



TOWN OF APPLE VALLEY

TOWN COUNCIL STAFF REPORT

To: Honorable Mayor and Town Council **Date:** March 12, 2013
From: Marc Puckett, Assistant Town Manager **Item No:** 13
Finance & Administration
Subject: FISCAL YEAR 2012-2013 MID-YEAR BUDGET REVIEW
T.M. Approval: _____ **Budgeted Item:** Yes No N/A

RECOMMENDED ACTION:

That the Town Council receive and file the Fiscal Year 2012-2013 Mid-Year Budget Review Report.

SUMMARY:

Discussed herein for your review and consideration is the Fiscal Year 2012-2013 Mid-Year Budget Review Report. This report provides an update on the Town's progress towards implementation of its one-year financial plan, its adopted operating and capital improvement budget, as of December 31, 2012, the fiscal mid-year for Fiscal Year 2012-2013. Specific attention is focused on the Town's General Fund.

The primary purpose of this report is to provide an update on the status of the Town's budget highlighting any changes or issues that may need to be addressed since the budget's adoption on June 12, 2012. To that end, included within this report are certain proposed budget adjustments to various revenue sources and categories of expense due to financial events occurring subsequent to adoption of the budget that are discussed herein.

The Mid-Year Budget Review report also briefly highlights any changes in economic conditions that may have impacted the Town's budget during the current fiscal year and briefly discusses challenges the Town may need to address during preparation of the proposed Fiscal Year 2013-2014 Operating and Capital Improvement Budget.

BACKGROUND:

The Town Council adopted the FY 2012-2013 Operating and Capital Improvement budget on June 12, 2012. The Adopted Operating and Capital Improvement budget is the Town's one-year spending plan for FY 2012-2013. It serves as a planning guide for the ensuing fiscal year. The adopted budget demonstrates how available resources are matched against the Town's service priorities to provide essential services to the community. It demonstrates how established short-term goals and objectives will be implemented over the next year. It

underscores the Town's continued commitment to provide more efficient services to residents and maintains adequate resources for unforeseen emergencies.

After adoption, financial events occur throughout the course of the year that impact the budget and the implementation of spending priorities outlined therein. These events, such as the State's elimination of the Town's Redevelopment Agency, necessitate adjusting the budget projections from time to time during the course of the fiscal year.

Staff is proceeding to implement a "best practices" approach to the budget development process. In doing so, staff modified the mid-year budget process last year and again this year as part of overall efforts to continually improve the quality of information provided to Council. This process is part of an on-going effort and additional process improvements will be evident in the upcoming budget development process for Fiscal Year 2013-2014.

There are several estimated revenue and appropriation adjustments proposed by staff based upon actual experience and/or historical data contained herein.

In total, adjustments to the various estimated revenue projections in the FY 2012-2013 General Fund adopted budget amounts to a decrease of \$509,317. Adjustments to the various departmental and non-departmental categories of budget appropriations in the General Fund total a decrease of \$160,850. These mid-year adjustments to the FY 2012-2013 General Fund adopted budget were adopted by Council at its February 26 Town Council meeting as summarized in Budget Adjustment number 13-22 and Exhibit A attached hereto.

Staff will be making a presentation summarizing the proposed changes to the budget outlined in the attached exhibit and highlighting financial events occurring at the State and local level since adoption of the budget at the February 26, 2013, Council meeting.

Due to external factors affecting the Federal, State, and local economy, it was felt that a brief review of the Town's revenue and expenditure structure may be helpful in understanding some of the challenges ahead in the coming year's budget cycle. This review will focus primarily on the Town's key revenue sources and expenditure categories considered of general interest and also primarily responsible for these challenges.

From time to time, the Town Council may approve additional appropriations for various programs and services throughout the course of the fiscal year. Some of the additional appropriations that may be approved throughout the year include adjustments to project appropriations due to increasing the scope of the project or for those programs that receive grant funding after adoption of the budget. The Town, as a matter of fiscal conservancy, does not typically budget grant revenues until such time as the grant award has been received and receipt of the grant funding is eminent.

Integration of the budget into the Town's accounting system and internal control processes is essential in demonstrating the strength of the Town's financial policies and management practices. This process is essential, for example, during a financial management assessment performed by credit rating agencies, such as Standard & Poor's or Moody's Investor Services. The budgetary integration process is demonstrated through adoption of reasonable and comprehensive budget assumptions with budget reviews and revisions performed at interim periods throughout the course of the fiscal year.

The focus of the mid-year budget review presentation is primarily the Town’s General Operating Fund revenues and expenditures. The majority of the Town’s operating expenditures are accounted for within this fund. Other special revenue fund budgets, such as the Community Development Block Grant (CDBG) or Home Funds, do not usually require adjustments at mid-year due to the specific nature of the resource allocations and program requirements. When revenues for these special revenue funds are not fully expended during the year, balances are carried forward for re-appropriation in the subsequent years’ budget process. Adjustments to other funds are submitted to Council on an “as needed” basis periodically throughout the year.

