



FINAL BUDGET

2014 – 2015

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Apple Valley Fire Protection District

Final Budget

Fiscal Year 2014-2015

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.

When property values plummeted after the "Great Recession", General Fund revenues fell \$1,841,179 during the next four years from 2008-2009 to 2012-2013 in reduced property taxes. Thus, navigating the "how" and "when" to impose austerity cuts for fiscal sustainability these past several years has not an easy task for the District's management team. Nevertheless, the District is experiencing a slow and steady recovery, presenting a balanced budget for the 2014-2015 year. Achieving a financially sound budget that sustains the important values of our community has been a significant accomplishment. 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. In our opinion, local government has no greater task than to deliver public safety to its citizens.

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. Although the District continues to operate in a challenging economic environment, it has made great strides in its financial sustainability journey. There are two primary reasons why the District has a balanced budget. The first is that the economy has gradually continued its recovery and property tax revenue declines have been reversed. Second, it is heartening to acknowledge prior effective cost containment measures have given the District the opportunity to begin investing in its Capital Improvement Plan for fiscal sustainability, while achieving the District Board of Directors' major objective of providing emergency services with the most efficient use of the public's tax dollars.

General Fund 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.

As it relates to revenues, the District is experiencing a slow and steady economic recovery from the Great Recession. Due to the Great Recession and corresponding decline in assessed values for property in the District, property tax revenues 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 an overall reduction in General Fund Reserves by \$535,410 for 2009-2010 and \$630,326 for fiscal year 2010-2011. Subsequently, the District's efforts to control costs have been successful and are ongoing. Prudent spending and financial management allow the District to consistently keep expenditures under budget, both operationally and in staffing. In addition, concessions achieved with all employee groups will result in annual, ongoing cost savings. Second and third tier retirement benefits are in effect so that the benefits received by every new employee results in less costs to the District. Savings from employee turnover are expected to grow in the future. These cost savings coupled with past budget reductions and modest revenue enhancements are helping fund emergency response services for residents and the community, and allow the District to reinvest in critical capital equipment. Most importantly this budget balances the provision of essential protection of life, property and the environment from the effects of fire, health and hazardous threats with resources available now and in the future.

The Final Budget for Fiscal Year 2014-2015 maintains \$785,893 of committed reserves dedicated for unforeseen events possibly causing economic uncertainty. Said reserves are consistent with the Fiscal Policy adopted by the Board of Directors. For the General Fund this represents 10% of operating expenditures, not including funds for capital outlay. These reserves are the cornerstone of the sound and prudent financial practices that have allowed the Board of Directors to manage the Apple Valley Fire Protection District through the economic challenges of the last several years.

In summary, the District has made great strides to operate with financial resiliency. 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 fourth 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 2014-2015 Summary of all Funds

Combined Revenue Sources:		Combined Expenditures:	
General Fund	\$8,178,013	General Fund	\$7,928,552
Capital Improvement Fund	585,731	Capital Improvement Fund	961,294
Development Impact Fees	<u>92,215</u>	Development Impact Fees	<u>90,766</u>
Total Revenues	\$8,855,959	Total Expenditures	\$8,980,612

FINANCIAL HIGHLIGHTS

The following is an overview of assumptions for the top three General Fund revenues, which account for about 97% of total General Fund revenues:

PROPERTY TAXES. The District's General Fund revenues are primarily supported by local property taxes, levied through San Bernardino County. This is the number one General Fund revenue, accounting for 62% of the General Fund's total revenues. Under Proposition 13, assessed value increases are generally limited to 2% annually, as added by the California Consumer Price (CCPI) index factor. Assessment roll value can be increased to market value for improvements or upon change of ownership. Based on the past several years, many properties were reassessed to lower valuations or sold for less than prior valuations, which reduced our property tax revenues significantly. 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 automatically reduced as well.

During the current year, however, there are signs that property values are starting to recover. Modest growth in the property tax assessed valuation base equal to 2% for COLA and 1.9% for growth for a total of 3.9% or a cumulative \$5,075,053 in property tax revenues have been forecasted for 2014-2015.

The Teeter Plan. In regards to property tax collections, 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.

