of personnel. The Fire Chief and Finance Officer are responsible for directing this process. A brief timeline of the normal budget process is outlined below:

Date	Function
January	Initial budget cycle timeline/plan is presented to the Fire Chief.
February	Program Managers and applicable personnel are provided current year budget and year end estimates and complete budget request forms.
March	All budget requests are reviewed by Finance and Program Managers and applicable personnel meet with Finance as needed to review budget requests.
April	The preliminary budget is developed and presented to Executive Staff and the Finance Committee.
Early-May	Budget Workshop is conducted with the District Board.
Mid-May	Preliminary budget is presented to the Board for adoption.
Prior to September	Submit the final budget to the Board for adoption.
Periodically	The budget is reviewed for potential adjustments which are brought to the Board for consideration.



FINANCIAL/BUDGET POLICIES

BASIS OF BUDGETING

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.

The FY 2018-19 Budget is presented using the modified-accrual basis of accounting. Revenues are recognized when they become measurable and available as current net 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 governments' spending measurement focus, expenditure recognition for governmental funds excludes amounts represented by non-current liabilities. Because non-current liabilities do not affect net current assets, such long-term liabilities are not recognized as governmental fund type expenditures or fund liabilities.

BUDGET CONTROL

The District's operating budget is adopted annually by the Board and all expenditures are controlled at the appropriation unit level (i.e. staffing expense, operating costs, administrative costs, capital outlays, debt service, and transfers). Any increase in total appropriation will be presented to the Board for approval. Transfers of appropriation between appropriation units, but within the total Board approved appropriation limit, may be approved by the District's Fire Chief and the Finance Officer with the exception of the following:

- Staffing Expenses – all transfers of appropriation must be approved by the Board.
- Capital Outlays – all transfers of appropriation must be approved by the Board.

GANN LIMIT

The District's Gann Appropriation Limit for FY 2018-19 is established by District Resolution 18-005 in the amount of \$10.4 million. The District's FY 2018-19 estimated proceeds from property tax is \$6.5 million and is below the Gann limit.

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 \$1,000 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

The Finance Officer can make and approve small purchases up to \$1,500. Chief Officers can make and approve small purchases up to \$1,000 and Program Managers can make and approve small purchases up to \$100, depending upon appropriate programs.

Budget Available

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

CAPITAL IMPROVEMENT PLAN

The Capital Improvement Program is supported by the District's Capital Improvement Plan (CIP) Fund and the 15 year Capital Improvement Plan. The CIP fund is used for acquiring, constructing, repairing or equipping fire apparatus, equipment or public buildings, such as fire stations or fleet maintenance operations. The CIP plan includes a 15 year fiscal plan detailing the forecasting of revenues and matching the timing of anticipated capital expenditures.

Capital assets are intended to continue to be held or used for a period of more than two years, such as land, buildings, apparatus, furniture, and other equipment. Capital assets must have a minimum value greater than \$5,000, or a collective asset purchase of greater than \$12,500, and a useful life of more than 2 years. The Board must approve all capital asset acquisitions. Donated capital assets are recorded at estimated market value at the date of the donation.