The total adopted General Fund budget for Fiscal Year 2012-2013 was \$23.2 million. The table below is a summary of the total resources and resource requirements for the adopted Fiscal Year 2012-2013 General Fund budget:

General Fund Summary	
Estimated Revenues	\$ 18,121,010
Transfers In	5,287,299
Total Resources	\$ 23,408,309
Adopted Budget	\$ 23,214,010
Approp. To Fund Balance	194,299
Balance	-0-

As a result of discussions at the budget workshops, Council determined that the following budget balancing strategies and adjustments would be made to close the General Fund structural imbalance of \$2.8 million in the General Fund proposed budget. The status of implementation of these budget balancing strategies are noted below:

- Sales tax revenue estimates were increased – Completed. \$260,000
- Contract with the County to provide animal services–Implemented eff. 1/01/13 \$270,000
- Increased Animal Shelter budget – Completed. \$128,000
- Obtained COPS grant - Completed. \$ 90,000
- Billing VVEDA and MDMIWM JPA for staff support services- Implemented. \$111,000
- Sale of Town Property – Not Completed. \$450,000
- User Fees Increases including Building and Safety revenues – Not Completed. \$170,000
- Franchise fee revenues – In Progress. \$300,000
- Parks Maintenance concessions – Completed. \$485,000
- 4% Employee contribution to CalPERS – Completed. \$158,000
- Reduced staffing by 14 FTE positions across all departments – Completed. \$300,000
- Implemented PARS program for part-time employees – Completed. \$ 17,000
- Eliminated PIO Citizen Survey – Completed. \$ 23,000
- Deferred Human Resources salary survey and software – Completed. \$ 37,000
- Eliminated I.T. hardware/software – Completed. \$ 53,000
- Adopted two-tier retirement formula for future new hires – Completed. Undetermined
- Various other adjustments to line accounts – Completed. \$ 93,000

These adopted budget balancing strategies include approximately \$1,965,000 in on-going solutions and \$600,000 in one-time solutions as submitted to Council. After consideration of the sum total of the budget strategies listed above, the remaining General Fund structural budget gap was \$265,895.

In addition to the budget balancing strategies listed above, the Sheriff's department had submitted a proposal to save \$240,000 annually which, as adopted, can be accomplished without impacting service delivery. Also, the Fire Authority had submitted a proposal to reduce emergency preparedness funding by \$42,000. Sheriff Captain Tomlin and then Fire Chief Bishop presented these proposals during the budget hearings and the proposals were ultimately adopted by Council.

The total of all adjustments adopted by Council as part of the Fiscal Year 2012-2013 budget amounted to \$2,847,000. Of the total amount of adjustments, \$600,000 were one-time adjustments and \$2,247,000 may be considered structural adjustments to the budget. One-time adjustments do not solve structural budget imbalances. Absent other budgetary impacts, these imbalances will continue to exist and must be addressed as part of future budget cycles.

All Town departments have provided feedback to the Finance department regarding the status of their current year's expenditures and budgetary performance as projected through the end of the fiscal year. A comparison of budget-to-actual performance by department for the first six months of the fiscal year is included in Exhibit B.

Based on staff's analysis of the current year's operating revenues and expenditures and, based upon information and input provided by all departments, staff recommends the following adjustments to the FY 2012-2013 budget highlighted below and as outlined in the attached Budget Adjustment Number 13-22 (Only significant General Fund changes have been highlighted):

Revenues:

Property Tax: Per the County Assessor's Office, with respect to property values, the residential real estate market has stabilized and pockets of improvement in assessed values can be seen throughout the County. Overall, although there appears to be some slight improvement in the real estate market, the taxable values will increase only slightly by up to 2% for the next year. The Assessor's Office had anticipated an increase in the Assessment roll of 1.0% to 1.5% growth in the current fiscal year. However, taxable values remained mostly flat resulting in a slight increase in property taxes of approximately \$110,000. The Assessor's Office is projecting taxable values to increase slightly by 1.0% - 1.5% again for FY 2012-2013. Significant appreciation in property values and corresponding taxable values is not projected during the next two fiscal years.

Sales Tax: Sales tax revenue collections are up approximately 1.0% year-to-date in total. The Town's sales tax collections have increased each quarter for the past ten quarters based upon a comparison of the trailing twelve month period. Sales tax revenues are expected to continue to increase slightly over the second half of the fiscal year as retail sales continue to pick up momentum throughout the County. As a result, an upward adjustment in the Town's sales tax revenue estimates for FY 2012-2013 is proposed in the amount of \$22,000 from \$5,477,000 to \$5,499,000. On an adjusted basis, for the most recent quarter that information

is available (July through September), countywide sales tax collections were up 9.8% on a year-over-year basis and up 7.4% as adjusted for accounting aberrations (double-up payments) on average when compared to the same period in the prior fiscal year. Statewide sales tax collections were up an average of 6.0%. Sales tax collections for Apple Valley were up 1.0%, as adjusted, for the July through September, 2012 quarter and have lagged the statewide and countywide average increases in recent quarters.

User Fees and Fines: The adopted budget anticipated passage of a general increase in user fees projected to generate \$170,000. Many user fees have not been adjusted in several years and have not kept up with the cost of services the fees were intended to offset. The master fee schedule was presented to Town Council for consideration at the June 26, 2012 Council meeting and Council chose not to implement the proposed fee increases at that time.

Other Revenues (Sale of Town Property): The adopted budget anticipated one-time revenues from the sale of a Town property in the amount of \$450,000. Staff was not successful in negotiating the sale of Town property as anticipated in the adopted budget.

