



TOWN OF APPLE VALLEY

TOWN COUNCIL STAFF REPORT

To: Honorable Mayor and Town Council **Date:** February 27, 2018

From: Kofi Antobam, Director of Finance **Item No:** 09

Subject: FISCAL YEAR 2017-2018 MID-YEAR BUDGET REVIEW

T.M. Approval: _____ **Budgeted Item:** Yes No N/A

RECOMMENDED ACTION:

1. That the Town Council receive and file the Fiscal Year 2017-2018 Mid-Year Budget Review Report.
2. Approve Budget Amendment Number 18-11 incorporating revenue and expenditure changes, carry forwards and Parks & Recreation Fund consolidation as proposed herein.

SUMMARY:

Discussed herein for your review and consideration is the Fiscal Year 2017-2018 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, 2017 and the fiscal mid-year for Fiscal Year 2017-2018. 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 27, 2017. 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 which 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 2018-2019 Operating and Capital Improvement Budget.

BACKGROUND:

The Town Council adopted the FY 2017-2018 Operating and Capital Improvement budget on June 27, 2017. The Adopted Operating and Capital Improvement budget is the Town's one-year spending plan for FY 2017-2018. It serves as a planning guide for the ensuing fiscal year and demonstrates progress towards implementation of the Town Council's long-term goals as outlined in the Vision 2020 plan. The adopted budget also demonstrates how established short-term goals and objectives will be implemented over the next year. It demonstrates how available resources are matched against the Town's service priorities to provide essential services to the community. 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 upon the budget and the implementation of spending priorities outlined therein. These events necessitate adjusting the budget projections from time to time during the course of the fiscal year to keep the spending plan up-to-date based on current financial conditions.

Staff is proceeding to implement a "best practices" approach to the budget development process. In doing so, staff modified the mid-year budget process 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 2018-2019.

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 estimated revenue projections in the FY 2017-2018 General Fund adopted budget amount to a decrease of \$958,640. Adjustments to the various departmental and non-departmental categories of budget appropriations in the General Fund totaled to an increase of \$62,255. On an "all funds" basis, total revenues are proposed to decrease by \$1,345,010 and total expenditures are proposed to increase by \$62,255. These mid-year adjustments to the FY 2017-2018 General Fund adopted budget will be considered by Council at its February 27, 2018 Town Council meeting and are summarized in Budget Adjustment Number 18-11 and Exhibit A attached hereto.

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 FY 2017-2018 was \$28.7 million. The table below is a summary of the total resources and resource requirements for the adopted FY 2017-2018 General Fund budget:

TABLE 1

General Fund Summary	
Estimated Revenues	\$ 24,425,910
Transfers In	4,184,840
Approp. From Fund Balance	124,621
Total Resources	\$ 28,735,371
Adopted Budget	\$ 28,735,371
Balance	-0-

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 the adopted budget (appropriations) for the 2017-18 fiscal year to actual performance by department for the past three (3) fiscal years is included in Exhibit B for the General, Parks & Recreation, and Golf Course Funds.

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 2017-2018 budget highlighted below and as outlined in the attached Budget Adjustment Number 18-11 (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, there appears to be clear signs of improvement in the real estate market, the taxable values for 2017 increased by 6.1% countywide as compared to the 2016 assessment roll. Preliminary estimate of anticipated increase in the Assessment roll from the Assessor's office is not available at this time, however, based in historical data and the real estate market, it is anticipated to increase slightly by 2.5% next year. Taxable values in Apple Valley have not increased at the same rate as many areas of San Bernardino County and have continued to lag forward-looking estimates each of the past three (3) years. Property tax revenues are projected to remain near current estimates for the remainder of the fiscal year resulting in no change in current revenue estimates of \$2,900,000. Significant appreciation in property values during FY 2018-2019 and corresponding taxable values in excess of projections may occur during the next two (2) fiscal years due to new construction and Prop. 8 recoveries. More information will be available regarding property tax estimates and collections once the County Assessor has completed preparation of the Assessor's roll.

Sales Tax: Growth in sales tax revenues has been inconsistent for the past six (6) reported quarters. Actual sales tax revenues were up 3.7% for the first quarter of FY 2017-2018 as compared to the first quarter of FY 2016-17 and decreased by 5.2% as compared to the fourth quarter of FY 2016-17. Sales tax revenues are estimated to remain flat or increase slightly by 2.5% through June 30 resulting in an increase in sales tax collections of approximately \$150,000. Retail sales have picked up in some areas throughout the County. As a result, an upward adjustment in the Town's sales tax revenue estimates for FY 2017-2018 is proposed in the amount of \$150,000 from \$6,001,000 to \$6,151,000.