GENERAL FUND RESERVE POLICY

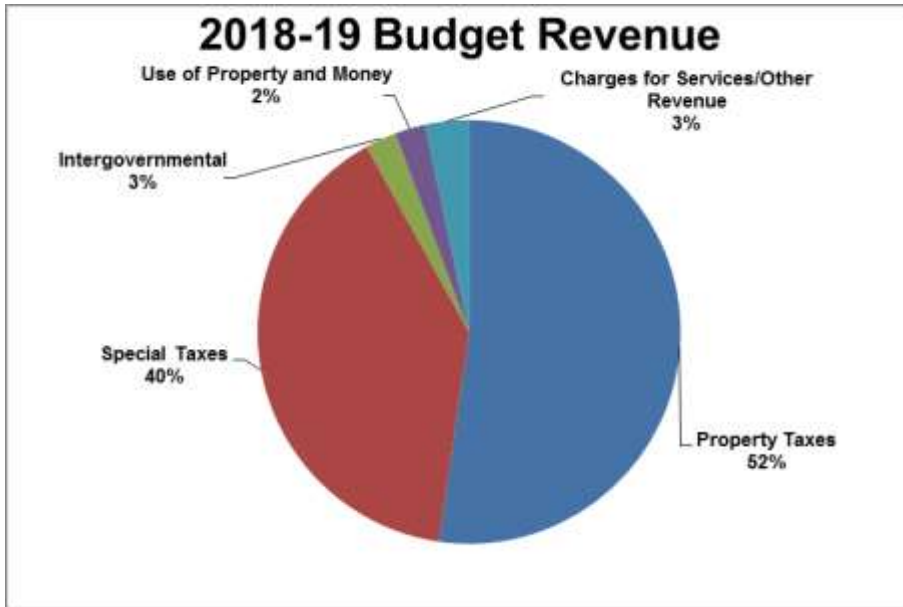
Many factors determine a jurisdiction's long-term fiscal health, but the single most important ingredient is developing and articulating clear fiscal policies before financial crises hit. Such policies will help avoid fiscal crisis; and they help the organization respond in a prudent manner during times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

In 2001, the Apple Valley Fire Protection District Board of Directors 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 reserve of not less than seven percent (7%) of the total current fiscal year budgeted expenditures. The FY 2018-19 Final Budget has committed \$1,181,759 of the projected General Fund Balance to be held for economic uncertainty. The reserve for workers' compensation is currently under evaluation. Overall, the District's General Fund Reserve Policy has allowed the District to establish, dedicate and maintain reserves annually to meet known and estimated future obligations.