Expenditures:

Contract Services: Contract services accounted for within the General Government budget increased by \$12,000. The additional expenditures were primarily related to a Chamber of Commerce support services invoice in the amount of \$9,500 that was paid in September after cut-off testing was completed for the Fiscal Year-ended June 30, 2012. Contract services in the Finance department increased by \$20,000 as a result of hiring a contract employee for an interim period as a result of staff turnover and as a result of an \$8,000 increase for the preparation of an actuarial valuation for GASB 45 disclosure purposes.

Meetings & Conferences: Additional travel has been necessary for various staff members including the Town Manager and Council members as a result of the RDA dissolution process and pending state and federal legislation. Staff has attended two meet and confer processes with the State department of Finance. Additionally, several staff members including the Town Manager and Council members have continued and/or become more active in League of California legislative advocacy committees. Some of these commissions and committees are County-wide and/or State-wide. Also, Town staff and Council members will be traveling to Washington, D.C. to meet with congressional delegates and staff members from various federal agencies. These additional unanticipated expenditures will increase budgeted appropriations for meetings & conferences by approximately \$20,000 in total thru the end of the fiscal year.

Legal Costs: The legal costs for the Town's contract attorneys are on track to decrease by \$242,000 from the anticipated budgeted expenditures of \$464,000. This decrease is partially due to additional legal services being included within the base retainer fee. In addition, other legal fees for non-retainer legal services have decreased from prior year spending levels.

Hardware and Software: The hardware and software in the Council chambers has continued to fail with increasing regularity. Staff has determined that the equipment can be upgraded and stabilized with a modest expenditure of approximately \$25,000 for a audio visual system upgrade and a video and broadcast system upgrade.

Insurance Costs: The budgeted appropriations for insurance costs did not include sufficient funding for the crime policy or unemployment insurance necessitating an increase in budgeted appropriations of \$109,700. Unemployment insurance costs increased as a result of increased unemployment claims averaging approximately two claims higher than normal for the past twelve months.

Replaced Copiers: Staff replaced the Town’s copier machines with less costly and more efficient copier machines. As a result, copier costs have decreased by approximately \$27,000 annually.

Click-it or Ticket-It Grant: Appropriations in the amount of \$15,000 were budgeted in anticipation of receiving this grant funding. However, the Town did not receive the grant necessitating a reduction in the budgeted expenditures related to the grant program in the amount of \$15,000.

Graffiti Removal Program: As a result of a decreased need for graffiti removal this year, a reduction in the graffiti removal appropriation of \$20,600 is possible. This reduction is believed to be a direct result of the arrest and prosecution of taggers and continued graffiti abatement activities.

Including all adjustments to revenues and appropriations, the General Fund budget for Fiscal Year 2012-2013 is estimated to be approximately \$23.1 million. The table below is a summary of the total resources and resource requirements for the adopted Fiscal Year 2012-2013 General Fund budget including the adjustments as adopted:

General Fund Summary	
Estimated Revenues	\$ 18,121,010
Adopted Rev. Adjustments	(509,317)
Transfers In	5,287,299
Use of Fund Balance	154,168
Total Resources	\$ 23,053,160
Adopted Budget	\$ 23,214,010
Adopted Approp. Adj.	(160,850)
Total Adj. Appropriations	\$ 23,053,160
Balance	-0-

Other budgetary impacts worth noting include the following items:

Redevelopment Agency Dissolution Activities: Dissolution activities continue for the Town’s former Redevelopment Agency. The Town has recently completed the required Due Diligence Reviews required pursuant to AB 1484. Of significant note, this bill created a “claw-back” provision by which the state required any unobligated funds be paid to the County of San Bernardino Auditor/Tax Collectors Office for redistribution to other taxing agencies. For schools, apportionment payments from the State were essentially offset dollar for dollar by the AB 1484 claw-back payments to the County resulting in no new funding for

schools. This process allowed the State to maximize the benefit of the RDA dissolution process for the State's general fund.

The impact of Governor Brown's State budget proposal on the Town of Apple Valley's Redevelopment Agency has eliminated annual collections of property tax increment amounting to \$6.6 million. In addition, the Town has lost approximately \$8 million in housing funds to date. Some bond proceeds and Low and Moderate Income Housing Funds remain at risk pending successful completion of the due diligence review process and receipt of a "finding of completion" from the State department of Finance.

SUMMARY

The FY 2012-2013 budget was adopted with a planned appropriation from General Fund available fund balance. Following adoption of the budget, Council approved additional appropriations for various programs, services, and carryovers from FY 2011-2012. As of adoption of the FY 2012-2013 budget, the planned appropriation to available fund balance in the General Fund amounted to \$194,299. As of December 31, 2012, a reduction in appropriations in the amount of \$(160,850) were proposed in the General Fund as outlined in Exhibit A. These adjustments were adopted by Town Council as outlined in Budget Amendment 13-22 attached hereto. In addition, adopted revenue adjustments to the General Fund result in a net decrease of \$(509,317) to General Fund estimated revenues. The net result of these changes in revenue estimates and appropriations results in an increase in the utilization of available General Fund fund balance of \$348,467. This change necessitates the planned utilization of General Fund fund balance in the amount of \$154,168 whereas the adopted budget anticipated an appropriation to General Fund fund balance in the amount of \$194,299.