Other Revenues: In developing the 2017-18 adopted budget, the following revenues - advertising, SCE incentive payments, state mandated reimbursements, interest earnings, office space rentals and code enforcement fines - were projected based on historical data and anticipated activity. However, based on the year-to-date activity and projections for the remainder of the 2017-18 year, staff is proposing downward adjustments to these revenues as outlined in Exhibit A. In addition, staff reviewed the methodology used in allocating overhead costs to other funds within the Town's accounting system. Based on the preliminary report of the review, staff is proposing a decrease of \$883,140 to Transfers In.

EXPENDITURES:

PEG Channel: The Town began streaming its own municipal access channels on Frontier and Charter Communications cable networks in 2017. During preparation of the FY 2017-2018 proposed budget, staff anticipated spending \$15,000 to complete set-up of the municipal access channels. As streaming began, staff has noted that additional equipment is needed to enhance the delivery of programs and live streaming of various public meeting held by the Town. An additional \$47,855 is anticipated for these needs. This amount will be funded from the PEG restricted funds in the General Fund.

OTHER BUDGETARY ISSUES:

Parks and Recreation Fund: As of June 30, 2017, the General Fund had advanced the Parks and Recreation Fund \$6,599,564 to cover operational costs over several years. Governmental Accounting Standards Board (GASB) Statement No. 34, paragraph 112, states that "(1) Interfund loans - amounts provided with a requirement for repayment. Interfund loans should be reported as interfund receivables in lender funds and interfund payables in borrower funds. This activity should not be reported as other financing sources or uses in the fund financial statements. If repayment is not expected within a reasonable time, the interfund balances should be reduced and the amount that is not expected to be repaid should be reported as a transfer from the fund that made the loan to the fund that received the loan."

Parks and recreation programs are considered services provided to residents and in most municipalities is never self sustaining; and thus reported as part of the General Fund operations for financial reporting. Over the past six years the General Fund has been subsidizing the operations in the Parks and Recreation Fund, annually, to breakeven. As a result it does not appear that the Parks and Recreation Fund is generating or will have enough resources to repay the advance from the General Fund within a reasonable time. Staff is proposing a transfer out of \$6,599,564 from the General Fund, in accordance with GASB 34, to the Parks and Recreation Fund to reduce the advance and consolidate both funds for financial reporting.

Project Carry-forwards: There are a number of multi-year projects or expenditure each year which require that the appropriation unspent as of June 30 be carried forward into the following fiscal year. Attachment 6 summarizes those projects or expenditure that began in a prior fiscal year for which appropriations will be carried forward into the current fiscal year. This action does not change the total amount appropriate for each project by Council and is only intended to match the appropriation to the expenditures per the project's timeline.

CalPERS Discount Rate Change: Over the next three (3) years, CalPERS will phase in a reduction in the discount rate from the current level of 7.5% to 7%. Decreases in the assumed rate of return or investment earnings will result in increased employer contributions. These increased employer contributions will first affect the Town's budget in Fiscal Year 2018-2019. The additional employer contributions will range from 0.25% - 0.75% of covered payroll annually based upon plan experience.

Executive Assistant: The Town Manager’s office has been supported by an Executive Secretary position at times and an Executive Assistant at times. As the Town consolidates some functions and to properly reflect the duties currently assigned and expected to be performed by this support position, staff is proposing a title change from Executive Secretary back to Executive Assistant. The Executive Assistant is an approved title on the Town’s Classification plan for FY 2017-18. There is no additional financial impact on the FY 2017-18 budget as a result of this change.

Including all adjustments to revenues and appropriations, the General Fund budget for FY 2017-2018 is estimated to be approximately \$28.7 million. The following table is a summary of the total resources and resource requirements for the adopted FY 2017-2018 General Fund budget including the adjustments as proposed:

TABLE 2

General Fund Summary	
Estimated Revenues	\$ 24,425,910
Proposed Rev. Adjustments	(75,500)
Transfers In	3,301,700
Approp. From Fund Balance	1,145,516
Total Resources	\$ 28,797,626
Adopted Budget	\$ 28,735,371
Prop. Approp. Adjustments	62,255
Total Adj. Appropriations	\$ 28,797,626
Balance	-0-

SUMMARY:

The FY 2017-2018 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 2016-2017. As of the June 27, 2017 adoption of the FY 2017-2018 budget, the planned appropriation from available fund balance in the General Fund amounted to \$124,621. As of December 31, 2017, net revenue adjustments decreased total available resources in the General Fund by \$958,640. Additionally, net appropriation increases in the General Fund amounted to \$62,255. These net adjustments increased the appropriation from General Fund fund balance from \$124,621 to \$1,145,516 as of mid-year. These proposed revenue and expenditure adjustments are outlined in Exhibit A (Attachment 2).