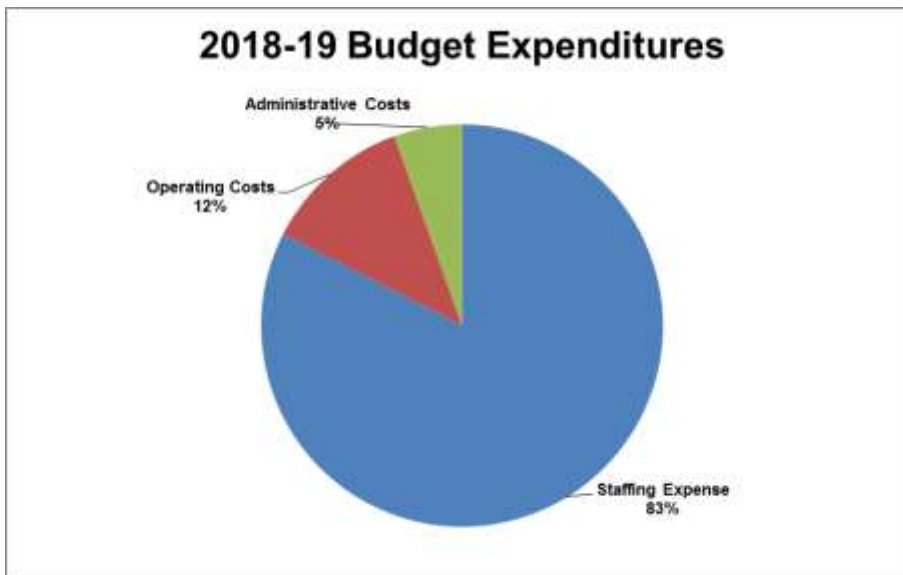


BUDGET SUMMARY General Fund Multi-Year Comparison

Budget Analysis General Fund Multi-Year Comparison 2018-19 Final Budget						
	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 BUDGET	2018-19 PRELIMINARY BUDGET	2018-19 FINAL BUDGET	CHANGE FROM 2017-18 BUDGET
REVENUES						
Property Taxes	5,467,442	5,892,033	5,901,993	6,379,896	6,442,813	540,820
Special Taxes	2,378,357	2,428,580	4,692,139	4,760,086	4,965,729	273,590
Intergovernmental	10,148	388,122	-	300,000	300,000	300,000
Use of Property and Money	225,915	250,614	241,797	268,494	289,148	47,351
Charges for Services/Other Revenue	1,371,092	257,135	563,602	418,315	419,895	(143,707)
Reserves/Other Financing	-	95	-	-	-	-
Total Revenues	9,452,954	9,216,579	11,399,531	12,126,791	12,417,585	1,018,054
EXPENDITURES						
Staffing Expense	7,251,466	6,006,425	8,806,591	9,574,980	9,680,636	874,045
Operating Costs	1,153,205	1,251,736	1,349,714	1,409,295	1,442,672	92,958
Administrative Costs	487,930	803,691	554,510	621,154	672,915	118,405
Capital Expenditures	10,148	-	-	-	-	-
Debt Service	24,122	5,855	14,005	11,362	11,362	(2,643)
Total Expenditures	8,926,871	8,067,707	10,724,820	11,616,791	11,807,585	1,082,765
Appropriations for Contingencies	-	-	10,000	10,000	10,000	-
Total Appropriations	8,926,871	8,067,707	10,734,820	11,626,791	11,817,585	1,082,765
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out (CIP)	(50,000)	(550,000)	(664,711)	(500,000)	(600,000)	64,711
Proceeds from insured loss	-	-	-	-	-	-
PASIS dividends	1,021,802	-	-	-	-	-
Proceeds from Sale of Assets	1,695	-	-	-	-	-
Total Other Financing Sources (Uses)	973,497	(550,000)	(664,711)	(500,000)	(600,000)	64,711
Net Change in Fund Balance	1,499,580	598,872	-	-	-	-
Beginning Fund Balance	2,448,757	3,948,337	4,547,209	4,547,209	4,547,209	-
Ending Fund Balance	3,948,337	4,547,209	4,547,209	4,547,209	4,547,209	-



Revenues of \$12.4 million include \$6.4 million in property taxes, \$5 million in special taxes, \$.3 million for Intergovernmental (Strike Team reimbursement), \$0.4 million in charges for services/other revenue and \$0.3 million for use of property and money.



Expenditures of \$11.8 million include staffing expense, operating costs, and administrative costs to support the District in the delivery of fire protection, emergency medical and prevention services. Staffing expense of \$9.6 million or 83 percent of all budgeted expenses are necessary to provide fire protection services, administration, and various support services to the District. Operating costs of \$1.4 million or 12 percent of all budgeted expenses primarily includes materials and supplies, communications, general household supplies, equipment and equipment maintenance, facilities maintenance, as well as fuel and mileage. Administrative costs of \$0.6 million or 5 percent of all budgeted expenses primarily includes office expenses, professional services, memberships and



publications, special department expense, training, transportation and travel, insurance, utilities and one-time costs to purchase and implement new accounting software.

Revenue Analysis

				Budget Analysis Revenue 2018-19 Final Budget
	2017-18 BUDGET	2018-19 PRELIMINARY BUDGET	2018-19 FINAL BUDGET	CHANGE FROM 2017-18 Budget
REVENUES				
Property Taxes	5,901,993	6,379,896	6,442,813	540,820
Special Taxes	4,692,139	4,760,086	4,965,729	273,590
Intergovernmental	300,000	300,000	300,000	-
Use of Property and Money	241,797	268,494	289,148	47,351
Charges for Services/Other Revenue	263,602	418,315	419,895	156,293
Reserves/Other Financing	-	-	-	-
Total Revenues	11,399,531	12,126,791	12,417,585	1,018,054

Revenues of \$12.4 million are expected to increase overall by \$1 million from the 2017-18 budget. Property taxes at \$6.4 million are expected to increase by \$540 thousand due to valuation increases and new construction. The increase reflects an increase in both the general tax levy and the supplemental tax levy from FY 2017-18 budget. Special tax revenue reflects an increase of 2% over the 2017-18 assessments consistent with the consumer price index increase as prescribed in the terms of the Special Tax "Measure A" as approved by voters within the District. Intergovernmental includes estimated strike team reimbursements. Charges for services/other revenue is primarily cell tower and station rents as well as fees and permits for which budgeted amounts are projected based on rental agreements and estimated fees and permits.