ALTERNATIVES CONSIDERED

No alternatives were considered.

FISCAL REVIEW

The attached Exhibit A summarizes the adopted adjustments in revenue estimates and appropriations (expenditures) to the current year's adopted operating and capital improvement budget reviewed herein. The attached budget adjustment, BA 13-22, summarizes the adopted decreases in revenue estimates and appropriation adjustments.

Exhibit B summarizes the changes in revenue estimates and budgetary performance for all departments and all funds reflective of all budget amendments previously approved by Council through December 31, 2012.

The net result of these changes in revenue estimates and appropriation decreases necessitated the planned utilization of General Fund fund balance in the amount of \$154,168 whereupon the adopted budget anticipated an appropriation to General Fund fund balance in the amount of \$194,299.

LEGAL REVIEW

No legal review is required for this item.

CONCLUSION

The attached budget adjustment (BA 13-22) was adopted by Council at its February 26 Council Meeting. Staff is committed to ensuring that the Town continues its conservative fiscal practices; adopts sound, responsible, financial plans; and maintains its high-level of service delivery to the community in the most cost-effective and efficient manner possible.

MARC R. PUCKETT
Director of Finance

- ATTACHMENTS:
- 1) Budget Adjustment 13-22
 - 2) Exhibit A – Mid Year Budget Adjustment Summary
 - 3) Budget to Actual Comparison by Fund/Department/Division
 - 4) General Fund/Parks & Rec./Golf Course Revenue Projections
 - 5) Calculation of Projected Fund Balances – June 30, 2013



TOWN OF APPLE VALLEY

BUDGET AMENDMENT REQUEST

13-22

Requesting Department	Prepared By	Date Prepared
Finance	M.Puckett	February 26, 2013

REVENUES AND OTHER FINANCING SOURCES

Account Description	Fund	Dept	Account No.	Amendment Amount
Various Revenue Sources	Various	Various	Various	(509,317)
(Per attached Exhibit A)				
REVENUE TOTAL				(509,317)

EXPENDITURES AND OTHER FINANCING USES

Account Description	Fund	Dept	Account No.	Amendment Amount
Various Expenditures	Various	Various	Various	(160,850)
EXPENDITURE TOTAL				(160,850)

PURPOSE

To adjust various revenue and expenditure sources as recommended by staff at the mid-year budget review and in the amounts as noted per the attached Exhibit A

Department Director	Date	Finance Mgr. / Dir. of Finance	Date

Town Manager	Date	Entered by	Date

**TOWN OF APPLE VALLEY
MID-YEAR BUDGET ADJUSTMENT SUMMARY
REVENUE
FISCAL YEAR 2012-2013**

Exhibit A

<u>ACCOUNT DESCRIPTION</u>	<u>Amended FY2012-13</u>	<u>Actual 12/31/12</u>	<u>Year-End Revised</u>	<u>Increase (Decrease)</u>
General Fund:				
Property Tax	2,300,000	1,124,333	2,410,300	110,300
Sales and Use Tax	4,068,000	1,293,063	4,090,000	22,000
Motor Vehicle In-Lieu	-	36,036	36,040	36,040
Pass Thru PA#2	-	145,676	145,700	145,700
Refunds, reimb, rebates	275,750	12,375	140,750	(135,000)
Gain/Loss on Disposal of Fixed Assets	450,000	-	-	(450,000)
Animal Services Sheltering	221,460	-	132,900	(88,560)
Transfer from 2610	149,797	-	-	(149,797)
General Fund Totals	7,465,007	2,611,483	6,955,690	(509,317)

TOWN OF APPLE VALLEY
MID-YEAR BUDGET ADJUSTMENT SUMMARY
EXPENDITURE
FISCAL YEAR 2012-2013

Exhibit A

<u>ACCOUNT DESCRIPTION</u>	<u>Amended FY2011-12</u>	<u>Actual 12/31/2011</u>	<u>Year-End Revised</u>	<u>Increase (Decrease)</u>
General Fund:				
Meetings & Conferences	13,125	6,167	24,125	11,000
Subtotal - Town Council	13,125	6,167	24,125	11,000
Legal BB&K	464,000	71,794	221,800	(242,200)
Subtotal - Town Attorney	464,000	71,794	221,800	(242,200)
Meetings & Conferences	5,250	5,105	14,250	9,000
Subtotal - Town Manager	5,250	5,105	14,250	9,000
Education & Training	2,625	4,120	9,625	7,000
Meetings & Conferences	2,100	1,912	5,100	3,000
Contract Services	52,000	56,495	72,000	20,000
Subtotal - Finance	56,725	62,527	86,725	30,000
Hardware/Software Supplies	19,640	10,136	20,890	1,250
Contract Services	175,000	45,871	200,000	25,000
Subtotal - Information Technology	194,640	56,007	220,890	26,250
Insurance	738,300	797,242	848,000	109,700
Contract Services	56,000	28,855	68,000	12,000
Subtotal - General Government	794,300	826,097	916,000	121,700
Building Maintenance	65,500	24,287	48,600	(16,900)
Leased Equipment	76,000	20,396	49,000	(27,000)
Subtotal - Facilities	141,500	44,683	97,600	(43,900)
Click it or Ticket Expenditures	15,000	-	-	(15,000)
Subtotal - Police	15,000	-	-	(15,000)
Graffiti Removal & Supplies	55,000	17,191	34,400	(20,600)
Subtotal - Code	55,000	17,191	34,400	(20,600)
Building and Safety Contractor	187,500	128,528	206,900	19,400
Subtotal - Building & Safety	187,500	128,528	206,900	19,400
Contract Services	86,500	7,500	30,000	(56,500)
Subtotal - Planning	86,500	7,500	30,000	(56,500)
General Fund Totals	2,013,540	1,225,599	1,852,690	(160,850)