ALTERNATIVES CONSIDERED:

No alternatives were considered.

FISCAL REVIEW:

The attached Exhibit A summarizes the proposed adjustments in revenue estimates and appropriations (expenditures) to the current year's adopted operating and capital improvement budget reviewed herein. The attached budget adjustment, Budget Amendment Number 18-11, summarizes the proposed changes in revenue estimates and appropriation adjustments, and the adjustment to consolidate the Parks and Recreation Fund with the General Fund.

The net result of these changes in revenue estimates and appropriation adjustments increased the appropriation from General Fund fund balance from \$124,621 to \$1,145,516 as of the FY 2017-2018 mid-year budget report.

CONCLUSION:

The attached budget adjustment (Budget Amendment Number 18-11) and carry forwards proposed to Council for consideration at its February 27, 2018 Council Meeting summarize proposed changes in the adopted FY 2017-2018 Operating Budget. Staff is committed to ensuring that the Town 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.

ATTACHMENTS:

1. Budget Adjustment 18-11
2. Exhibit A – Mid Year Budget Adjustment Summary
3. Exhibit B - Budget Comparison by Fund/Department/Division
4. General Fund Revenue Projections
5. Calculation of Projected Fund Balances – June 30, 2018
6. FY 2016-2017 Project Carry-forwards



TOWN OF APPLE VALLEY

BUDGET AMENDMENT REQUEST

BA# 18-11

Requesting Department	Prepared By	Date Prepared
Finance	Kofi Antobam	February 27, 2018

REVENUES AND OTHER FINANCING SOURCES

Account Description	Fund	Dept	Account No.	Amendment Amount	PR
Various General Fund Revenue	1001	Various	Various	(958,640)	
Article 3 - Bicycle Grant	2013	0000	6835	(386,370)	
Transfer In	2510	0000	6999-1001	6,599,564	
REVENUE TOTAL				5,254,554	

EXPENDITURES AND OTHER FINANCING USES

Account Description	Fund	Dept	Account No.	Amendment Amount	PR
Various General Fund Expenditure	1001	Various	Various	62,255	
Transfer Out	1001	0000	9999-2510	6,599,564	
EXPENDITURE TOTAL				6,661,819	

PURPOSE

To adjust various revenue and expenditure sources, consolidate Parks and Recreation Fund with the General Fund, and change Executive Secretary position back to Executive Assistant in the Town Manager department as recommended by staff at mid-year budget review and the amounts as noted per the attached Exhibit A
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Department Director	Date	Director of Finance/Finance Manager	Date

Town Manager	Date	Entered by	Date

TOWN OF APPLE VALLEY
MID-YEAR BUDGET ADJUSTMENT SUMMARY
REVENUE
FISCAL YEAR 2017-2018

Exhibit A

Fund	Dept	Object	<u>ACCOUNT DESCRIPTION</u>	<u>Amended FY2017-18</u>	<u>Actual 12/31/17</u>	<u>Year-End Revised</u>	<u>Increase (Decrease)</u>
General Fund:							
1001	0000	4055	Sales and Use Tax	6,001,000	2,188,905	6,151,000	150,000
1001	0000	4141	Advertising	38,000	878	3,000	(35,000)
1001	0000	4183	SCE Incentive Payments	16,000	-	-	(16,000)
1001	0000	4184	State Mandated Reimbursements	36,800	-	3,000	(33,800)
1001	0000	4255	Interest Earnings	100,000	11,640	50,000	(50,000)
1001	0000	5700	Cell Tower & Office Space Rentals	32,700	6,546	12,000	(20,700)
1001	0000	6050	Code Enforcement Fines	220,000	77,634	150,000	(70,000)
1001	0000	6999	Transfer In	3,637,540	1,377,200	2,754,400	(883,140)
General Fund Totals				<u>10,082,040</u>	<u>3,662,803</u>	<u>9,123,400</u>	<u>(958,640)</u>
Article 3 Fund							
2013	0000	6835	Bicycle Grant	<u>386,370</u>	<u>-</u>	<u>-</u>	<u>(386,370)</u>
Grand Total				<u>10,468,410</u>	<u>3,662,803</u>	<u>9,123,400</u>	<u>(1,345,010)</u>