Expenditures Analysis

Budget Analysis Expenditures 2018-19 Final Budget				
	2017-18 BUDGET	2018-19 PRELIMINARY BUDGET	2018-19 FINAL BUDGET	CHANGE FROM 2017-18 Budget
EXPENDITURES				
Staffing Expense	8,806,591	9,574,980	9,680,636	874,045
Operating Costs	1,349,714	1,409,295	1,442,672	92,958
Administrative Costs	554,510	621,154	672,915	118,405
Debt Service	14,005	11,362	11,362	(2,643)
Contingencies	10,000	10,000	10,000	-
Total Expenditures	10,734,820	11,626,791	11,817,585	1,082,765

Overall, expenditures, including contingencies, are increasing to \$11.8 million, an increase of \$1.1 million from the Fiscal Year 2017-18 budget. Staffing expense, including salaries and benefits, is projected to increase \$874 thousand. In addition to current personnel costs, Staffing Expense includes a \$157 thousand increase over 2017-18 in the required CalPERS unfunded pension liability payment due in FY 2018-19. Mutual Aid reimbursements are estimated at \$300 thousand consistent with the FY 2017-18 budget.

The 2018-19 final budget includes \$92 thousand increase in operating costs due to anticipated increasing cost for materials and supplies, equipment and facilities maintenance and fuel.

Increases in 2018-19 final budget Administrative costs are due to anticipated higher professional service fees, training costs, insurance and utilities expense.

Appropriations for contingencies are at \$10 thousand consistent with FY 2017-18.

Other Financing Sources (Uses) Analysis

Budget Analysis Other Financing Sources (Uses) 2018-19 Final Budget				
	2017-18 BUDGET	2018-19 PRELIMINARY BUDGET	2018-19 FINAL BUDGET	CHANGE FROM 2017-18 BUDGET
Other Financing Sources (Uses)				
Transfers In to General Fund for Expenditures	-		-	-
Transfers from General Fund to CIP Fund	(664,711)	(500,000)	(600,000)	64,711
Proceeds from Sale of Assets	-		-	-
Total Other Financing Sources (Uses)	(664,711)	(500,000)	(600,000)	64,711

The 2018-19 Final Budget includes a planned transfer of \$600 thousand from the General Fund to the Capital Improvement Fund. 2018-19 budgeted capital expenditures are \$518,500 in the CIP fund.



Fund Balance Analysis

Budget Analysis General Fund Balance 2018-19 Final Budget					
	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 BUDGET	2018-19 PRELIMINARY BUDGET	2018-19 FINAL BUDGET
Restricted					
Debt Service	33,279	-	-	-	-
Committed					
Petty Cash/Revolving Cash	2,250	2,250	2,250	2,250	2,250
Held for Economic Uncertainty	839,733	920,982	1,072,482	1,162,679	1,181,759
Assigned					
Workers' Comp Reserve	600,000	600,000	600,000	600,000	600,000
Equipment & Facilities	688,532	556,019	164,711	229,500	600,000
Compensated Absences	542,415	564,112	736,848	736,848	862,330
Unassigned					
	1,242,128	1,903,846	1,970,918	1,815,932	1,300,871
Ending Fund Balance at June 30	3,948,337	4,547,209	4,547,209	4,547,209	4,547,209

The Governmental Accounting Standards Board (GASB) issued Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions that went into effect June 30, 2011. As required by GASB Statement No. 54, the District has classified its fund balance into one of the five fund balance categories as follows:

Non-spendable – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund).

- The District currently does not have non-spendable fund balances.

Restricted – externally enforceable limitations on use, amounts constrained to specific purposes by their providers (such as creditors, grantors, bondholders, and higher levels of government), through debt covenants set by creditors, constitutional provisions, or by enabling legislation. The District's general fund has no restricted balance.

- The District has a Development Impact Fees Fund which is separate from the General Fund. Funding is through the Town of Apple Valley who collects the fees from developers. These funds may be used only for capital projects and capital acquisitions necessary to preserve the existing level of service within the town of Apple Valley at July 1, 2007. At June 30, 2018, the Development Impact Fees Fund balance was \$127,433.