**TOWN OF APPLE VALLEY, CALIFORNIA
BUDGET COMPARISON
BY FUND/BY DEPARTMENT**

<u>Fund/Department</u>	<u>FY 09-10 Actual Expenditures</u>	<u>FY 10-11 Actual Expenditures</u>	<u>FY 11-12 Actual Expenditures</u>	<u>FY 12-13 Amended Budget</u>
<u>General Fund (1001)</u>				
Non-Departmental	(480,350)	1,187,961	-	-
Town Council	139,948	140,315	201,183	184,715
Town Attorney	201,406	480,734	586,580	464,000
Town Manager	337,948	216,684	626,958	438,696
Finance	300,624	107,429	1,077,791	1,007,851
Town Clerk	257,966	214,863	352,668	388,565
Public Information	212,292	160,416	368,162	431,199
Human Resources	220,485	184,277	458,428	340,900
Information Technology	223,873	183,536	638,607	480,034
General Government	356,774	293,558	1,982,270	1,464,712
Public Facilities	1,344,506	1,423,224	1,504,729	2,390,910
Police	10,034,158	10,589,317	10,961,407	11,160,976
Emergency Preparedness	88,445	87,601	72,245	25,275
Animal Control	640,063	711,838	739,573	724,436
Animal Shelter	836,099	850,753	863,885	989,691
Butler II 2007	(1,625)	-	-	-
Public Services - Admin	145,149	49,367	470,658	460,628
Code Enforcement	1,141,401	1,032,233	1,024,428	916,320
Building & Safety	245,082	262,639	252,632	188,465
Economic Development	-	-	145	78,834
Engineering	320,959	329,710	336,051	350,600
Planning	1,169,471	966,009	743,198	727,203
Street Lighting	-	6,217	-	-
Subtotal Fund 1001	17,734,674	19,478,681	23,261,598	23,214,010
<u>Parks & Recreation (2510)</u>				
Non-Departmental	31,401	29,919	18,365	-
Parks	1,938,874	1,990,749	1,920,648	1,513,279
Facilities	271,077	251,206	244,548	238,412
Adult Sports	55,388	54,793	52,289	59,502
Aquatic Program	528,189	530,540	475,079	449,980
ASAP	193,359	187,891	173,487	177,415
CAVE	17,136	16,612	65	-
Day Camp	60,453	51,265	52,107	49,177
Instructor Classes	166,280	146,384	150,752	159,950
PIO Events	196,972	215,055	206,247	177,738
Recreation	137,892	78,011	156,070	124,815
Recreation Department Events	88,611	85,736	88,862	88,567
Rentals	74,366	80,728	84,323	96,392
Skate Park Facilities	7,583	248,532	1,059	5,000
User Groups	46,914	48,318	34,902	31,339
Youth Sports	91,305	94,488	102,525	108,382
Subtotal Fund 2510	3,905,800	4,110,227	3,761,328	3,279,948
<u>Redevelopment Agency:</u>				
RDA PA#1 Low/Mod (2710)	37,132	104,659	146,042	-
RDA PA#2 Low/Mod (2720)	426,948	401,084	243,471	-
VVEDA Redev Oblig Ret Fund PA#1 (2725)	-	-	914,633	1,867,580
Redev Oblig Ret Fund PA#2 (2730)	-	-	2,532,360	16,754,975
RDA PA#1 80% (3010)	3,917,238	2,476,223	369,936	-
RDA PA#2 80% (3020)	13,111,829	9,292,808	749,583	-
RDA PA#1 Capital Projects (4010)	(172)	102,928	413,207	-
RDA PA#2 Capital Projects (4020)	11,755	257,431	1,356,387	-
Subtotal Redevelopment Agency	17,467,598	12,530,474	6,579,577	18,622,555
<u>Apple Valley Golf Course (5710)</u>				

**TOWN OF APPLE VALLEY, CALIFORNIA
BUDGET COMPARISON
BY FUND/BY DEPARTMENT**

<u>Fund/Department</u>	<u>FY 09-10 Actual Expenditures</u>	<u>FY 10-11 Actual Expenditures</u>	<u>FY 11-12 Actual Expenditures</u>	<u>FY 12-13 Amended Budget</u>
Non-Departmental	1,061,519	(113,945)	110,926	573,500
Administration	273,445	139,780	144,189	500
Food & Beverage	488,168	206,886	4,398	-
Cart Barn	60,030	66,137	73,358	-
Grounds	848,340	882,492	763,321	418,100
Facilities	206,973	218,318	246,535	111,100
Parking Lot	-	-	465	-
Pro Shop	151,098	110,332	102,464	75,700
Tennis Court	3,173	1,025	2,384	-
Subtotal Fund 5710	<u>3,092,746</u>	<u>1,511,025</u>	<u>1,448,040</u>	<u>1,178,900</u>
Grand Total	<u>42,200,818</u>	<u>37,630,407</u>	<u>35,050,543</u>	<u>46,295,413</u>

