



Town of
Apple Valley

Mid-Year Budget Review 2021-22



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SALES AND USE TAX REVENUE PROJECTED TO INCREASE \$1.4 MILLION OVER ORIGINAL BUDGET PER REVIEW BY HDL COMPANIES.



INCREASED PRICE OF GOODS AND FULL IMPLEMENTATION OF ONLINE SALES AND USE TAX COLLECTION MAJOR FACTORS OF CURRENT TREND.



BUILDING AND INSPECTION PERMIT REVENUES PROJECTED TO INCREASE COMBINED TOTAL \$615,000 DUE TO CURRENT BUILDING ACTIVITY.

Major General Fund Revenue By The Numbers



Major General Fund Revenue Accounts FY2021-22 Mid-Year								
Account Number		FY22 Budget	YTD Rev	Balance	Prct Rcvd	Inc/Dec	Amount	Mid-Year Budget Est.
1001-0000-4020-0000	Property Tax	4,527,600	2,076,381	2,451,219	46%			4,527,600
1001-0000-4020-5000	Property Tax - Parks & Rec	2,155,600	1,348,527	807,074	63%			2,155,600
1001-0000-4030-0000	Prop Tax - VLF Backfill	7,500,000	-	7,500,000	0%			7,500,000
1001-0000-4055-0000	Sales and Use Tax	7,713,000	4,633,180	3,079,820	60%	Inc	1,481,000	9,194,000
1001-0000-4085-0000	Franchise Taxes	2,000,000	189,753	1,810,247	9%			2,000,000
1001-0000-4095-0000	Transient Occupancy Tax	21,000	14,438	6,562	69%	Inc	7,000	28,000
1001-0000-4176-0000	Property Transfer Tax	280,500	121,937	158,563	43%			280,500
1001-0000-6108-0000	Building Permits	350,000	220,534	129,466	63%	Inc	100,000	450,000
1001-0000-6120-0000	Electrical	165,000	185,603	(20,603)	112%	Inc	215,000	380,000
1001-0000-6152-0000	Miscellaneous Revenue-Building & Safety	135,000	102,288	32,712	76%	Inc	65,000	200,000
1001-0000-6158-0000	Plan Checks - Building and Safety	215,000	178,431	36,569	83%	Inc	165,000	380,000
1001-0000-6160-0000	Plan Checks - Engineering	50,000	71,359	(21,359)	143%	Inc	70,000	120,000
Totals		25,112,700						27,215,700





FY 2021-22 General Fund Expenditure Updates



Increased costs to material, labor for repairing aging equipment such as HVAC units.



Increase to utility rates.



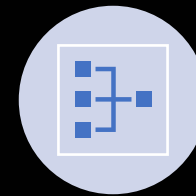
Increased cost of repairs for vandalism.



Public Safety MOU increase of 5% annual plus inflationary factors.



Cut or reduced expenditure forecasts for Recreational programs under-performing or not being held this fiscal year.



Implementation of updated Enterprise Resource Planning (ERP).



	FY22 Budget Revenue	FY22 Budget Expenditures	Mid-Year Revenue	Mid-Year Est. Expense
General Fund	33,729,498.00	37,641,325.00	35,857,984.00	40,090,393.22
Surplus/(Deficit)		(3,911,827.00)		(4,232,409.22)

