

FINAL BUDGET
FOR
FISCAL YEAR 2021-2022





Table of Contents

TRANSMITTAL LETTER.....	1
2021-22 BOARD OF DIRECTORS.....	4
DISTRICT PROFILE.....	6
DISTRICT BOUNDARIES.....	7
ORGANIZATIONAL CHART.....	8
STAFFING.....	8
DISTRICT STATISTICS.....	10
DISTRICT GOALS.....	10
BUDGET OVERVIEW.....	12
BUDGET PROCESS.....	12
FINANCIAL/BUDGET POLICIES.....	13
BASIS OF BUDGETING.....	13
BUDGET CONTROL.....	13
GANN LIMIT.....	13
PURCHASING POLICIES.....	13
CAPITAL IMPROVEMENT PLAN.....	14
GENERAL FUND RESERVE POLICY.....	14
BUDGET SUMMARY.....	15
General Fund - Multi-Year Comparison Analysis.....	15
Revenue Analysis.....	17
Expenditures Analysis.....	18
Other Financing Sources (Uses) Analysis.....	18
Fund Balance Analysis.....	19
Capital Improvement Plan Fund.....	21
Development Impact Fees Fund.....	22
BUDGET SUMMARY – ALL FUNDS.....	23
APPENDIX A - CAPITAL IMPROVEMENT SCHEDULE.....	23

TRANSMITTAL LETTER



September 21, 2021

President Kuhn and Members of the Board,

On behalf of the Apple Valley Fire Protection District, we are pleased to present the Fiscal Year 2021-22 Final Budget to the Board of Directors. The 2021-22 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 2021-22 Final Budget represents the culmination of collaborative efforts of all personnel.

The General Fund Final Budget reflects revenues of \$14.42 million and expenditures of \$14.57 million which include a one-time \$150,000 use of surplus from the 20-21 fiscal year in the form of an additional transfer to the CIP fund. The use of the 20-21 surplus was discussed with the Board in August 2021 as a means to mitigate rising costs in vehicle replacements as the COVID-19 pandemic continues to impact the economy with increased costs for materials. The Capital Improvement Plan Final expenditures budget shows \$879 thousand of planned expenditures and a transfer in from the General Fund in the amount of \$650 thousand. There are no planned expenditures for the Development Impact Fee Fund in 2021-22.

Fund Expenditures	2021-22 Preliminary Budget	2021-22 Final Budget	Change from Preliminary
General Fund	14,208,850	14,570,735	361,885
Capital Improvement Fund	695,029	879,596	184,567
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 90% of the District's revenue. The Final Budget includes conservative revenue growth in light of the current economic situation as a result of the continuing effects of the COVID-19 pandemic. The District is also experiencing an increase in service demand and overall costs.

The District has seen good property tax growth in the 2020-21 year with hopes that the growth will continue into the 2021-22 year. With the uncertainty of the true effects of COVID-19 on the local economy, Staff is budgeting for a modest 3.5% increase in property taxes for the 2021-22 year. Staff will continue to monitor property tax and special tax distributions throughout the year and, if noted growth occurs, recommend conservative budget adjustments to the Board.

Property tax revenues have been forecasted to increase by 3.5% over the general levy and supplemental taxes collected in FY 2020-21. 2021-22 budgeted special tax revenues reflect a 1.87% increase over 2020-21 as approved by the District's Board of Directors in April 2021.

Expenditures for staffing continue to increase from year to year. The FY 2021-22 Final Budget includes 59 full time positions and 6 part-time positions. The FY 2021-22 Final Budget also includes higher costs for CalPERS retirement related to unfunded liabilities and increases in the normal cost rate. Ramped up increases in CalPERS costs are expected throughout the next several 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 2021-22, 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 (OPEB) unfunded liabilities and employee vacation and sick leave accruals as well as future capital expenditure requirements.

The 2021-22 Final Budget 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 the 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 black ink, appearing to read "Ken Harrison".

Ken Harrison
Fire Chief

A handwritten signature in blue ink, appearing to read "Mark Shaker".