GENERAL FUND REVENUE					
Code	Revenue Classification	Actual Revenue 2009-10	Actual Revenue 2010-11	Actual Revenue 2011-12	Amended Budget 2012-13
LOCAL TAXES					
4020	Property Tax	2,189,849	2,049,373	2,172,489	2,300,000
4025	Property Tax (Sales Tax Backfill)	1,189,135	1,382,393	1,267,248	1,409,000
4030	Property Tax (VLF Backfill)	5,734,168	5,168,855	5,132,738	5,170,000
4055	Sales & Use Tax	3,689,967	3,819,221	4,139,105	4,068,000
4070	VVEDA Reimbursement	62,437	-	-	-
4085	Franchise Taxes	1,565,696	1,727,194	1,720,033	1,700,000
4095	Transient Occupancy Tax	9,823	6,051	6,670	8,000
4110	Motor Vehicle In-Lieu	197,306	318,318	34,778	-
4134	Tax increment/Pass through	109,355	40,152	132,576	-
4142	Business License Fees	185,438	179,195	168,488	180,000
4144	CSA 17	-	1,630,304	-	-
4176	Property Transfer Tax	164,574	141,983	150,085	140,000
Subtotal - Local Taxes		15,097,748	16,463,039	14,924,210	14,975,000
FINES & FEES & PUBLIC SAFETY CONTRIBUTIONS					
4355	Police Fines & Forfeitures	134,562	127,488	91,423	120,000
4360	False Alarms	-	100	-	-
4365	Police Reports & Charges	-	-	2,197	5,000
4377	Tow Release	119,485	101,800	81,200	75,000
6925	OTS Sobriety Check Point	-	-	63,920	50,000
6927	Police Grants	264,043	134,902	119,817	190,000
Subtotal - Fines & Fees		518,090	364,290	358,557	440,000
PUBLIC SERVICES					
4145	Debris Recycling	2,500	1,500	-	1,000
4160	Microfilming	4,634	4,162	4,731	5,000
4410	Animal Control Citation Fines	23,987	20,851	28,834	20,000
4420	Animal Control Permits	2,550	2,175	3,206	3,000
4430	Animal Licenses	268,686	264,369	275,261	260,000
4435	Animal Services Sheltering Contract	-	-	-	221,460
4440	Field P/U Apprehension	9,943	9,001	10,724	10,000
4450	Field P/U Release	7,162	7,304	5,750	6,000
4460	Impound Boarding Fees	22,079	21,075	23,553	20,000
4465	Lien Fees	2,136	701	779	1,000
4470	Miscellaneous AC	20,816	17,358	16,125	22,000
4480	Owner Turn in @ Shelter	13,432	18,090	18,118	15,000
4490	Pet Adoptions	56,600	81,089	80,816	70,000
4500	Quarantine Fees	1,150	1,595	2,000	1,500
4510	Rabies Vaccination	3,852	8,456	8,253	14,000
4517	Shelter Cap Imp County Payments	-	-	-	35,000
4520	Shelter Donations	-	253	405	-
4530	Over/Short	140	11	62	-
4540	Spay and Neuter Deposit	2,540	4,065	3,594	2,500
4550	State Mandated Fees AC	7,705	6,590	6,943	6,000
5580	Short/Over Recreation	146	-	95	-
6050	Code Enforcement Fines	586,629	639,250	370,186	300,000
6070	Property Maint Inspections	113,981	107,989	99,372	120,000
6168	Right-of-Way Permits	39,799	53,300	42,115	40,000
Total - Public Services		1,190,467	1,269,184	1,000,922	1,173,460
Building & Safety					
6108	Building Permits	197,880	220,864	165,677	300,000
6114	CSA	-	1,550	2,995	-
6120	Electrical	27,159	30,558	46,400	30,000
6130	Grading	2,970	4,150	1,807	2,500
6134	Inspections (Other)	10,528	9,372	10,396	10,000
6148	Mechanical	28,183	26,708	22,853	25,000
6152	Misc Revenue - Building & Safety	2,690	3,453	6,019	3,500
6158	Plan Check	86,466	80,009	113,599	95,000
6162	Plumbing	36,163	36,852	29,730	30,000
6169	SB 1473	-	372	(60)	-
6174	SMI Tax	177	511	(308)	-
Total - Building & Safety		392,216	414,399	399,108	496,000