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

	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
Property taxes	\$5,359,762	\$4,820,347	\$4,704,637	\$4,708,251	\$4,884,446	\$5,075,053
% Change						
Over prior year	(18.2%)	(10.1%)	(2.4%)	0.1%	3.7%	3.9%

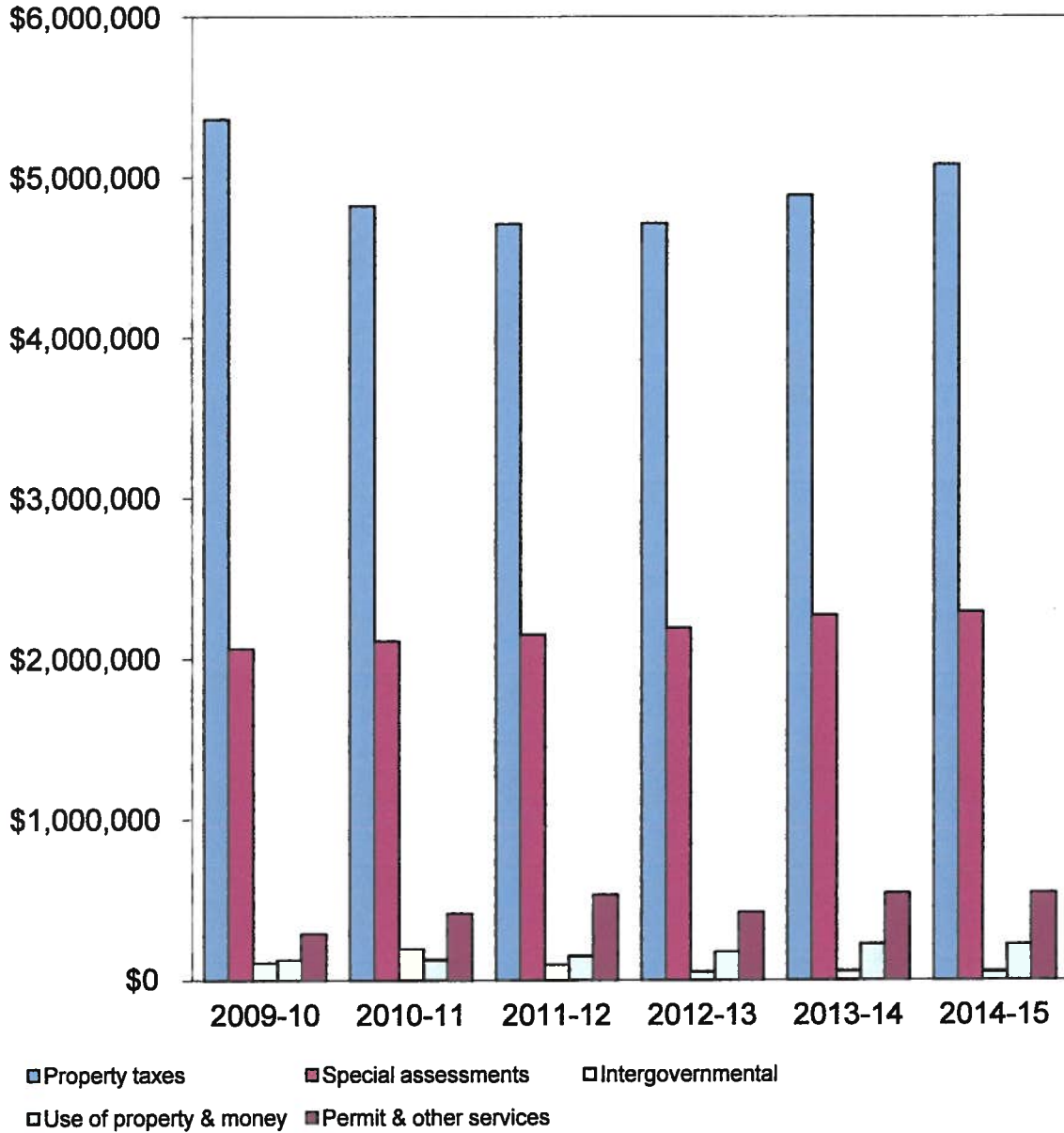
SPECIAL TAXES. Measure V, a special tax voted on and passed in November 1997 by the residents within the Apple Valley Fire Protection District to restore fire protection and emergency medical services, represents a significant 28% or \$2,285,087 of the General Fund's 2014-2015 budgeted revenue. The Special 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 2014-2015, there are 4 years remaining. Measure V is set to sunset in 2017-2018 (if not renewed via ballot measure).