Mark Shaker
Finance Officer



2021-22 BOARD OF DIRECTORS



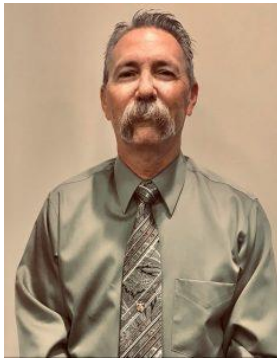
Colleen Kuhn
President



Aaron Conley
Vice President



Dan Leary
Director



Sid Hultquist
Director



Amanda Hernandez
Director



FOR FISCAL YEAR 2021-2022

ADMINISTRATIVE FINAL BUDGET PREPARATION

STAFF

Ken Harrison, Fire Chief

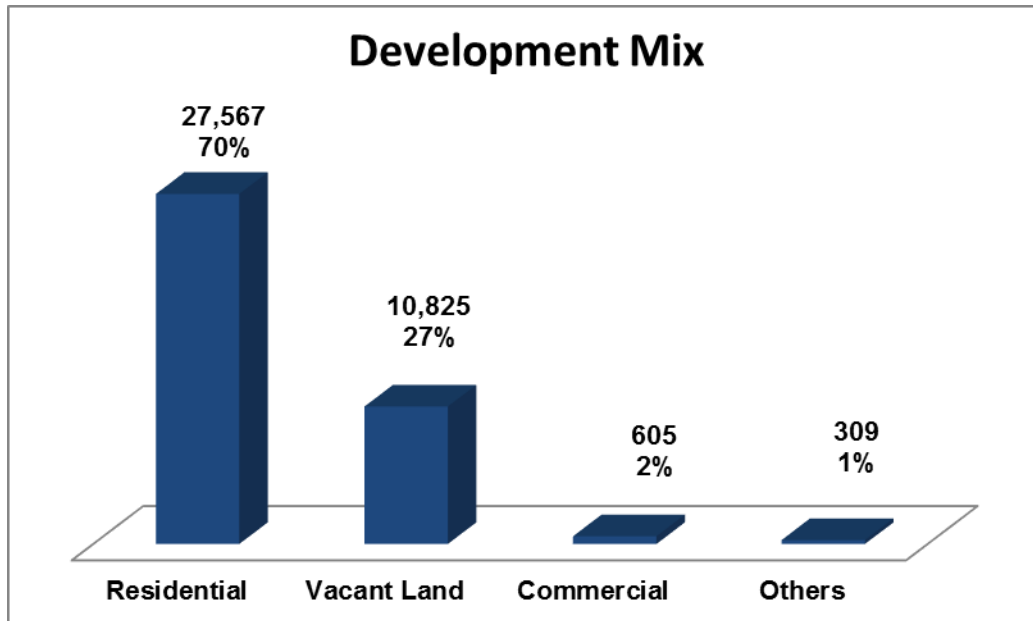
Mark Shaker, Finance Officer



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 approximately 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 26,300 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 607 parcels or 2 percent of developed property while vacant land accounts for approximately 10,833 parcels or 27 percent of the parcels in the District's area of responsibility.