GENERAL FUND REVENUE					
Code	Revenue Classification	Actual Revenue 2009-10	Actual Revenue 2010-11	Actual Revenue 2011-12	Amended Budget 2012-13
6104	Planning & Zoning				
6110	Appeals	224	468	224	500
6112	Certificate of Compliance	1,733	2,346	1,564	1,500
6118	Copies and Reproduction	3,558	4,847	1,533	3,000
6118	Development Permit	11,506	5,942	5,062	12,000
6128	General Plan Amendment	11,436	16,464	(1,455)	12,000
6132	Home Occupation Permit	6,875	8,580	5,885	5,000
6142	Lot Line Adjustment	2,742	1,960	589	2,000
6144	Lot Merger	1,168	584	2,336	2,000
6150	Minor Sub-divisions	91	-	626	-
6156	Miscellaneous Revenue - Planning	8,273	1,737	2,129	7,800
6165	Open Space	613	21	270	-
6167	Refund Processing Fees	88	-	-	-
6170	Sign Permit	3,572	2,434	2,162	1,500
6172	Site Plan Review	22,348	23,162	30,961	7,000
6176	Special Events	2,848	1,291	1,372	1,000
6178	Specific Plan	11,700	-	-	-
6180	Tentative Parcel Map	3,801	-	3,502	3,000
6182	Tentative Tract Map	-	8,148	17,857	3,000
6192	Use Permit	37,685	39,783	16,661	30,000
6195	Variance (Deviations)	3,748	2,339	447	2,000
	Total - Planning Fees	134,009	120,106	91,725	93,300
	Engineering				
6154	Miscellaneous p Engineering	142	146	-	-
6160	Plan Check	22,835	6,256	67,057	20,000
6184	Transportation Impact Fees	233	-	-	-
6188	Transportation Permits	5,711	3,022	43,956	10,000
	Total - Engineering	28,921	9,424	111,013	30,000
	Sub Total - Community Development	555,146	543,929	601,846	619,300
	OTHER REVENUES				
4148	Donations	10	-	-	-
4165	Miscellaneous Penalties or Fines	2,150	2,031	1,203	2,100
4168	Notary Fees	20	40	20	-
4170	Sale of Cell Easement	-	345,617	354,330	-
4172	Passport Fees	16,718	16,155	15,618	15,000
4181	Refunds, Reimbursements	7,796	273,235	158,848	275,750
4183	Gain/Loss on Disposal of Fixed Asset	-	-	-	450,000
4183-7	SCE Incentive Payments	-	-	10,005	-
4184	Short/Over	-	-	-	-
4185	State Mandated Reimbursements	19,089	30,166	35,859	36,000
4255	Interest Earnings	232,385	66,935	15,790	88,400
4352	Booking Fees	1,597	2,372	522	600
4370	Restitution	5,467	912	1,597	1,000
5540	Sponsorship Revenue	5,600	5,450	-	-
5700	Cell Tower & Office Space Rentals	-	1,738	3,525	3,500
6690	Water Use Fees	28,800	-	28,796	20,000
6808	EMPG Grant	11,498	10,985	18,962	8,900
6931	Seat Belt Compliance	-	-	1,749	-
6996	Town Store Sales	1,964	807	1,560	12,000
6999	Transfer In - Street Maint. Fund 2010	-	-	737,364	761,203
6999	Transfer In - Parks & Rec. Fund 2510	-	-	346,499	343,300
6999	Transfer In - Police Grants Fund 2610	-	-	-	149,797
6999	Transfer In - RDA VVEDA (2725)	-	-	150,598	-
6999	Transfer In - RDA PA No. 2 (2730)	-	-	150,599	-
6999	Transfer In - RDA/VVEDA Fund 4010	-	-	210,837	-
6999	Transfer In - RDA PA No. 2 Fund 4010	-	-	210,837	-
6999	Transfer In - Wastewater Fund 5010	-	-	1,664,026	1,668,583
6999	Transfer In - Solid Waste Fund 5510	-	-	1,601,001	2,364,416
6999	Transfer In - 5510 Franchise Fee	480,350	470,510	483,655	-
	Subtotal - Other Revenues	813,444	1,226,953	6,203,800	6,200,549
	TOTAL - GENERAL FUND REVENUES	18,174,895	19,867,395	23,089,335	23,408,309

Town of Apple Valley
CALCULATION OF PROJECTED FUND BALANCES
for the Fiscal Year Ending June 30, 2013

