

**CITY OF APPLE VALLEY
SUMMARY FINANCIAL REPORT**

The purpose of this report is to provide a summary of financial information concerning the City of Apple Valley to interested citizens. The complete financial statements may be examined at the City Hall – 7100 147th Street South. Questions about this report may be directed to Ronald Hedberg, Finance Director at 953-2540.

The following summaries are from the general-purpose financial statements of the City of Apple Valley for the years ended December 31, 2017 and 2016. The right hand column shows the percentage change in dollars between the two years.

Revenues and Expenditures for General Operations
(All Governmental Funds)

	Total 2016	Total 2015	Percent Increase (Decrease)
Revenues			
Taxes	\$ 25,258,711	\$ 24,295,773	3.96%
Special Assessments	1,559,609	4,150,527	-62.42%
Licenses and Permits	3,244,654	2,052,043	58.12%
Intergovernmental Revenues	2,002,385	2,605,769	-23.16%
Charges for services	2,962,769	2,739,163	8.16%
Franchise Fees	1,288,426	1,309,757	-1.63%
Fines and Forfeitures	315,087	273,372	15.26%
Other	2,338,698	4,089,935	-42.82%
TOTAL	38,970,339	41,516,339	-6.13%
Expenditures			
General Government	5,705,708	6,264,368	-8.92%
Public Safety	12,279,935	12,105,588	1.44%
Public Works	4,131,796	3,956,049	4.44%
Park and Recreation	5,766,554	5,728,049	0.67%
Capital Outlay	8,464,983	8,425,307	0.47%
Debt Service - Principal	3,425,000	2,650,000	29.25%
Debt Service - Interest & Other Charges	940,431	964,997	-2.55%
TOTAL	40,714,407	40,094,358	1.55%
Excess of Revenues Over (Under) Expenditures	(1,744,068)	1,421,981	222.65%
Other Financing Sources (Uses)			
Payment of Refunded Debt	(11,925,000)	-	
Net Transfers	1,089,500	820,000	32.87%
Other Financing Sources	42,790	132,493	-67.70%
TOTAL	(10,792,710)	952,493	-1233.10%
Net Change in Fund Balance	(12,536,778)	2,374,474	-627.98%
Fund Balance, Beginning of Year	63,362,224	60,987,750	3.89%
Fund Balance, End of Year	\$ 50,825,446	\$ 63,362,224	-19.79%

FINANCIAL INDICATORS

	2017	2016	2015
Total taxable assessed value	\$ 52,809,471	\$ 50,578,728	\$ 48,086,974
Taxable assessed value per capita	1,009	985	959
Percent of property tax levy collected	99.35%	99.37%	99.10%
City revenues per capita (all governmental funds)	744	809	778
City expenditures per capita (all governmental funds)	778	781	726
Unrestricted Fund Balance per capita-December 31	708	704	662
Ratio of bonded debt to tax capacity	46.56%	83.61%	95.03%
Total long-term bonded indebtedness	24,590,000	42,290,000	45,695,000
Long-term indebtedness per capita	\$ 470	\$ 824	\$ 911
Moodys Bond rating	Aaa	Aaa	Aaa
S & P Bond rating	AAA	AAA	AAA