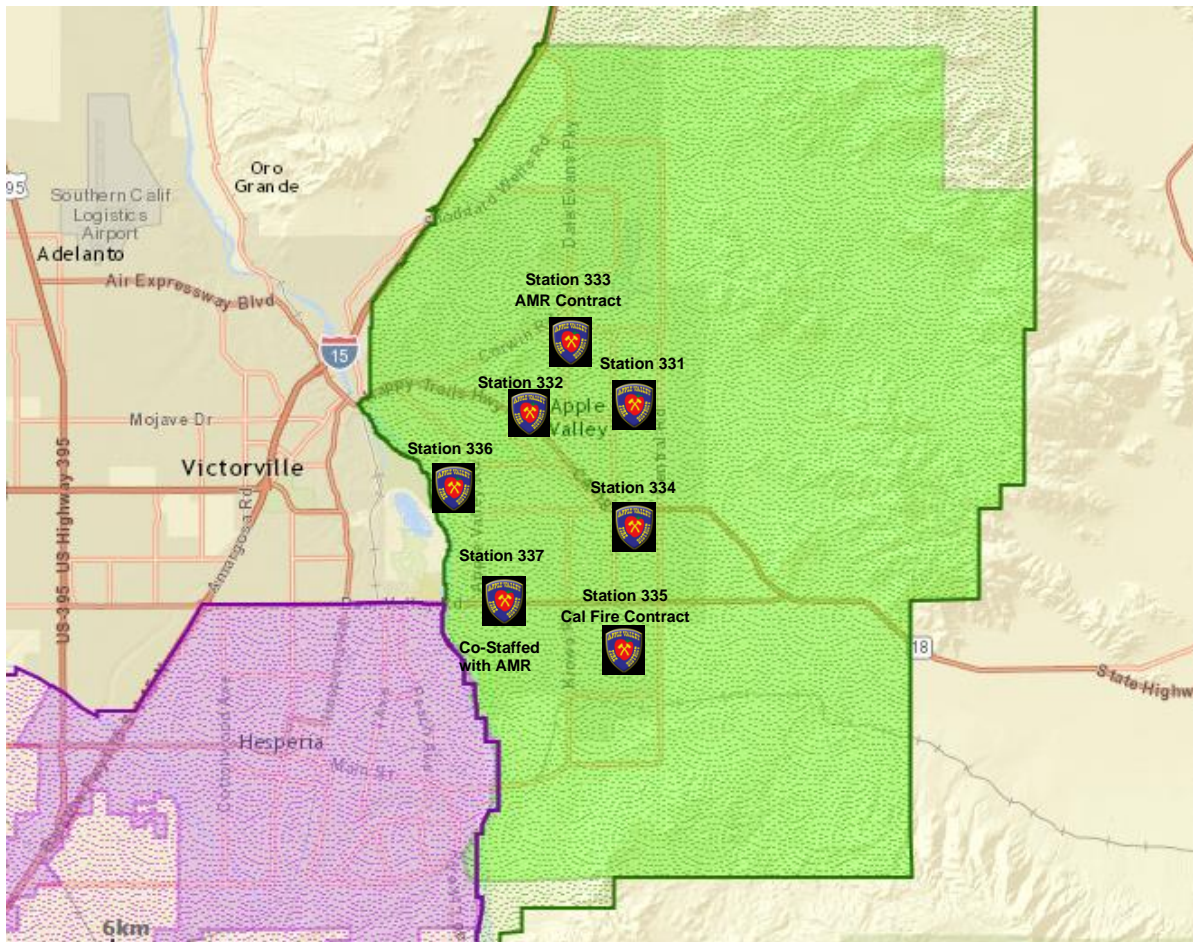




DISTRICT BOUNDARIES

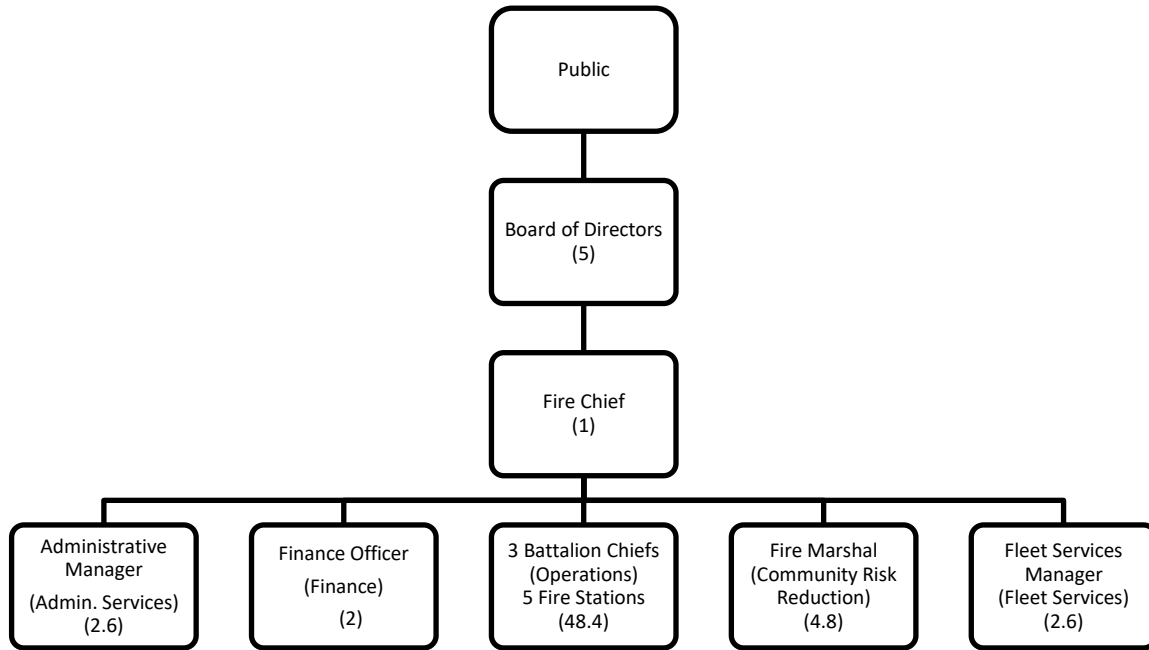
The District encompasses the Town of Apple Valley, bordering Interstate 15 and the cities of Victorville and Hesperia to the west; County unincorporated areas to the north and south, and Lucerne Valley to the east.

Within the District boundaries are 22 public and private schools, a general aviation airport, and thousands of acres of undeveloped vacant land.





ORGANIZATIONAL CHART



STAFFING

Administrative & Finance - All administrative functions of the District are managed by an Administrative Manager who supervises one full-time employee and one part time employee. A Finance Officer manages all financial aspects of the district and supervises the Accounting Technician.

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, in agreement with the Professional Firefighters Association, 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 and one part-time employee.

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. In 2021-22 the District will have 6 Part-Time employees who account for 2.4 FTE's providing a total staffing of 61.4 employees. This number is quantified in the table of organization below.

Staffing Analysis By Division 2021-22 Final Budget							
	Fire Chief	Administrative Services	Finance	Operations	Community Risk Reduction	Fleet Services	Total
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
2019-20							
Full-Time	1	3	2	48	4	5	63
Part-Time FTE	0	0	0	0.4	0.8	0	1.2
Total	1	3	2	48.4	4.8	5	64.2
2020-21							
Full-Time	1	3	1	48	4	2	59
Part-Time FTE	0	0	0.6	0.4	0.8	0.6	2.4
Total	1	3	1.6	48.4	4.8	2.6	61.4
2021-22							
Full-Time	1	2	2	48	4	2	59
Part-Time FTE	0	0.6	0	0.4	0.8	0.6	2.4
Total	1	2.6	2	48.4	4.8	2.6	61.4



DISTRICT STATISTICS

For the calendar year ended December 2020, the District responded to 13,209 calls for service, an increase of approximately 4 percent from 2019. The majority of responses, 9,688 or 73 percent, were for rescue or medical emergency incidents. A total of 299 fire incidents were handled by the District including structure fires, vehicle fires and vegetation fires.