CHARGES FOR CURRENT SERVICES. Annual fire code permits, plan review fees, annual fire inspection fees, and weed abatement fees. During this financial forecast period, charges for current services representing \$538,331 can be characterized as having no new fees.

There are two other special revenue funds the District operates. The Capital Improvement Plan (CIP) Fund, established in the latter part of fiscal year 2013-2014 to replace the Jess Ranch Capital Improvement Fund, and Development Impact Fee (DIF) Fund. The CIP fund is to forecast and match projected revenues and capital needs for the entire District over a (6) year period. Special revenues representing Development Impact Fees 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.

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.

General Fund Revenues Six Fiscal Years 2009-10 to 2014-15



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.
- Public event Bicycle Paramedic Program
- Fire hose replacement \$ 24,400
- Large fork lift \$ 10,000
- Shop Compressor \$ 6,500
- Replace jaws of life capable of cutting through harder materials \$ 31,289
- Confined space rescue capabilities \$ 34,000
- 5 ALS Defibrillators \$150,000
- Replace Mobile Data Computers on front line equipment \$ 60,000
- Federal Grant to convert all self contained breathing apparatus \$521,628
- SCBA communications updated; 1st of 2 year program \$ 24,000
- Staff vehicles and Type III apparatus replaced \$148,000
- Committed Reserves of \$785,893 or 10% of fiscal year 2014-2015 total expenditures to be held for economic uncertainty.

Expenditures

Total general fund expenditures were projected at \$8,166,013 in 2014-2015 versus an estimated \$7,963,004 for the previous fiscal year 2013-2014. 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 six year comparative example of the District's personnel costs of wages and benefit totals as a percentage of General Fund Revenues:

	Actual <u>09-10</u>	Actual <u>10-11</u>	Actual <u>11-12</u>	Actual <u>12-13</u>	Unaudited <u>13-14</u>	Budget <u>14-15</u>
Wages	\$4,887,397	\$4,239,348	\$4,103,548	\$3,576,405	\$3,649,767	\$3,691,091
Overtime	408,184	391,512	322,890	452,697	514,667	539,976
Benefits	<u>2,228,424</u>	<u>1,892,745</u>	<u>1,769,159</u>	<u>1,681,844</u>	<u>1,802,869</u>	<u>1,845,620</u>
Total Labor	\$7,524,005	\$6,523,605	\$6,195,597	\$5,710,946	\$5,967,303	\$6,076,687
Total Revenues	\$7,938,442	\$7,659,168	\$7,621,529	\$7,537,501	\$7,963,004	\$8,166,013
Personnel Costs as % of Revenues	94.78%	85.17%	81.29%	75.77%	74.94%	74.41%

Other Post Employment Benefits (OPEB) Trust Established

There is no essential difference between promising retirement income (pension benefits) and promising other types of benefits during retirement (OPEB) such as health, vision, life or dental insurance assistance. Health-care is a major factor in the cost of “other” post-employment benefits (OPEB) for state and- local government employers. It doesn’t take long to realize health care costs can be wildly unpredictable and expensive, especially if you have ever been uninsured. Health-care coverage is a special challenge for retirees more than 55 years old, which is the typical retirement age of our District’s firemen, not yet eligible for Medicare.

The District’s terminology is called a balanced approach. Taxpayer concerns about the affordability of pension benefits and employee concerns about having sufficient retirement income are both valid. Beyond these considerations, all public employers have their own workforce management objectives – they want to ensure that the pension benefit, as part of an overall compensation package, supports their efforts to hire and retain talented employees. And both groups should share an interest in seeing that sound pension funding principles are being followed. Thus, the District established an OPEB trust on October 1, 2008 related to health-care.