TOWN OF APPLE VALLEY
MID-YEAR BUDGET ADJUSTMENT SUMMARY
EXPENDITURE
FISCAL YEAR 2017-2018

Exhibit A

Fund	Dept	Object	<u>ACCOUNT DESCRIPTION</u>	<u>Amended FY2017-18</u>	<u>Actual 12/31/2017</u>	<u>Year-End Revised</u>	<u>Increase (Decrease)</u>
General Fund							
1001	1200	7235-0000	Insurance	1,207,400	1,221,724	1,221,800	14,400
1001	1200	9010-0000	PEG Channel Expenses	15,000	19,050	62,855	47,855
General Fund Totals				1,222,400	1,240,774	1,284,655	62,255

TOWN OF APPLE VALLEY
MID-YEAR BUDGET ADJUSTMENT SUMMARY
PARKS & RECREATION FUND CONSOLIDATION WITH GENERAL FUND
FISCAL YEAR 2017-2018

Exhibit A

Fund	Dept	Object	<u>ACCOUNT DESCRIPTION</u>	<u>Amended FY2017-18</u>	<u>Actual 12/31/2017</u>	<u>Year-End Revised</u>	<u>Increase (Decrease)</u>
General Fund/Parks & Recreation Fund							
1001	0000	9999-2510	Transfer Out	-	-	6,599,564	6,599,564
2510	0000	6999-1001	Transfer In	-	-	(6,599,564)	(6,599,564)
Totals				-	-	-	-

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

Exhibit B

<u>Fund/Department</u>	<u>FY 14-15 Actual Expenditures</u>	<u>FY 15-16 Actual Expenditures</u>	<u>FY 16-17 Actual Expenditures</u>	<u>FY 17-18 Amended Budget</u>
<u>General Fund (1001)</u>				
Town Council	259,138	250,351	246,323	232,127
Town Attorney	854,540	739,117	1,114,367	620,000
Town Manager	595,889	617,464	527,854	625,310
Finance	1,216,907	1,317,333	1,168,622	1,140,968
Town Clerk	452,274	484,904	757,184	458,992
Public Information	469,482	573,064	493,979	521,113
Human Resources	459,432	516,533	307,027	433,841
Information Technology	508,651	357,361	307,027	336,000
General Government	2,728,714	3,948,770	4,190,412	4,234,502
Public Facilities	2,228,375	2,260,382	1,963,573	1,158,815
Police	12,131,828	12,444,942	13,434,956	13,753,922
Emergency Preparedness	29,782	77,666	189,464	155,029
Animal Control	662,012	750,826	694,235	757,677
Animal Shelter	1,257,797	1,291,128	1,228,179	1,300,657
Public Services - Admin	557,275	657,040	244,697	150,087
Code Enforcement	984,217	1,026,505	920,586	963,810
Building & Safety	582,982	601,989	648,586	621,600
Economic Development	88,725	108,409	98,946	108,325
Engineering	444,058	509,832	531,173	360,600
Planning	828,282	1,005,057	721,893	801,996
Subtotal Fund 1001	27,340,360	29,538,673	29,789,083	28,735,371
<u>Parks & Recreation (2510)</u>				
Brewster Park	262,547	269,594	241,676	298,625
Civic Center Park	247,131	142,805	218,816	239,955
Corwin Park	52,912	47,965	53,715	61,709
Grounds Operations	617,229	520,862	531,060	109,050
Horsemen's Center	62,912	94,782	128,698	73,694
James Woody Park	162,887	190,781	241,547	243,153
Lion's Park	32,387	29,677	30,331	37,872
Mendel Park	51,910	54,961	40,657	56,266
Mt. Vista Park	74	-	-	-
Schmidt Park	58,516	71,351	74,771	81,523
Sycamore Rocks Park	25,396	26,519	35,018	36,681
Three Diamond Skate Park	4,251	4,833	1,925	5,961
Thunderbird Park	62,395	56,181	79,192	72,926
Virginia Park	54,429	45,999	54,693	63,159
Yucca Loma Park	52,102	51,473	48,875	59,538
Parks	1,747,078	1,607,783	1,780,974	1,440,112
Facilities Operations	24,892	29,000	24,925	27,651
Brewster Facilities	6,484	8,688	6,587	5,299
Civic Center Amphitheater Facilities	(1,656)	2,601	5,157	6,149
Corwin Facilities	4,361	6,764	4,480	4,799
Horsemen's Facilities	6,074	7,032	5,228	5,299
James Woody Park Auditorium	98,764	116,056	104,904	103,182
James Woody Park Gymnasium	79,505	87,969	83,103	88,839
James Woody Park PAL Center	2,580	2,760	2,928	5,960
James Woody Park Restroom Facilities	15,496	15,241	12,172	12,734
	236,500	276,111	249,484	259,912