Incident Type YTD	Dec-18	Dec-19	Dec-20
Fire	229	299	302
Rescue & Emergency Medical	9,165	9,332	9,688
Hazardous Condition	132	152	143
Service Calls	972	1000	1103
Good Intent Calls	1,273	1,499	1,621
False Alarms	313	368	335
Special Incident Types	27	18	13
Severe Weather & Natural Disaster	2	1	0
Over pressure Rupture, Explosion, Overheat - (No Fire)	6	11	4
Total Incidents	12119	12680	13209
Mutual Aid Tracking			
AV Assisting Other Agencies	N/A	122	169
Other Agencies Assisting AV	N/A	64	89
AV Assisting Victorville	N/A	181	203
Victorville Assisting AV	N/A	73	86

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

Activity YTD	Dec 2018	Dec 2019	Dec 2020
Inspections (Annuals, C/O, Development)	1612	1571	786
Permits	400	415	420
Fire Plan Reviews	252	262	198
Vegetation Management	40000	42000	35000
Fire Investigations	151	251	208
Pub-Ed Programs: # of programs/Attendance	92/14650	96/10672	16/258



DISTRICT GOALS

- To select 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 continually analyze response times and take appropriate actions necessary to improve the District's response time to emergency incidents.
- To meet the Risk Reduction needs of our community by performing timely review of incident origin and cause, inspections, enforcement, education plan review and permitting.
- Continue to improve budget preparation and implementation by developing standardized financial procedures for use by all chief officers and program managers.



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 2021-22 budget covers the period from July 1, 2021 through June 30, 2022. The Final General Fund budget shows \$14.42 million in budgeted revenues, \$14.57 million in expenditures and Transfers.

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	Executive Staff & Program Managers and applicable personnel are provided current year budget and year end estimates and complete budget request forms.
March	All budget requests are presented by Executive Staff & Program Managers and reviewed by Finance and the Fire Chief
April	The Preliminary budget is developed and reviewed with the Executive Staff and the Finance Committee.
May	Budget Workshop is conducted with the District Board.
Mid-June	Preliminary budget and budget resolution are presented to the Board for adoption.
Prior to September	Submit the final budget and budget resolution 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 2021-22 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 2021-22 is established by District Resolution 21-009 in the amount of \$12.03 million. The District's FY 2021-22 estimated proceeds from property tax is \$7.9 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 5-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 5-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

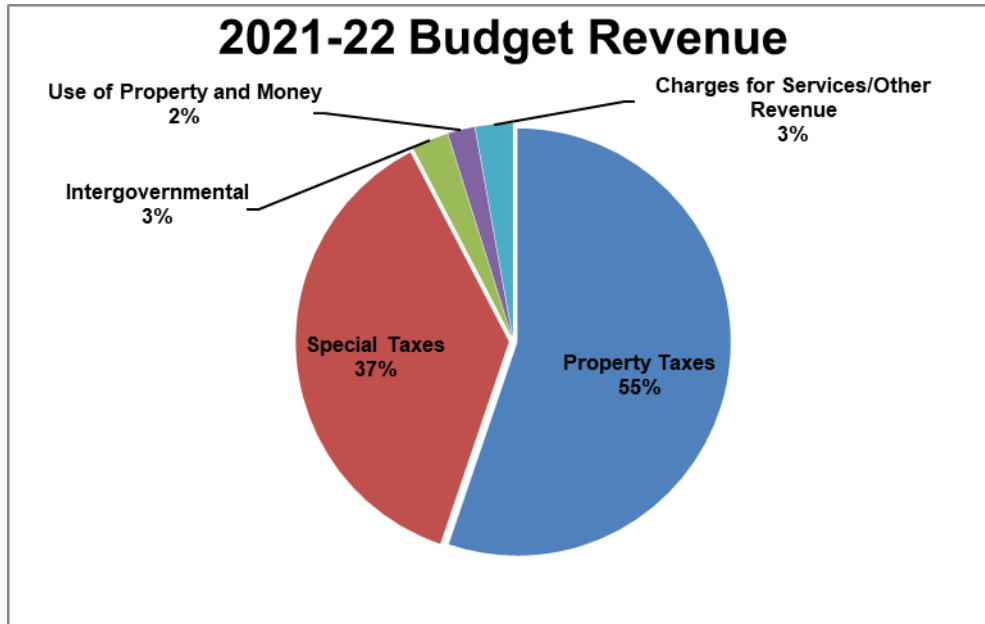
Many factors determine a jurisdiction's long-term fiscal health, but the single most important ingredient is developing and articulating clear fiscal policies before financial crises hit. Such policies will help avoid fiscal crisis; and they help the organization respond in a prudent manner during times 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 2021-22 Final budget has committed \$1,369,114 of the projected General Fund Balance to be held for economic uncertainty. 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.