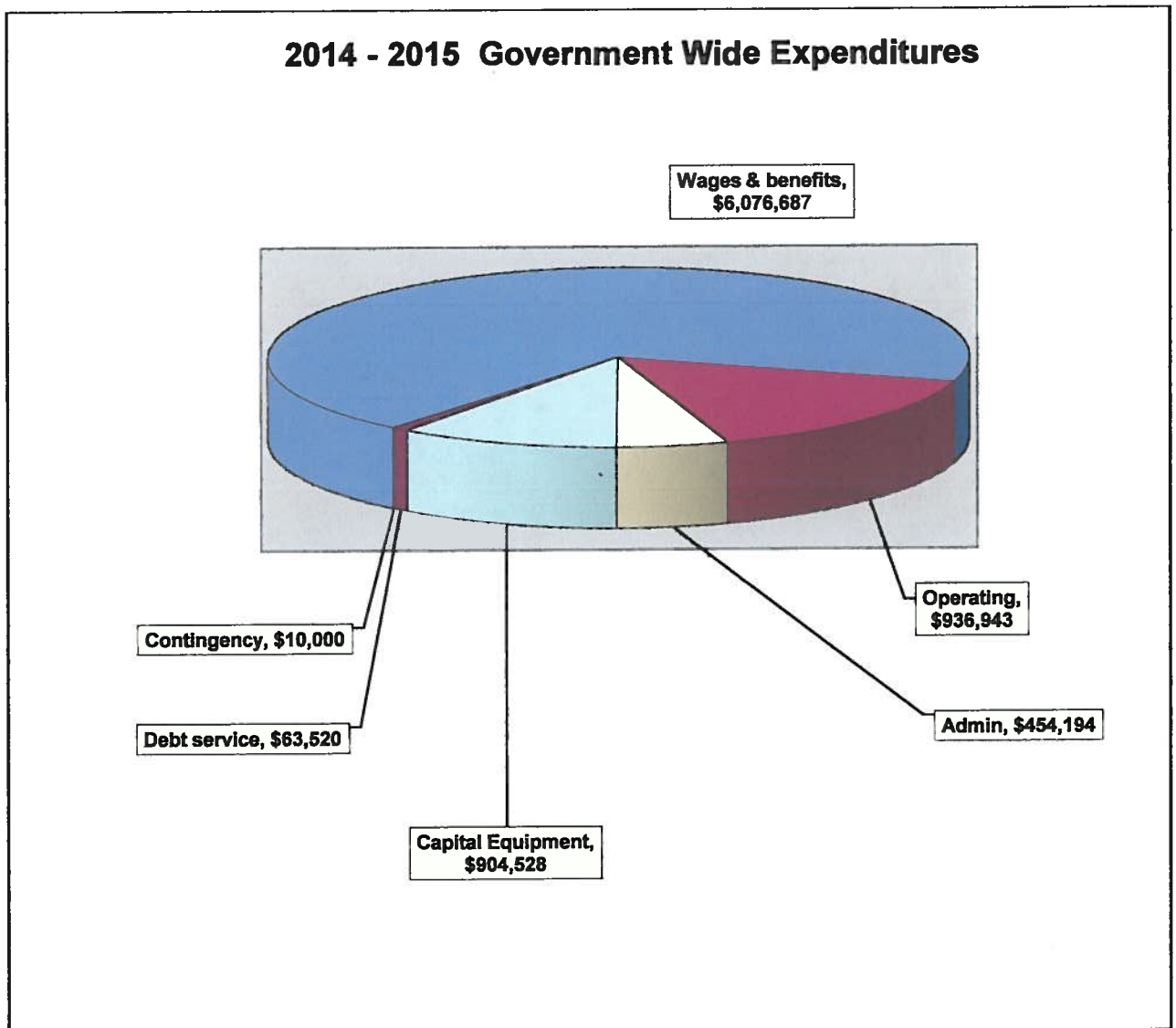
Issued in June 2004, the Governmental Accounting Standards Board (GASB) issued its Statement No. 45, requiring public-sector employers to assess and disclose their local government’s OPEB costs other than pensions, such as retiree health-care costs. The basic premise of the new GASB guidance on other postemployment benefits is that they are a form of earned employee compensation. Therefore, since they are accrued over an employee’s career, they should be recognized as an expense during the same period of time, regardless of when the benefits are paid out.

The GASB does not require prefunding of OPEB, however, 7 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 through an irrevocable trust as a necessary and fiscally responsible action. As of June 30, 2014, the market value of the OPEB Trust is in excess of \$1.5 million.

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, 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. By engaging actuaries to calculate needed contribution levels, coupled with the Board of Directors committing to same, the District has gone from 0% to 60.5% funded in 6 short years.

The following graph highlights major cost categories District Wide in 2014-2015 fiscal year beginning July 1, 2014:



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 *available* 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.