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

Exhibit B

<u>Fund/Department</u>	<u>FY 14-15 Actual Expenditures</u>	<u>FY 15-16 Actual Expenditures</u>	<u>FY 16-17 Actual Expenditures</u>	<u>FY 17-18 Amended Budget</u>
Adult Sports	41,629	38,252	37,929	45,738
Aquatic Program	445,877	445,742	439,034	452,937
ASAP	164,040	223,771	226,784	285,915
Day Camp	53,365	68,513	63,688	63,058
Instructor Classes	159,835	169,500	146,463	171,235
PIO Events	164,932	194,456	173,263	164,207
Recreation	130,705	155,601	178,286	161,629
Recreation Department Events	76,606	99,470	68,464	61,060
Rentals	78,653	92,780	86,568	92,908
Skate Park Facilities	-	162		5,000
User Groups	38,214	40,899	23,587	37,716
Youth Sports	99,648	100,212	94,649	97,128
Subtotal Fund 2510	<u>3,437,082</u>	<u>3,513,252</u>	<u>3,569,173</u>	<u>3,338,555</u>
 <u>Apple Valley Golf Course (5710)</u>				
Non-Departmental	147,928	234,318	217,016	145,282
Administration	137,727	125,807	112,041	135,875
Food & Beverage	1,586	1,727	3,824	-
Cart Barn	102,204	100,193	115,825	97,500
Grounds	540,432	493,892	419,777	523,675
Facilities	84,731	71,096	84,835	88,244
Parking Lot	126	-		-
Pro Shop	51,784	40,399	58,693	68,525
Tennis Court	404	1,153	15,835	500
Subtotal Fund 5710	<u>1,066,922</u>	<u>1,068,585</u>	<u>1,027,846</u>	<u>1,059,601</u>
 Grand Total	 <u><u>31,844,364</u></u>	 <u><u>34,120,510</u></u>	 <u><u>34,386,102</u></u>	 <u><u>33,133,527</u></u>