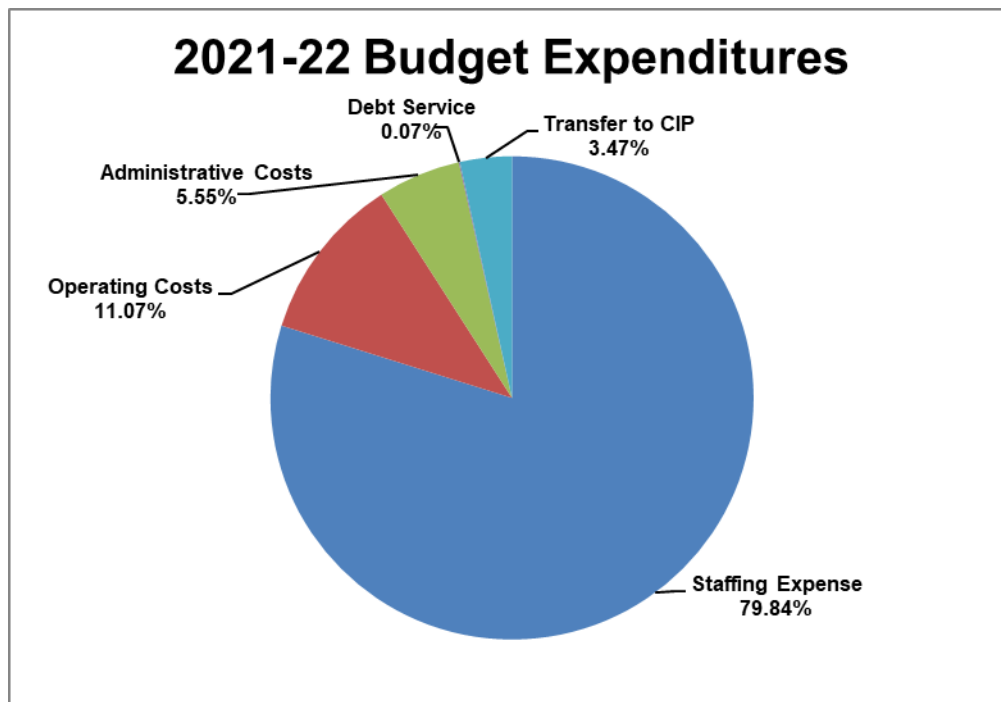


BUDGET SUMMARY General Fund Multi-Year Comparison

						Budget Analysis General Fund Multi-Year Comparison 2021-22 Final Budget
	2018-19 ACTUAL	2019-20 ACTUAL	2020-21 FINAL BUDGET	2021-22 PRELIMINARY BUDGET	2021-22 FINAL BUDGET	CHANGE FROM 2021-22 PRELIMINARY BUDGET
REVENUES						
Property Taxes	6,621,412	6,917,791	6,967,995	7,751,950	7,963,835	211,885
Special Taxes	5,154,893	5,136,458	5,363,150	5,353,000	5,353,000	-
Intergovernmental	681,888	305,479	638,000	400,000	400,000	-
Use of Property and Money	292,192	271,935	326,000	295,000	295,000	-
Charges for Services/Other Revenue	307,433	254,764	412,372	408,900	408,900	-
Total Revenues	13,057,818	12,886,427	13,707,517	14,208,850	14,420,735	211,885
EXPENDITURES						
Staffing Expense	9,442,135	9,961,159	10,680,621	11,315,505	11,513,448	197,943
Operating Costs	1,596,802	1,757,160	1,906,873	1,584,840	1,596,340	11,500
Administrative Costs	686,354	791,949	769,994	798,305	800,747	2,442
Capital Expenditures	29,422	23,900	-	-	-	-
Debt Service	8,555	185,150	350,029	10,200	10,200	-
Total Expenditures	11,763,268	12,719,318	13,707,517	13,708,850	13,920,735	211,885
Appropriations for Contingencies	-	-	-	-	-	-
Total Appropriations	11,763,268	12,719,318	13,707,517	13,708,850	13,920,735	211,885
Other Financing Sources (Uses)						
Transfers In	-	411,406	-	-	-	-
Transfers Out (CIP)	(600,000)	(500,000)	-	(500,000)	(650,000)	(150,000)
Proceeds from insured loss	-	-	-	-	-	-
PASIS dividends	-	-	-	-	-	-
Proceeds from Sale of Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(600,000)	(88,594)	-	(500,000)	(650,000)	(150,000)



Revenues of \$14.42 million include \$7.96 million in property taxes, \$5.3 million in special taxes, \$.40 million for Intergovernmental (Strike Team reimbursement and Grants), \$.41 million in charges for services/other revenue and \$0.29 million for use of property and money.



Expenditures of \$14.57 million include staffing expense, operating costs, and administrative costs to support the District in the delivery of fire protection, emergency medical and prevention services. This also includes an additional \$150 Thousand transfer to the CIP fund from prior year surplus in order to help offset rising costs in the CIP Fund. Staffing expense of \$11.5 million or 79 percent of all budgeted expenses are necessary to provide fire protection services, administration, and various



support services to the District. Operating costs of \$1.59 million or 11 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 \$0.8 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, and utilities.