Capital Improvement Plan (CIP)

The capital improvement plan is a six-year fiscal plan detailing the forecasting of revenues and matching the timing of anticipated capital expenditures. The District adopts the first year of the CIP and approves the entire six-year plan in concept. It is updated annually with the adoption process of the annual budget.

Capital Improvement Fund

The District formalized a Capital Improvement Fund in fiscal year 2013-14 to appropriate, provide for, set aside and accumulate monies to be used for acquiring, constructing, repairing or equipping fire apparatus, equipment or public buildings, such as fire stations or fleet maintenance operations. The CIP Fund is a rolling six-year financially balanced fund. It is anticipated the plan will have more expenditures than revenues in any single year. However, this means that for the entire six year plan, revenues will be equal to projected expenditures in the plan, including any interest payments on planned debt.

CIP Funding

Major funding sources for the CIP are operating transfers from the General Fund, interest earnings, grants, developer contributions from the Developer Impact Fee Fund, and donations. The CIP is viewed as a long-term program that will continually address capital requirements far into the future. As such, the use of long-term debt needed to acquire a capitalized asset is kept to a minimum, allowing the District to put money into projects that benefit the District's stakeholders rather than interest payments to financial institutions.

Capital Outlay

Capital outlay is one of four categories of expenditures; salaries and benefits, services and supplies, capital outlay, and debt service. Capital outlay expenditures result in the acquisition of, or addition of, capital assets. These expenditures may occur in either an operating program (e.g., the purchase of a computer) or in the capital improvement plan program (e.g., a new fire engine).

Capital Assets

Assets of long-term character 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. To be a capitalized asset, it must meet a cost threshold of \$5,000, with a minimum life of 2 years. An exception to the \$5,000 would be expenditures which individually may be less than \$5,000, but collectively requires at least \$12,500 to be expended. 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. 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 2014-2015 budget has committed \$785,893 of a \$2.4 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.

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

Over the past five years, Apple Valley Fire Protection District as emerged from the toughest economic period in generations. 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. In looking ahead, 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 3,000 to 5,000 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 three years before the excess of vacant housing units are absorbed, commercial growth and specifically industrial growth activity is slowly making headway in Apple Valley.

The purpose of our District using long-range forecasting, is to provide a “road map” for where the District wants to go financially and how it plans to get there by aligning financial capacity with long-term emergency service objectives. 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 2014-2015