GENERAL FUND REVENUE					
Code	Revenue Classification	Actual Revenue 2014-15	Actual Revenue 2015-16	Actual Revenue 2016-17	Amended Budget 2017-18
LOCAL TAXES					
4020	Property Tax	2,466,035	2,561,451	2,697,531	2,900,000
4025	Property Tax (Sales Tax Backfill)	1,496,120	1,036,791	-	-
4030	Property Tax (VLF Backfill)	5,500,799	5,806,584	6,095,614	6,100,000
4055	Sales & Use Tax	4,239,000	4,813,996	5,806,008	6,001,000
4070	VVEDA Reimbursement	-	-	2,196	-
4085	Franchise Taxes	2,056,911	1,996,951	1,973,977	2,119,000
4095	Transient Occupancy Tax	6,900	5,923	5,196	7,700
4096	PEG Fees	-	52,486	170,131	150,500
4110	Motor Vehicle In-Lieu	28,996	28,807	33,445	60,000
4134	Tax increment/Pass through	369,580	398,336	442,593	383,200
4141	Advertising Revenue	13,055	21,676	13,035	38,000
4142	Business License Fees	171,936	164,788	174,154	157,000
4142-4	CASp-SB1186	1,686	1,646	1,733	-
6999	Transfer In - 5510 Franchise Fee	1,708,966	2,006,900	2,005,553	1,965,000
4176	Property Transfer Tax	161,515	251,710	252,507	197,100
Subtotal - Local Taxes		18,221,499	19,148,047	19,673,673	20,078,500
FINES & FEES & PUBLIC SAFETY CONTRIBUTIONS					
4355	Police Fines & Forfeitures	85,886	71,441	70,481	74,900
4365	Police Reports & Charges	13,638	12,312	18,185	13,400
4377	Tow Release	61,040	46,150	35,400	58,900
6927	Police Grants	162,517	127,955	157,057	114,400
Subtotal - Fines & Fees		323,081	257,858	281,123	261,600
PUBLIC SERVICES					
4145	Debris Recycling	1,500	7,500	-	5,300
4167	Subordination Fee	-	0	4,750	-
4160	Microfilming	5,092	6,801	6,257	5,760
4410	Animal Control Citation Fines	82,636	40,427	40,956	47,100
4420	Animal Control Permits	8,811	6,948	12,144	5,200
4430	Animal Licenses	241,010	255,670	226,374	261,800
4430-5000	Animal Licenses - County	31,603	32,843	40,563	-
4435	Animal Services Sheltering	-	-	98,692	-
4435-5000	Animal Services Sheltering - County	290,739	377,790	373,498	478,200
4440	Field P/U Apprehension	7,035	6,372	6,676	6,800
4450	Field P/U Release	10,867	14,906	15,350	14,700
4450-5000	Field P/U Release - County	11,224	11,300	11,822	-
4460	Impound Boarding Fees	20,028	24,043	35,090	26,200
4460-5000	Impound Boarding Fees - County	3,665	5,137	5,316	-
4465	Lien Fees	790	469	1,095	1,100
4470	Miscellaneous AC	50,702	48,617	44,178	52,300
4470-5000	Miscellaneous - County	1,003	1,633	271	-
4480	Owner Turn in @ Shelter	14,125	13,485	11,517	20,300
4480-5000	Owner Turn in @ Shelter - County	14,395	12,989	13,745	-
4490	Pet Adoptions	94,387	105,687	102,094	101,000
4500	Quarantine Fees	2,450	2,500	3,095	2,800
4510	Rabies Vaccination	14,094	14,717	14,011	15,700
4520	Shelter Donations	1,570	53	45	-
4530	Over/Short	27	59	-	-
4540	Spay and Neuter Deposit	4,745	6,159	4,925	4,800
4550	State Mandated Fees AC	5,859	6,309	7,804	7,900
5580	Short/Over Recreation	44	(5)	36	-
6050	Code Enforcement Fines	273,198	241,169	278,298	220,000
6070	Property Maint Inspections	103,784	218,869	207,695	251,300
6168	Right-of-Way Permits	64,036	70,370	81,986	73,300
Total - Public Services		1,359,418	1,532,816	1,648,283	1,601,560
Building & Safety					
6108	Building Permits	397,430	421,402	680,609	508,500
6110	Cert of Compliance	-	-	1,380	-
6111	COO Fees	24,717	15,274	13,984	-
6114	CSA	6,125	3,050	-	-
6120	Electrical	201,964	180,483	156,632	159,300
6122	Extension Requests	3,143	3,085	22,487	-
6130	Grading	10,973	12,575	16,378	12,300
6134	Inspections (Other)	18,212	16,673	21,464	30,600

GENERAL FUND REVENUE					
Code	Revenue Classification	Actual Revenue 2014-15	Actual Revenue 2015-16	Actual Revenue 2016-17	Amended Budget 2017-18
6138	Landscape Review	-	-	465	-
6148	Mechanical	36,975	45,616	45,808	50,100
6152	Misc Revenue - Building & Safety	122,966	138,904	146,618	179,900
6158	Plan Check	446,709	196,999	199,325	232,000
6162	Plumbing	48,852	34,442	45,407	44,600
6169	SB 1473	445	427	388	-
6174	SMI Tax	388	239	336	-
	Total - Building & Safety	1,318,899	1,069,169	1,351,279	1,217,300
	Planning & Zoning				
6104	Appeals	169	-	738	-
6112	Copies and Reproduction	1,381	1,859	617	630
6118	Development Permit	20,137	10,476	13,045	17,000
6128	General Plan Amendment	3,235	(3,394)	-	-
6132	Home Occupation Permit	8,841	8,676	10,699	6,800
6142	Lot Line Adjustment	-	2,326	-	-
6150	Minor Sub-divisions	-	638	155	-
6156	Miscellaneous Revenue - Planning	10,014	3,338	3,638	4,300
6161	Plan Unit Development	718	-	-	-
6165	Open Space	423	132	302	-
6170	Sign Permit	3,763	10,064	3,561	5,900
6172	Site Plan Review	110,662	75,153	106,697	92,000
6176	Special Events	6,329	1,496	4,711	3,150
6178	Specific Plan	5,184	-	6,182	1,050
6180	Tentative Parcel Map	18,546	3,079	7,646	8,050
6182	Tentative Tract Map	12,614	(66)	145	-
6192	Use Permit	44,403	29,209	38,856	34,200
6195	Variance (Deviations)	6,516	5,204	4,584	-
6197	Zone Change	-	-	18,419	8,350
	Total - Planning Fees	252,935	148,190	219,995	181,430
	Engineering				
6154	Miscellaneous - Engineering	410	-	-	520
6160	Plan Check	155,064	85,461	41,877	75,000
6188	Transportation Permits	28,220	21,332	19,067	25,000
	Total - Engineering	183,694	106,793	60,944	100,520
	Sub Total - Community Development	1,755,528	1,324,152	1,632,218	1,499,250
	OTHER REVENUES				
4165	Miscellaneous Penalties or Fines	1,071	440	1,046	700
4168	Notary Fees	200	160	110	200
4170	Other Revenue Sources	1,445	8,637	170,698	100
7000	Bond Proceeds	-	-	-	650,000
4172	Passport Fees	30,196	37,996	42,150	26,600
4181	Refunds, Reimbursements	196,339	210,151	151,520	100,000
4183	Gain/Loss on Disposal of Fixed Assets	-	25,338	10,714	-
4183-7500	SCE Incentive Payments	22,866	25,338	-	16,000
4184	Short/Over	(43)	66	(45)	-
4185	State Mandated Reimbursements	125,501	72,732	26,119	36,800
4255	Interest Earnings	58,570	173,871	31,621	100,000
4352	Booking Fees	1,500	1,102	-	200
4370	Restitution	975	1,472	2,056	1,000
5700	Rentals	40,511	24,389	17,493	32,700
6808	EMPG Grant	18,408	41,539	21,487	20,000
6996	Town Store Sales	550	354	600	700
6999	Administrative Overhead 2010	974,024	813,743	1,102,006	817,600
6999	Administrative Overhead 2510	422,924	455,148	448,842	-
6999	Administrative Overhead 5010	1,707,400	1,896,510	748,409	748,400
6999	Administrative Overhead 5510	1,935,959	2,076,309	789,489	1,672,540
6999	Administrative Overhead 5810	-	-	275,625	946,300
	Subtotal - Other Revenues	5,538,396	5,865,294	3,839,939	5,169,840
	TOTAL - GENERAL FUND REVENUES	27,197,922	28,128,167	27,075,237	28,610,750