Revenue Analysis

Budget Analysis Revenue 2021-22 Final Budget			
	2021-22 PRELIMINARY BUDGET	2021-22 FINAL BUDGET	CHANGE FROM 2021-22 PRELIMINARY
REVENUES			
Property Taxes	7,751,950	7,963,835	211,885
Special Taxes	5,353,000	5,353,000	-
Intergovernmental	400,000	400,000	-
Use of Property and Money	295,000	295,000	-
Charges for Services/Other Revenue	408,900	408,900	-
Total Revenues	14,208,850	14,420,735	211,885

Revenues of \$14.42 million are expected to increase overall by \$773 thousand from the 2020-21 budget. Property taxes at \$7.96 million are expected to perform better than expected in the midst of the COVID-19 Pandemic and rising house prices. The change reflects an increase of 3.5% in both the general tax levy and the supplemental tax levy from FY 2020-21 Actual Receipts. Additionally, RPTTF tax revenue received from the County of San Bernardino has increase by approximately 40% due to distribution methodology changes based on a recent appellate court decision, *City of Chula Vista v. Sandoval*, 49 Cal.App.5th 539 (2020).

Special tax revenue reflects an increase of 1.87% over the estimated 2020-21 receipts 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. Property Tax Revenue for the 2021-22 Budget have been projected conservatively at 3.5% due to the COVID-19 Pandemic. Intergovernmental includes estimated strike team reimbursements. Charges for services/other revenue are budgeted to increase due to increased service activity within the Fleet Division. Other Charges for Services/Other revenues relate primarily cell tower and station rents, fees and permits for which budgeted amounts are projected based on rental agreements and estimated fees and permit activity.



Expenditures Analysis

Budget Analysis Expenditures 2021-22 Final Budget			
	2021-22 PRELIMINARY BUDGET	2021-22 FINAL BUDGET	CHANGE FROM 2021-22 PRELIMINARY
EXPENDITURES			
Staffing Expense	11,315,505	11,513,448	197,943
Operating Costs	1,584,840	1,596,340	11,500
Administrative Costs	798,305	800,747	2,442
Debt Service	10,200	10,200	-
Transfer to CIP	500,000	650,000	150,000
Total Expenditures	14,208,850	14,570,735	361,885

Overall, expenditures, including contingencies, are increasing to \$14.57 million, an increase of \$863 thousand from the Fiscal Year 2020-21 Budget and an increase of \$361 thousand from the preliminary budget due to an additional \$150 thousand transfer to the CIP fund as well as rising personnel costs. Staffing expense, including salaries and benefits, is projected to increase \$831 thousand over the 2021 budget. In addition to current personnel costs, Staffing Expense includes an increase over 2020-21 of \$351 thousand in the required CalPERS unfunded pension liability payment due in FY 2021-22. Strike team reimbursements are estimated at \$300 thousand consistent with the FY 2020-21 budget.

The 2021-22 Budget includes a \$310 thousand decrease in operating costs due to the removal of one-time anticipated grant expenses that were budgeted in 2020-21.

Increases in 2021-22 Final budget administrative costs are due to anticipated higher professional service fees, training costs, insurance and utilities expense.

Other Financing Sources (Uses) Analysis

Budget Analysis Other Financing Sources (Uses) 2021-22 Final Budget			
	2021-22 PRELIMINARY BUDGET	2021-22 FINAL BUDGET	CHANGE FROM 2021-22 PRELIMINARY BUDGET
Other Financing Sources (Uses)			
Transfers In to General Fund for Expenditures	-	-	-
Transfers from General Fund to CIP Fund	(500,000)	(650,000)	(150,000)
Transfers from DIF Fund to CIP Fund	-	-	-
Total Other Financing Sources (Uses)	(500,000)	(650,000)	(150,000)

The 2021-22 Final Budget includes a transfer of \$650 thousand from the General Fund to the CIP fund to fund Capital Projects. This is higher than the preliminary budget of \$500 thousand but a necessary addition in order to mitigate rising vehicle replacement costs



Fund Balance Analysis

Budget Analysis Fund Balance All Funds 2021-22 Final Budget Budget					
	2017-18 ACTUAL	2018-19 ACTUAL	2019-20 ACTUAL	2021-22 PRELIMINARY BUDGET	2021-22 FINAL BUDGET
Committed					
Petty Cash/Revolving Cash	2,250	2,250	2,250	2,250	2,250
Held for Economic Uncertainty	1,072,482	1,181,759	1,401,250	1,351,382	1,369,114
Assigned					
Workers' Comp Reserve	600,000	600,000	600,000	600,000	600,000
Equipment & Facilities	1,252,478	1,544,797	1,390,575	1,257,546	1,222,979
Compensated Absences	736,848	862,330	736,848	548,392	548,392
Unassigned					
	3,495,973	4,129,883	3,914,118	4,255,842	4,088,110
Ending Fund Balance at June 30	7,160,031	8,321,019	8,045,041	8,015,412	7,830,845

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 has a Development Impact Fees Fund which is separate from the General Fund. The Town of Apple Valley collects the fees from developers on behalf of the District through an MOU. The funds collected by the Town are passed through to the District quarterly. These funds may be used only for capital projects and capital acquisitions as outlined in the District's DIF Fee Nexus study. At June 30, 2021, the Development Impact Fees Fund balance is estimated to be \$149,691.