	2009-2010 <u>Actual</u>	2010-2011 <u>Actual</u>	2011-2012 <u>Actual</u>	2012-2013 <u>Actual</u>	2013-2014 <u>Unaudited</u>	2014-2015 <u>Final Budget</u>
Revenues						
Property Taxes	\$5,359,762	\$4,820,347	\$4,704,637	\$4,708,251	\$4,884,446	\$5,075,053
Special Assessments	2,061,534	2,107,937	2,147,351	2,189,090	2,267,905	2,285,087
Intergovernmental	105,156	191,845	92,420	49,866	53,379	50,411
Use of Property and Money	123,862	127,209	149,208	171,426	220,870	217,131
Charges for services and other revenue	<u>288,128</u>	<u>411,829</u>	<u>527,913</u>	<u>418,869</u>	<u>376,231</u>	<u>538,331</u>
Total Revenues	7,938,442	7,659,167	7,621,529	7,537,502	7,802,831	8,166,013
Expenditures						
Wages and Benefits						
Wages	5,295,581	4,630,860	4,415,215	4,029,102	4,004,261	4,231,067
Fringe Benefits	<u>2,228,424</u>	<u>1,892,745</u>	<u>1,769,160</u>	<u>1,681,844</u>	<u>1,802,869</u>	<u>1,845,620</u>
Total Wages and Benefits	7,524,005	6,523,605	6,184,375	5,710,946	5,807,130	6,076,687
Operating Costs						
Materials & Supplies	93,359	172,005	158,513	139,457	164,766	204,883
Communications	489,697	518,977	527,256	560,335	604,583	631,390
Food	5,347	5,264	2,256	1,640	2,794	4,200
General Household	32,982	32,805	33,134	32,641	32,790	34,965
Equipment Maintenance	175,450	232,327	168,954	268,995	300,164	271,891
Facility Maintenance	39,174	41,469	55,956	37,971	135,700	95,652
Fuel & Mileage	<u>96,163</u>	<u>101,099</u>	<u>110,283</u>	<u>110,255</u>	<u>103,983</u>	<u>113,028</u>
Total Operating Costs	932,172	1,103,946	1,056,352	1,151,294	1,344,780	1,356,009
Administrative Costs						
Office Expense	29,931	32,001	31,348	31,030	29,211	35,426
Professional Services	167,376	215,603	307,559	246,652	146,901	187,230
Memberships & Publications	13,572	14,540	12,694	11,889	13,309	12,701
Special Department Expense	25,037	65,254	39,432	21,657	78,158	21,786
Training	21,726	31,928	18,962	24,439	24,790	27,509
Transportation & Travel	13,457	9,355	4,901	6,933	5,165	9,364
Insurance	67,983	71,118	74,529	78,202	74,166	75,616
Utilities	<u>77,597</u>	<u>78,979</u>	<u>76,362</u>	<u>80,542</u>	<u>77,022</u>	<u>84,470</u>
Total Administrative Costs	416,679	518,778	565,787	501,344	448,722	454,102
Capital Outlays						
Building, vehicles & equipment	<u>5,142</u>	<u>870,310</u>	<u>65,879</u>	<u>46,068</u>		
Total Capital Outlays	5,142	870,310	65,879	46,068	0	0
Debt Service						
Principal			29,447	30,788	32,189	
Interest	3,110	6,892	35,299	54,953	27,610	6,104
Issuance Costs				28,613	1,040	650
Appropriations for Contingencies						10,000
Total Expenditures	<u>8,881,108</u>	<u>9,023,531</u>	<u>7,937,139</u>	<u>7,524,006</u>	<u>7,661,471</u>	<u>7,903,552</u>
Excess revenues over (under) expenditures	(942,666)	(1,364,364)	(315,610)	13,496	141,360	262,461
Other Financing Sources (Uses)						
Transfer in from special revenue funds	191,248	114,765	154,178	28,383	56,766	
Transfer out to CIP					(1,093,902)	(25,000)
Premium on bonds issued				23,074		
RDA Low Mod Income Funds					1,093,902	
Proceeds from insured loss					39,233	
PASIS dividends	200,000		150,000			
Lease purchase proceeds		614,360				
Proceeds from sale of assets	<u>16,008</u>	<u>4,913</u>		<u>6,975</u>	<u>4,010</u>	<u>12,000</u>
Net change in fund balances	(535,410)	(630,326)	(11,432)	71,928	241,369	249,461
Fund Balances, beginning of year	<u>3,042,279</u>	<u>2,506,869</u>	<u>1,876,543</u>	<u>1,865,111</u>	<u>1,937,039</u>	<u>2,178,408</u>
Fund Balances, end of year	<u>\$2,506,869</u>	<u>\$1,876,543</u>	<u>\$1,865,111</u>	<u>\$1,937,039</u>	<u>\$2,178,408</u>	<u>\$2,427,869</u>