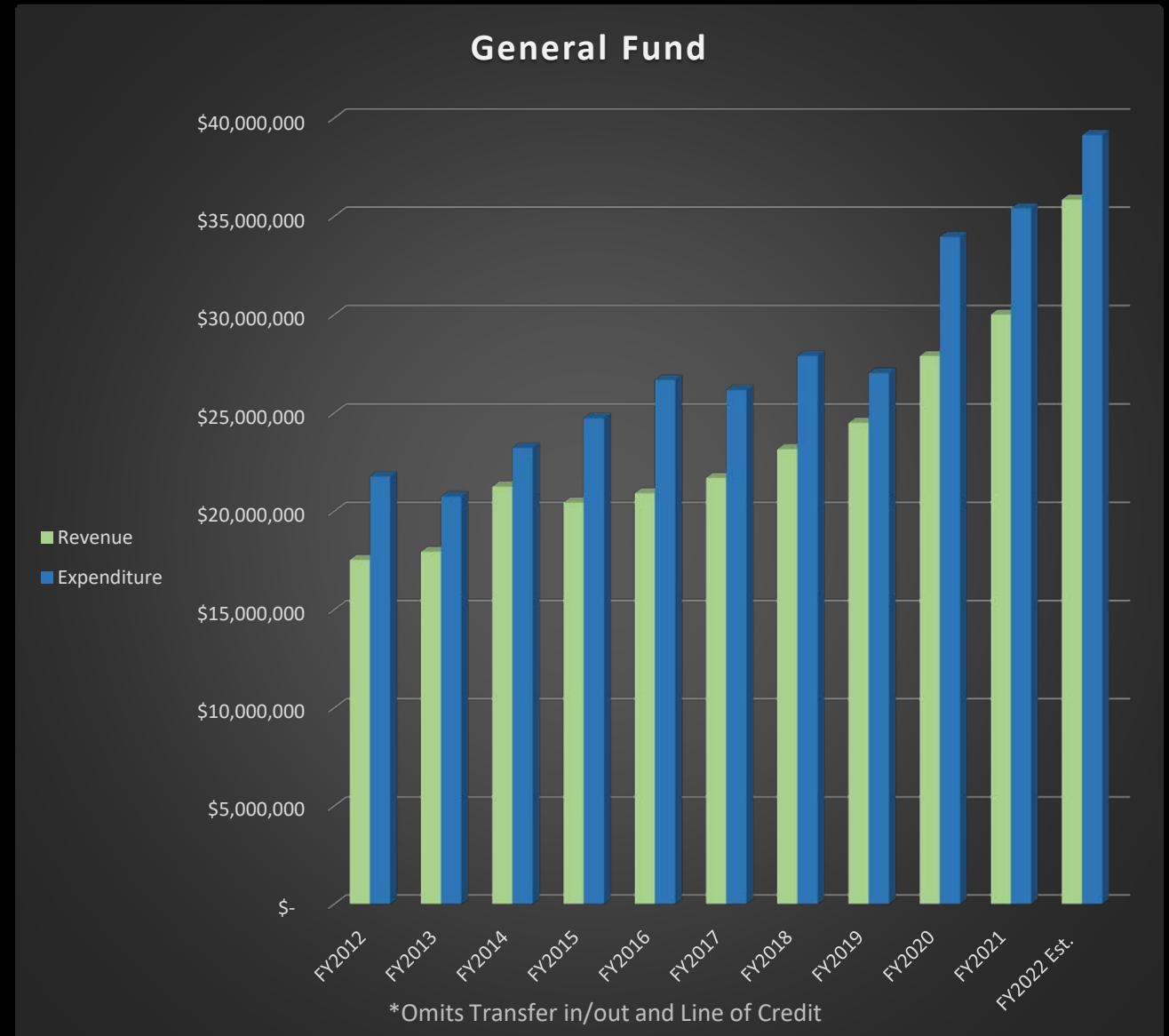
General Fund	33,729,498.00	37,641,325.00	35,857,984.00	40,090,393.22
ARPA			5,994,736.00	
Sub-Total			41,852,720.00	
Surplus/(Deficit)		(3,911,827.00)		1,762,326.79

American Rescue Plan Act (ARPA)

- One-time funding source provided by emergency stimulus bill due to COVID-19.
- Town to receive two distributions of \$7,441,989.
- First distribution received and able to reimburse \$1,447,252 of qualifying expenditures back to FY 2020-21.
- Remaining \$5,994,736 to be recognized with FY 2021-22.
- Second tranche still expected, and staff is closely monitoring release of distribution dates.

Revenue V. Expenditure Outlook

- Limited revenue streams creates small pool of resources.
- Expenditures increases out of Town's control- Ex. Utilities and Inflation.
- Resource allocation dedicated to meet Town's priorities.
- Reserve Funding.



All Other Funds Review and Highlights:

Lighting and Landscape Fund 2810- Updated needs for tree replacement, fencing, removal of dead brush, and irrigation update.

Wastewater Fund 5010 and Solid Waste Fund 5510- Increased utility adjustments that were previously unbudgeted.

Golf Course Fund 5710- Consolidating Building Maintenance Accounts for better budget tracking.

Animal Control seeking to utilize previously received grant (Fund 4910) money to support community spay and neuter program.

Looking Forward:



ARPA funds still to be received. One time funding opportunity.

Continued annual increase to Sheriff contract to maintain service levels.

Inflation impact to other contract services.

Inflation impact to labor and materials.

Potential revenue streams.

Prioritizing reserve building.