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 2021-22 Budget includes \$1,369,114 in committed fund balance as set by resolution to hold 10% of the 2021-22 Budgeted expenditures, less expenditures for Capital Improvements, for said reserves. It should be noted that with the economic uncertainty presented by the pandemic COVID-19 impacts, the decision to not engage in capital improvement expenditures in this fiscal year increases the available fund resources.

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.
- Compensated Absences – at June 30, 2020, the District estimates \$548,392 in assigned fund balance for compensated absence liabilities. This amount is the June 30, 2022 budgeted balance which represents 67% of total compensated absences and employee accrued leave balances at June 30, 2020. The amount is an estimate.
- Equipment and Facilities – The General Fund balance shows \$650 thousand designated to be transferred to the Capital Improvements Fund in 2021-22.
- Capital Improvement Fund – at June 30, 2020, the District's Capital Improvement Fund balance was \$1,388,575 which is designated for equipment and facilities under the District's Capital Improvement Plan. The District's 2021-22 Budget projected ending Capital Improvement fund balance is \$1,222,979.

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

The District's FY 2021-22 General Fund Budget has \$4.08 million in unassigned fund balance as this fund balance is not classified in any other fund balance classification.



Capital Improvement Plan Fund

Budget Analysis CIP Fund Multi-Year Comparison 2021-22 Final Budget						
	2018-19 ACTUAL	2019-20 ACTUAL	2020-2021 FINAL BUDGET	2021-22 PRELIMINARY BUDGET	2021-22 FINAL BUDGET	CHANGE FROM 2021-22 PRELIMINARY
REVENUES						
Intergovernmental	-	-	-	-	-	-
Use of Property and Money	2,502	2,635	2,000	2,000	2,000	-
Sale of Fixed Assets	-	-	-	60,000	60,000	-
Reserves/Other Financing	-	-	-	-	-	-
Total Revenues	2,502	2,635	2,000	62,000	62,000	-
EXPENDITURES						
Administrative Costs	-	-	-	-	-	-
Capital Expenditures	303,817	502,029	-	695,029	879,596	184,567
Debt Service	-	-	-	-	-	-
Total Expenditures	303,817	502,029	-	695,029	879,596	184,567
Other Financing Sources (Uses)						
Transfers In	600,000	752,500	-	500,000	650,000	150,000
Transfers Out		(411,406)	-			
Total Other Financing Sources (Uses)	600,000	341,094	-	500,000	650,000	150,000
Net Change in Fund Balance	298,685	(158,300)	2,000	(133,029)	(167,596)	
Beginning Fund Balance	1,248,190	1,546,875	1,388,575	1,390,575	1,390,575	
Ending Fund Balance	1,546,875	1,388,575	1,390,575	1,257,546	1,222,979	

The Capital Improvement Plan (CIP) Fund represents the capital needs for the District over a 15-year period. The 2021-22 budget includes \$695 thousand in planned capital expenditures. Capital expenditures are required to be approved by the District's Board of Directors.



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						
2021-22 Final Budget						
	2018-19 ACTUAL	2019-20 ACTUAL	2020-21 FINAL BUDGET	2021-22 PRELIMINARY BUDGET	2021-22 FINAL BUDGET	CHANGE FROM 2020-21 PRELIMINARY
REVENUES						
Use of Property and Money	796	981	700	700	700	-
Charges for Services/Other Revenue	166,957	55,325	50,000	50,000	50,000	-
Total Revenues	167,753	56,306	50,700	50,700	50,700	-
EXPENDITURES						
Total Expenditures	-	-	-	-	-	-
Other Financing Sources (Uses)						
Transfers Out	-	252,500	-	-	-	-
Total Other Financing Sources (Uses)	-	252,500	-	-	-	-
Net Change in Fund Balance	167,753	(196,194)	50,700	50,700	50,700	
Beginning Fund Balance	127,432	295,185	98,991	149,691	149,691	
Ending Fund Balance	295,185	98,991	149,691	200,391	200,391	

Developer Impact Fees (DIF) revenues are paid to the District by the Town of Apple Valley. 2021-22 budget includes an estimated revenue of interest and DIF payments received from the Town of Apple Valley. No anticipated expenditures are anticipated for this Fund in the 2021-22 Budget.

The Districts' Development Impact fees study was performed in 2006 and implemented in 2007.