**APPLE VALLEY FIRE PROTECTION DISTRICT
GENERAL FUND REVENUE SUMMARY
BUDGET 2014-2015**

	2009-2010 <u>Actual</u>	2010-2011 <u>Actual</u>	2011-2012 <u>Actual</u>	2012-2013 <u>Actual</u>	2013-2014 <u>Unaudited</u>	2014-2015 <u>Final Budget</u>
Property Taxes						
Current Secured	\$4,245,855	\$3,868,738	\$3,783,161	\$3,749,846	\$3,852,095	\$4,006,179
Current Unsecured	199,096	175,475	163,257	165,814	173,106	180,030
Current Utility	106,642	108,094	137,470	129,787	146,700	152,568
Prior Secured	(427)	495	(2,384)	1,286	1,533	1,533
Prior Unsecured	4,963	4,049	3,421	2,994	1,925	1,925
Interest/Penalties	11,442	10,058	7,084	7,071	5,157	5,157
Homeowners Reimb	59,569	57,493	56,902	53,760	52,639	52,639
Supplemental - Current	(12,304)	2,335	3,838	5,618	41,513	41,513
Supplemental - Prior	52,443	31,415	21,327	18,800	16,507	16,507
ERAF	0	0	0	0	0	0
RDA/Successor Agencies	692,483	562,195	530,561	573,275	593,271	617,002
Total	<u>5,359,762</u>	<u>4,820,347</u>	<u>4,704,637</u>	<u>4,708,251</u>	<u>4,884,446</u>	<u>5,075,053</u>
Special Assessments						
Prior Assessments	889	174	237	466	237	0
Current Year Special Tax	1,918,591	1,998,256	2,029,434	2,079,837	2,124,684	2,165,053
Prior Year Special Tax	142,053	109,507	117,680	108,787	142,984	120,034
Total	<u>2,061,533</u>	<u>2,107,937</u>	<u>2,147,351</u>	<u>2,189,090</u>	<u>2,267,905</u>	<u>2,285,087</u>
Intergovernmental						
Grants	23,848	109,521	22,997	11,950	18,519	15,551
EPO Contract	81,308	82,324	69,423	37,916	34,860	34,860
Total	<u>105,156</u>	<u>191,845</u>	<u>92,420</u>	<u>49,866</u>	<u>53,379</u>	<u>50,411</u>
Use of property and money						
Interest Income	11,582	6,269	4,211	7,284	4,042	4,492
Rents & Concessions	112,281	120,940	144,997	164,142	216,828	212,639
Total	<u>123,863</u>	<u>127,209</u>	<u>149,208</u>	<u>171,426</u>	<u>220,870</u>	<u>217,131</u>
Permits and other services						
UFC Permit Fees	36,820	32,224	44,820	44,478	46,682	48,549
Inspection Fees	14,290	9,264	7,900	10,520	17,670	19,437
Plan Review Fees	41,357	57,065	53,012	39,120	77,919	77,919
Burning Permit Fees	21,330	30,314	41,933	36,257	27,482	27,482
Hydrant Fees	15,493	13,576	17,020	2,052	16,704	16,704
AMR Restock Fees				8,312		
Copy Revenue	257	385	351	377	389	389
Discounts Taken	324	237	278	133	256	256
Other Revenue	6,902	92,807	48,467	17,902	33,782	190,000
Fleet Maint Repairs	26,870	20,303	41,183	23,526	15,334	15,334
CPR and First Aid	11,184	10,175	21,538	12,830	11,730	12,903
Court Reimbursements	450	7	450	1,015	0	450
Weed Abatement	97,968	116,196	220,670	202,132	127,908	127,908
Donations	14,883	29,276	30,291	20,215	375	1,000
Total	<u>288,128</u>	<u>411,829</u>	<u>527,913</u>	<u>418,869</u>	<u>376,231</u>	<u>538,331</u>
Total Revenues	<u>\$7,938,442</u>	<u>\$7,659,167</u>	<u>\$7,621,529</u>	<u>\$7,537,502</u>	<u>\$7,802,831</u>	<u>\$8,166,013</u>

APPLE VALLEY FIRE PROTECTION DISTRICT
GENERAL FUND BALANCE
 BUDGET 2014-2015

	2009-2010 ACTUAL	2010-2011 ACTUAL	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014 UNAUDITED	2014-2015 BUDGET
Fund Balance						
Beginning balance at July 1	\$3,042,279	\$2,506,869	\$1,876,543	\$1,865,111	\$1,937,039	\$2,178,408
Net change in fund balance	(535,410)	(630,326)	(11,432)	71,928	241,369	249,461
Ending balance at June 30	<u>\$2,506,869</u>	<u>\$1,876,543</u>	<u>\$1,865,111</u>	<u>\$1,937,039</u>	<u>\$2,178,408</u>	<u>\$2,427,869</u>

Compostion of Fund Balance	2009-2010 ACTUAL	2010-2011 ACTUAL	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014 UNAUDITED	2014-2015 BUDGET
Restricted:						
Debt service		\$29,447	\$30,788	\$32,189	\$33,653	\$33,653
Committed:						
Petty cash and revolving cash	\$2,250	2,250	2,250	2,250	2,250	2,250
Held for economic uncertainty	1,065,733	815,322	793,713	747,794	764,697	785,893
Assigned:						
Equipment & facilities	589,000	78,000	438,000	688,532	688,532	688,532
Unpaid sick and vacation	572,707	408,129	353,379	283,830	287,330	290,830
Unassigned	277,179	543,395	246,981	182,444	401,946	626,711
Ending fund balance at June 30	<u>\$2,506,869</u>	<u>\$1,876,543</u>	<u>\$1,865,111</u>	<u>\$1,937,039</u>	<u>\$2,178,408</u>	<u>\$2,427,869</u>