Town of Apple Valley
CALCULATION OF PROJECTED FUND BALANCES
for the Fiscal Year Ending June 30, 2018

Fund No.	Fund Description	Fund Balances 07/01/17	Carryforward from FY 2016-17	Estimated Revenues FY 17-18	Estimated Operating/Capital Budget FY 17-18	Projected Ending Fund Balances 06/30/18
1001	General Fund	12,846,989	31,619	27,652,110	28,797,626	11,669,854 *
	Special Revenue Funds:					
2010	Gas Tax Fund	326,280	-	3,542,811	2,425,605	1,443,486
2013	Article 3	(91,805)	-	91,805	-	-
2015	Article 8	1,628,702	-	856,200	535,100	1,949,802
2021	Measure I Local 2040	6,085,220	1,572,818	2,522,710	4,163,500	2,871,612
2040	Air Pollution Control	73,348	-	47,320	47,320	73,348
2120	CDBG	(67,163)	-	1,056,661	1,056,740	(67,242)
2131	NSP 3	3,291	-	60,000	60,000	3,291
2320	Apple Valley Home	26,926	-	806,165	806,165	26,926
2330	Victorville Home	(399)	-	1,060,920	1,060,920	(399)
2410	Cal Home	2,644,121	-	60,000	60,000	2,644,121
2510	Parks & Recreation	(6,599,565)	7,001	3,331,496	3,331,496	(6,606,566) *
2520	Quimby Funds	475,620	-	115,000	-	590,620
2610	Police Grants	15,802	-	72,663	71,024	17,441
2620	Asset Seizure	1,896	-	8,000	12,000	(2,104)
2630	Drug & Gang Prevention	5,997	-	2,000	-	7,997
2810	Assessment District LL	1,416,653	2,565	322,500	470,000	1,266,588
	Subtotal Special Revenue Funds	5,944,924	1,582,384	13,956,251	14,099,870	4,218,921
	Debt Service Funds:					
4106	2001 COPS	-	-	409,000	409,000	-
4108	2007 Town Hall	-	-	-	-	-
	Subtotal Debt Service Funds	-	-	409,000	409,000	-
	Capital Improvement Funds:					
4050	NAVISP	1,680,793	-	6,000	-	1,686,793
4410	Capital Improvement TIF Fund	6,206,633	684,750	3,284,500	1,405,333	7,401,050
4710	Animal Control Facilities	139,459	-	4,650	-	144,109
4720	Law Enforcement Facilities	71,195	-	26,400	-	97,595
4730	General Government Facilities	245,330	-	37,150	-	282,480
4740	Public Meeting Facilities	251,322	-	22,550	-	273,872
4750	Aquatic Facilities	100,710	-	6,680	-	107,390
4760	Storm Drains	2,009,533	-	129,500	22,500	2,116,533
4770	Sanitary Sewer Facilities	1,163,959	-	33,800	-	1,197,759
4910	Project Manager Grants	(24,013)	16,145	-	-	(40,157)
	Subtotal Capital Projects Funds	11,844,921	700,894	3,551,230	1,427,833	13,267,424
	Total Governmental Funds	30,636,834	2,314,898	45,568,591	44,734,329	29,156,199
	Enterprise Funds:					
5010	Wastewater	7,814,980	-	6,911,000	5,964,641	8,761,339
5510	Solid Waste	1,733,405	-	11,311,800	11,278,881	1,766,324
5710	Apple Valley Golf Course	(3,637,663)	-	1,059,601	1,059,601	(3,637,663)
5810	Apple Valley Choice Energy	446,041	-	16,568,000	14,060,906	2,953,135
	Total Enterprise Funds	6,356,763	-	35,850,401	32,364,029	9,843,135
	Successor Agency - RDA					
2725	VVEDA Successor Agency Fund	1,753,196	-	1,063,251	1,063,251	1,753,196
2730	AV RDA Successor Agency Fund	119,480	-	2,854,401	2,854,401	119,480
		1,872,676	-	3,917,652	3,917,652	1,872,676
	GRAND TOTAL	38,866,273	2,314,898	85,336,644	81,016,010	40,872,009