Fund Description	Fund Balances 07/01/12	Estimated Revenues FY 12-13	Amended Operating Budget FY 12-13	Amended Capital Budget FY 12-13	Total Amended Budget FY 12-13	Estimated Revenues Over (Under) Adopted Budget	Transfers In	Transfers Out	Projected Ending Fund Balances 06/30/13
General Fund	17,323,241	16,121,010	21,168,698	-	21,168,698	(3,047,688)	5,287,299	2,045,312	17,517,540
Special Revenue Funds:									
Gas Tax Fund	29,751	1,830,013	1,166,010	-	1,166,010	664,003	275,394	761,203	207,945
Article 8	79,348	275,394	-	-	-	275,394	-	275,394	79,348
Measure I Local	60,024	-	-	-	-	-	-	-	-
Measure I Local 2040	2,758,798	1,756,325	-	3,349,500	3,349,500	(1,593,175)	-	-	1,165,623
Measure I Regional	2,728,517	-	-	-	-	-	-	-	-
Measure I Transit	128,645	-	-	-	-	-	-	-	-
Prop 1B	3,935	-	-	-	-	-	-	-	-
Air Pollution Control	86,694	47,410	47,320	-	47,320	90	-	-	85,784
SANBAG Stimulus	(1,392)	-	-	-	-	-	-	-	-
CDBG Program Income	3,406	-	-	-	-	-	-	-	-
CDBG	(63,674)	931,054	931,054	-	931,054	-	-	-	(63,674)
NSP 3	-	1,382,226	1,382,226	-	1,382,226	-	-	-	-
HCD State Program	23,932	-	-	-	-	-	-	-	-
Apple Valley Home	(28,661)	697,773	697,773	-	697,773	-	-	-	(28,661)
Victorville Home	-	298,112	298,112	-	298,112	-	-	-	-
Call Home	147,327	900,000	900,000	-	900,000	-	-	-	147,327
Parks & Recreation	5,728,164	2,849,736	2,936,648	-	2,936,648	(66,912)	445,619	343,300	5,743,571
Quimby Funds	25,826	10,500	2,936,648	-	2,936,648	10,500	-	15,407	20,919
Police Grants	6,640	295,497	145,700	-	145,700	149,797	-	149,797	6,640
Asset Seizure	22,809	-	-	-	-	-	-	-	22,809
Drug & Gang Prevention	2,957	-	-	-	-	-	-	-	2,957
Assessment District LL	898,548	325,200	160,250	-	160,250	164,950	-	-	1,063,498
FEMA	(277,546)	-	-	-	-	-	-	-	(277,546)
Subtotal Special Revenue Funds	12,363,048	11,599,240	8,665,093	3,349,500	12,014,593	(415,353)	721,013	1,545,101	8,176,540
Debt Service Funds:									
1999 COPS	(2,794)	-	405,000	-	405,000	(405,000)	405,000	-	(2,794)
2001 COPS	(1,679)	-	322,000	-	322,000	(322,000)	322,000	-	(1,679)
2007 Town Hall	-	-	888,100	-	888,100	(888,100)	888,100	-	-
Subtotal Debt Service Funds	(4,473)	-	1,615,100	-	1,615,100	(1,615,100)	1,615,100	-	(4,473)

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Town of Apple Valley
CALCULATION OF PROJECTED FUND BALANCES
for the Fiscal Year Ending June 30, 2013

Fund Description	Fund Balances 07/01/12	Estimated Revenues FY 12-13	Amended Operating Budget FY 12-13	Amended Capital Budget FY 12-13	Total Amended Budget FY 12-13	Estimated Revenues Over (Under) Adopted Budget	Transfers In	Transfers Out	Projected Ending Fund Balances 06/30/13
Capital Improvement Funds:									
NAVISP	1,637,170	4,000	-	-	-	4,000	-	-	1,641,170
Government Facilities	(75,605)	-	-	-	-	-	-	-	(75,605)
Capital Improvement TIF Fund	9,299,815	725,000	-	13,926,000	13,926,000	(13,201,000)	12,400,000	-	8,498,815
Animal Control Facilities	98,874	1,750	-	-	-	1,750	-	-	100,624
Law Enforcement Facilities	17,654	12,100	-	-	-	12,100	-	-	29,754
General Government Facilities	32,540	30,000	-	-	-	30,000	-	-	62,540
Public Meeting Facilities	69,992	5,010	-	-	-	5,010	-	-	75,002
Aquatic Facilities	45,314	3,040	-	-	-	3,040	-	-	48,354
Storm Drains	969,012	25,500	-	400,000	400,000	(374,500)	-	-	594,512
Sanitary Sewer Facilities	937,505	3,300	-	-	-	3,300	-	-	940,805
Project Manager Grants	(468,461)	2,322,727	2,820,727	-	2,820,727	(488,000)	-	-	(956,461)
Subtotal Capital Projects Funds	12,563,810	3,142,427	2,820,727	14,326,000	17,146,727	(14,004,300)	12,400,000	-	10,959,510
Total Governmental Funds	42,245,626	32,862,677	34,269,618	17,675,500	51,945,118	(19,082,441)	20,023,412	3,590,413	36,649,117
Enterprise Funds:									
Wastewater	5,691,811	4,293,500	3,937,823	3,023,570	6,961,393	(2,667,893)	-	1,668,583	1,355,335
Solid Waste	4,108,224	10,921,500	8,259,638	-	8,259,638	2,661,862	-	2,364,416	4,405,670
Apple Valley Golf Course	(2,578,591)	861,600	1,178,900	-	1,178,900	(317,300)	-	-	(2,895,891)
Total Enterprise Funds	7,221,444	16,076,600	13,376,361	3,023,570	16,399,931	(323,331)	-	4,032,999	2,865,114
Redevelopment Agency									
VVEDA Successor Agency Fund	(1,048,829)	1,867,580	1,867,580	-	1,867,580	-	-	-	(1,048,829)
AV RDA Successor Agency Fund	15,268,185	4,354,975	4,354,975	-	4,354,975	-	-	12,400,000	2,868,185
VVEDA Debt Service (80%)	-	-	-	-	-	-	-	-	-
PA#2 Debt Service (80%)	-	-	-	-	-	-	-	-	-
VVEDA Low/Mod (20%)	7,287,883	-	-	-	-	-	-	-	7,287,883
PA#2 Low/Mod (20%)	9,516,341	-	-	-	-	-	-	-	9,516,341
VVEDA - Capital Projects	-	-	-	-	-	-	-	-	-
PA#2 - Capital Projects	-	-	-	-	-	-	-	-	-
GRAND TOTAL	80,490,650	55,161,832	53,868,534	20,699,070	74,567,604	(19,405,772)	20,023,412	20,023,412	58,137,811

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