BUDGET – ALL FUNDS

Budget Analysis All Funds Multi-Year Comparison 2021-22 Final Budget						
	2018-19 ACTUAL	2019-20 ACTUAL	2020-21 FINAL BUDGET	2021-22 PRELIMINARY BUDGET	2021-22 FINAL BUDGET	CHANGE FROM 2021-22 PRELIMINARY
REVENUES						
Property Taxes	6,621,412	6,917,791	6,967,995	7,751,950	7,963,835	211,885
Special Taxes	5,154,893	5,136,458	5,363,150	5,353,000	5,353,000	-
Intergovernmental	681,888	305,479	638,000	400,000	400,000	-
Use of Property and Money	295,490	275,551	328,700	297,700	297,700	-
Charges for Services/Other Revenue	474,390	310,090	462,372	518,900	518,900	-
Total Revenues	13,228,073	12,945,369	13,760,217	14,321,550	14,533,435	211,885
EXPENDITURES						
Staffing Expense	9,442,135	9,961,159	10,680,621	11,315,505	11,513,448	197,943
Operating Costs	1,596,802	1,757,160	1,906,873	1,584,840	1,596,340	11,500
Administrative Costs	686,354	791,949	769,994	798,305	800,747	2,442
Debt Service	8,555	185,150	350,029	10,200	10,200	-
Total Expenditures	11,733,846	12,695,418	13,707,517	13,708,850	13,920,735	211,885
Capital Expenditures	333,239	525,929	-	695,029	879,596	184,567
Appropriations for Contingencies	-	-	-	-	-	-
Total Appropriations	12,067,085	13,221,347	13,707,517	14,403,879	14,800,331	396,452
Other Financing Sources (Uses)						
Transfers In	550,000	1,163,906	-	500,000	650,000	150,000
Transfers Out	(550,000)	(1,163,906)	-	(500,000)	(650,000)	(150,000)
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Change in Fund Balance	1,160,988	(275,978)	52,700	(82,329)	(266,896)	
Beginning Fund Balance	7,160,031	8,321,019	8,045,041	8,097,741	8,097,741	
Ending Fund Balance	8,321,019	8,045,041	8,097,741	8,015,412	7,830,845	



APPENDIX A – CAPITAL IMPROVEMENT SCHEDULE

SHOP #	UNIT#	Year, Make, and Model	21-22
100	4612	2019 Chevrolet Tahoe Command Vehicle	
102	4610	2015 Chevrolet Tahoe Command Vehicle	
104	4611	2019 Chevrolet Tahoe Command Vehicle	
105	4650	2019 Chevrolet Tahoe Command Vehicle	
109	RESERVE	2009 Chevrolet Tahoe Command Vehicle	\$70,288
110	4600	2005 Chevrolet Tahoe Command Vehicle	
111	4654	2007 Chevrolet Tahoe Command Vehicle	\$70,288
112	SHOP	2007 Ford Crown Victoria Investigator Vehicle	
114	SHOP2	2008 Ford Crown Victoria Investigator Vehicle	
115	4652	2008 Ford Crown Victoria Investigator Vehicle	\$70,288
121	BE332	1995 International Type 3 Engine	
122	ME332	2012 Seagrave Marauder II Type 1 Engine	
124	ME331	2012 Seagrave Marauder II Type 1 Engine	
125	E331A	2001 Seagrave Marauder Type 1 Engine	
126	ME334	2001 Seagrave Marauder Type 1 Engine	
127	ME336	2005 Seagrave Marauder Type 1 Engine	
128	UT336	2000 Ford F350 Utility	
129	WT337	1990 International Type 3/Water Tender	\$333,703
130	BE331	1990 International Type 3/Water Tender	
131	OES6320	2020 International HV Type 3 Engine	
132	BE334	2003 International Perce Type 3 Engine	
133	UT334A	2004 Ford F550 Flatbed	
134	MP337	2020 Ford F550 Type 6 Engine	
135	OES335	2007 Westates Type 1 Engine	
151	T336R	1999 American La France 75' Quint Truck	
152	T336	2020 Perce Arrow XT Quint Truck	\$335,029
172	R331	1990 Chevrolet Kodiak Type 2 Rescue	
173	MS337	2004 Chevrolet 3500 Squad	
175	HM4640	2001 Ford F350 Utility / Haz Mat	
182	CP337	1998 GMC C7500 Command Post	
191	UT335	1990 Ford F700 Flatbed Utility	
194	UT334	2006 Ford F150 Utility	
195	Repair	1994 Ford F350 Repair Unit	
196	4655	2000 Ford Ranger P/U	
197	SHOP3	2007 Ford F250 Utility Pub Ed Vehicle	
	FS331	1990 Headquarters Fire Station	
	FS332	1958 Fire Station	
	FS333	1953 Fire Station	
	FS334	1966 Fire Station	
	FS335	1980 Fire Station	
	FS336	2003 Fire Station	
	FS337	2008 Fire Station	
		New Lift for Shop	
		Debt Issuance	
		Debt Service	
		Surplus	
		Transfer from DIF	
		Total Estimated Vehicle Replacement Cost	\$879,596
		Annual CIP Funding Allocation	\$650,000
		CIP Starting Fund Balance	\$2,040,575
		FY Budget Amount	\$879,596
		Net Fiscal Year CIP Fund Balance	\$1,160,979