Committed – amounts constrained to specific purposes by a government itself, such as constraints imposed by Board resolution, amounts cannot be used for any other purpose unless the Board takes the same highest-level action to remove or change the constraint.



Petty Cash/Revolving Cash – the District currently has \$2,250 in committed fund balance as set by fiscal policy for the purpose of petty cash and revolving cash.

- Held for Economic Uncertainty – the District’s 2018-19 Budget has \$1,181,759 in committed fund balance as set by Board Resolution to hold 10% of the 2018-19 Budgeted expenditures, less expenditures for Capital Improvements, for said reserves.

Assigned – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

- Worker’s Comp Reserve – the District currently has \$600,000 in assigned fund balance for its Worker’s Comp Reserve due to its outstanding worker’s comp liabilities from claims originating under a prior joint powers authority which was dissolved on June 30, 2015. The amount required for this reserve is currently under review.
- Compensated Absences – at June 30, 2018, the District had \$862,330 in assigned fund balance for compensated absence liabilities. This amount represents 67% of total compensated absences and employee accrued leave balances at June 30, 2018.
- Equipment and Facilities – The General Fund balance includes \$600 thousand designated to be transferred to the Capital Improvements Fund in 2018-19.
- Capital Improvement Fund – at June 30, 2018, the District’s Capital Improvement Fund balance was \$1,057,519 which is designated for equipment and facilities under the District’s Capital Improvement Plan. The 2018-19 Final Budget provides for a transfer of \$600,000 from the General Fund to the Capital Improvement Fund. The Capital Improvement Fund Final Budget includes expenditures of \$518,500 for improvements at headquarters and station 332, 336 and 337, a mobile service vehicle, a staff vehicle and a compressor. The District’s 2018-19 Budgeted ending Capital Improvement fund balance is \$1,141,575.

Unassigned – amounts that are available for any purpose; these amounts are reported only in the general fund.

The District’s FY 2018-19 General Fund Final Budget has \$1.3 million in unassigned fund balance.



Capital Improvement Plan Fund

Budget Analysis CIP Fund Multi-Year Comparison 2018-19 Final Budget						
	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 BUDGET	2018-19 PRELIMINARY BUDGET	2018-19 FINAL BUDGET	CHANGE FROM 2017-18
REVENUES						
Intergovernmental	-	-	-	-	-	-
Use of Property and Money	1,103	1,029	1,500	2,556	2,556	1,056
Sale of Fixed Assets	-	32,457	-	20,000	-	-
Reserves/Other Financing	-	-	-	-	-	-
Total Revenues	1,103	33,486	1,500	22,556	2,556	1,056
EXPENDITURES						
Administrative Costs	-	2,272	-	-	-	-
Capital Expenditures	179,514	72,720	164,711	455,500	518,500	353,789
Debt Service	56,766	477,242	-	-	-	-
Total Expenditures	236,280	552,234	164,711	455,500	518,500	353,789
Other Financing Sources (Uses)						
Transfers In	106,766	550,000	664,711	500,000	600,000	(64,711)
Total Other Financing Sources (Uses)	106,766	550,000	664,711	500,000	600,000	(64,711)
Net Change in Fund Balance	(128,411)	31,252	501,500	67,056	84,056	
Beginning Fund Balance	653,178	524,767	556,019	1,057,519	1,057,519	
Ending Fund Balance	524,767	556,019	1,057,519	1,124,575	1,141,575	

The Capital Improvement Plan (CIP) Fund represents the capital needs for the District over a 15 year period. The 2018-19 budget includes anticipated capital expenditures of \$518,500. Capital expenditures are required to be approved by the District's Board of Directors.

The 2018-19 Other Financing Sources (Uses) represents the Final Budget transfer of \$600,000 from the General Fund to purchase the 2018-19 planned capital assets in the amount of \$518,500 and to increase the fund balance for fleet and other fixed asset requirements in the future.