* - Does not include proposed adjustment for the consolidation of the two funds.

**Carry Forward - Open Purchase Orders
Budget Year 2016-17**

Attachment 6

<u>PO Number</u>	<u>Vendor</u>	<u>Project</u>	<u>GL Code</u>	<u>Amount</u>
1617-000056	Lifetime Products Inc	Tables	1001-1400-7655-0000	2,809.61
1516-000054	McGregor Shott Inc	Marketing Consultant	1001-4310-7515-0000	4,682.28
1617-000029	Hinderliter, De Llamas & Assoc.	Economic Development Service	1001-4310-8940-0000	1,550.00
1617-000028	Enviro Plus Consulting Inc	Assisting in preparation of MSHCP/NCCP	1001-4610-8940-0000	3,764.18
1617-000039	Enviro Plus Consulting Inc	Preparation of Phase 2 of MSHCP/NCCP	1001-4610-8940-0000	18,813.28
			Sub-total	31,619.35
1516-000036	KOA Corporation	Safe Routes to School Master Plan Consultants	2021-5210-9260-0000	8,771.69
1314-000039	Dokken Engineering	Bear Valley Bridge Condition Analysis and Evaluation	2021-5210-9282-0000	1,504,849.93
0910-000031	Dokken Engineering	Hwy 18 & Apple Valley Rd Realignment	2021-5210-9410-0000	45,476.06
1516-000022	Kimley-Horn & Associates Inc	Design Yucca Loma Rd widening from Apple Valley Rd to Rincon Rd	2021-5210-9595-5000	13,720.00
			Sub-total	1,572,817.68
1617-000056	Lifetime Products Inc	Tables	2510-6531-7655-0000	4,876.21
1617-000050	Etrak-Plus	Implementation of Recreation Management Software	2510-6820-8940-0000	2,125.00
			Sub-total	7,001.21
1617-000052	Dokken Engineering	Preparation of Bid Documents for Landscape Maintenance Services	2810-3310-7935-0000	2,565.00
0910-000060	Dokken Engineering	Yucca Loma Bridge - Environmental & Structural Design	4410-5210-9588-0000	42,618.78
1314-000014	Parsons Transportation Group	Yucca Loma Bridge/Yates Road	4410-5210-9588-0000	71,528.31
1516-000046	Natures Image Inc	Yucca Loma Restoration Landscape	4410-5210-9588-0000	109,209.00
0910-000060	Dokken Engineering	Yucca Loma Bridge - Environmental & Structural Design	4410-5210-9595-0000	317,948.92
1314-000014	Parsons Transportation Group	Yucca Loma Bridge/Yates Road	4410-5210-9595-0000	128,444.66
1516-000037	Riverside Construction	Yucca Loma Rd Widening - Bridge to Apple Valley Rd	4410-5210-9595-0000	15,000.00
			Sub-total	684,749.67
1314-000047	Solution Strategies Inc	MSHCP	4910-4822-8940-0000	16,144.74
			Grand Total	2,314,897.65