Development Impact Fees Fund

The Development Impact Fee (DIF) fund consists of fees collected by the Town of Apple Valley and forwarded to the District for Development Impact Fees paid by developers for new development within the territory of the District. These revenues are legally restricted for the purpose of financing fire suppression facilities and equipment made necessary by the impacts of development.

Budget Analysis
Developmental Impact Fund Multi-Year Comparison
2018-19 Final Budget

	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 BUDGET	2018-19 PRELIMINARY BUDGET	2018-19 FINAL BUDGET	CHANGE FROM 2017-18
REVENUES						
Use of Property and Money	63	98	100	300	300	200
Charges for Services/Other Revenue	57,956	55,671	-	-	-	-
Total Revenues	58,019	55,769	100	300	300	200
EXPENDITURES						
Total Expenditures	-	-	-	-	-	-
Other Financing Sources (Uses)						
Transfers Out	(56,766)	-	-	-	-	-
Total Other Financing Sources (Uses)	(56,766)	-	-	-	-	-
Net Change in Fund Balance	1,253	55,769	100	300	300	
Beginning Fund Balance	10,228	11,481	67,250	67,350	67,350	
Ending Fund Balance	11,481	67,250	67,350	67,650	67,650	

Developer Impact Fees (DIF) revenues are paid to the District by the Town of Apple Valley. 2018-19 budget includes only interest income. No anticipated expenditures are anticipated for this revenue with the exception of future transfers to the CIP fund for purchase of capital assets in accordance with the Fund restrictions and upon action by the District's Board of Directors.

The Districts' Development Impact fees study was performed in 2006 and implemented in 2007. The District is currently reviewing the fee structure.



BUDGET – ALL FUNDS

Budget Analysis All Funds Multi-Year Comparison 2018-19 Final Budget						
	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 BUDGET	2018-19 PRELIMINARY BUDGET	2018-19 FINAL BUDGET	CHANGE FROM 2017-18 BUDGET
REVENUES						
Property Taxes	5,467,442	5,892,033	5,901,993	6,379,896	6,442,813	540,820
Special Taxes	2,378,357	2,428,580	4,692,139	4,760,086	4,965,729	273,590
Intergovernmental	10,148	388,122	-	300,000	300,000	300,000
Use of Property and Money	227,081	251,741	243,397	271,350	292,004	48,607
Charges for Services/Other Revenue	1,429,048	345,264	563,601	388,315	419,895	(143,706)
Reserves/Other Financing	-	95	-	-	-	-
Total Revenues	9,512,076	9,305,835	11,401,130	12,099,647	12,420,441	1,019,311
EXPENDITURES						
Staffing Expense	7,251,466	6,006,425	8,806,591	9,574,980	9,680,636	874,045
Operating Costs	1,153,205	1,251,736	1,349,714	1,409,295	1,442,672	92,958
Administrative Costs	487,930	805,963	554,510	621,154	672,915	118,405
Debt Service	80,888	483,097	14,005	11,362	11,362	(2,643)
Total Expenditures	8,973,489	8,547,221	10,724,820	11,616,791	11,807,585	1,082,765
Capital Expenditures	189,662	72,720	164,711	455,500	518,500	353,789
Appropriations for CIP			-	67,356	84,356	
Appropriations for Contingencies	-	-	10,000	10,000	10,000	-
Total Appropriations	9,163,151	8,619,941	10,899,531	12,149,647	12,420,441	1,436,554
Other Financing Sources (Uses)						
Transfers In	50,000	550,000	771,477	500,000	600,000	221,477
Transfers Out	(50,000)	(550,000)	(771,477)	(500,000)	(600,000)	(221,477)
Proceeds from insured loss	-	-	-	-	-	-
PASIS dividends	1,021,802	-	-	-	-	-
Proceeds from sale of assets	1,695	-	-	50,000	-	-
Total Other Financing Sources (Uses)	1,023,497	-	-	50,000	-	-
Net Change in Fund Balance	1,372,422	685,894	501,599	-	-	
Beginning Fund Balance	3,112,163	4,484,585	5,170,479	5,672,078	5,672,078	
Ending Fund Balance	4,484,585	5,170,479	5,672,078	5,672,078	5,672,078	