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

December 31, 2017

Business-Type Activities - Enterprise Funds

	Municipal Liquor Fund	Municipal Golf Course Fund	Sports Arena Fund	Water & Sewer Fund	Storm Drainage Fund	Cemetery Fund	Street Light Utility Fund	Total Enterprise Funds	Internal Service Funds
Assets:									
Current assets:									
Cash and cash equivalents	\$2,603,041	\$-	\$-	\$9,735,978	\$2,902,648	\$944,744	\$150,426	\$16,336,837	\$4,405,504
Special assessments receivable	-	-	-	242,311	1,224	-	-	243,535	-
Accounts receivable - net	6,717	3,535	80,290	2,159,672	471,046	-	134,933	2,856,193	8,316
Interest receivable	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	213,714	278,804	27,632	-	662	520,812	-
Inventory	1,509,964	57,826	-	93,082	-	-	-	1,660,872	-
Prepaid items	20,777	5,023	1,730	263,062	1,460	-	-	292,052	197,072
Total current assets	4,140,499	66,384	295,734	12,772,909	3,404,010	944,744	286,021	21,910,301	4,610,892
Noncurrent assets:									
Restricted cash with fiscal agent	178,665	-	-	-	-	-	-	178,665	-
Deferred special assessments	-	-	-	30,405	23,962	-	-	54,367	-
Due from other funds	-	-	-	1,329,041	-	-	-	1,329,041	-
Capital assets:									
Land	1,177,683	991,179	2,000	1,996,379	2,137,632	513,560	-	6,818,433	-
Buildings and structures	3,612,180	3,190,504	3,518,984	11,765,078	-	-	-	22,086,746	-
Other improvements	25,000	689,963	109,420	102,458,425	49,931,222	810,314	-	154,024,344	-
Furniture and equipment	362,676	953,038	287,615	3,594,890	317,106	-	-	5,515,325	12,798,120
Construction in progress	-	-	-	1,217,350	59,871	-	-	1,277,221	-
Less: Accumulated depreciation	(1,643,251)	(1,602,460)	(2,791,936)	(55,620,319)	(22,528,094)	(231,983)	-	(84,418,043)	(6,621,406)
Capital assets, net	3,534,288	4,222,224	1,126,083	65,411,803	29,917,737	1,091,891	-	105,304,026	6,176,714
Total noncurrent assets	3,712,953	4,222,224	1,126,083	66,771,249	29,941,699	1,091,891	-	106,866,099	6,176,714
Total assets	7,853,452	4,288,608	1,421,817	79,544,158	33,345,709	2,036,635	286,021	128,776,400	10,787,606
Deferred outflows of resources									
Pension plan deferrments - PERA	158,214	113,750	55,183	366,033	61,154	-	-	754,334	-
Total assets and deferred outflows of resources	8,011,666	4,402,358	1,477,000	79,910,191	33,406,863	2,036,635	286,021	129,530,734	10,787,606
Liabilities:									
Current liabilities:									
Accounts payable	\$540,902	\$15,731	\$13,179	\$179,866	\$50,822	\$4,897	\$21,706	\$827,103	\$10,506
Contracts payable	-	-	-	224,244	-	-	-	224,244	-
Accrued wages payable	27,940	11,630	7,385	39,332	3,053	-	-	89,340	-
Accrued interest payable	1,882	-	-	8,034	1,349	-	-	11,265	-
Due to other governmental units	98,419	1,035	41,930	145,896	-	-	-	287,280	-
Claims incurred, but not reported	-	-	-	-	-	-	-	-	6,786
Compensated absences payable	69,900	29,300	13,600	150,200	5,400	-	-	268,400	1,817,700
Long term liabilities due within one year	240,000	38,728	-	385,000	180,000	-	-	843,728	-
Total current liabilities	979,043	96,424	76,094	1,132,572	240,624	4,897	21,706	2,551,360	1,834,992
Noncurrent liabilities:									
Compensated absences payable	28,003	49,648	15,871	104,649	6,465	-	-	204,636	993,765
Net Other Post-Employment Benefits Obligation	66,632	34,159	21,416	138,400	7,920	-	-	268,527	-
Net Pension Liability	572,869	366,704	186,417	1,302,684	230,078	-	-	2,658,752	-
Due to other funds	-	3,123,789	52,915	-	-	-	-	3,176,704	-
Long term liabilities - noncurrent portion	880,000	136,798	-	7,146,267	1,446,021	-	-	9,609,086	-
Total noncurrent liabilities	1,547,504	3,711,098	276,619	8,692,200	1,690,484	-	-	15,917,705	993,765
Total liabilities	2,526,547	3,807,522	352,713	9,824,772	1,931,108	4,897	21,706	18,469,065	2,828,757
Deferred Inflows of Resources									
Pension Plan Deferments - PERA	115,333	71,449	36,196	258,159	44,871	-	-	526,008	-
Net assets:									
Invested in capital assets, net of debt	2,414,288	4,046,698	1,126,083	57,880,536	28,291,716	1,091,891	-	94,851,212	6,176,714
Restricted:									
Future debt service	178,665	-	-	-	-	-	-	178,665	-
Unrestricted	2,776,833	(3,523,311)	(37,992)	11,946,924	3,139,168	939,847	264,315	15,505,784	1,782,135
Total net assets	5,369,786	523,387	1,088,091	69,827,460	31,430,884	2,031,738	264,315	110,535,661	7,958,849
Total Liabilities and Net Assets	\$8,011,666	\$4,402,358	\$1,477,000	\$79,910,191	\$33,406,863	\$2,036,635	\$286,021	\$129,530,734	\$10,787,606

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

PROPRIETARY FUNDS

For The Year Ended December 31, 2017

Business-Type Activities - Enterprise Funds

	Municipal Liquor Fund	Municipal Golf Course Fund	Sports Arena Fund	Water & Sewer Fund	Storm Drainage Fund	Cemetery Fund	Street Light Utility Fund	Total Enterprise Funds	Governmental Activities Internal Service Funds
Operating revenues:									
Liquor sales	\$9,183,272	\$-	\$-	\$-	\$-	\$-	\$-	\$9,183,272	\$-
Golf fees and rentals	-	1,173,102	-	-	-	-	-	1,173,102	-
Sports arena rentals	-	-	732,919	-	-	-	-	732,919	-
Charges for services	-	-	-	9,910,773	1,769,842	187,334	507,360	12,375,309	2,415,781
Total operating revenues	9,183,272	1,173,102	732,919	9,910,773	1,769,842	187,334	507,360	23,464,602	2,415,781
Cost of Goods Sold	6,473,275	188,557	15,796	-	-	-	-	6,677,628	-
Gross Profit	2,709,997	984,545	717,123	9,910,773	1,769,842	187,334	507,360	16,786,974	2,415,781
Operating expenses:									
Operating and maintenance:									
Personal services	1,086,489	840,838	340,220	1,653,691	258,343	3,612	2,300	4,185,493	846,795
Contractual services	29,832	77,340	46,337	290,929	353,340	77,094	37,012	911,884	19,145
Other charges	409,570	67,670	39,012	1,137,561	407,525	12,442	8,592	2,082,372	787,130
Supplies & repairs	32,133	173,491	71,053	523,083	31,560	13,422	3,685	848,427	-
Utilities	51,935	47,581	146,689	431,452	70,494	1,588	432,163	1,181,902	-
Depreciation	140,758	183,693	145,415	2,768,547	995,490	19,311	-	4,253,214	1,016,350
MCES - Sewer charges	-	-	-	2,979,830	-	-	-	2,979,830	-
Total operating expenses	1,750,717	1,390,613	788,726	9,785,093	2,116,752	127,469	483,752	16,443,122	2,669,420
Operating income (loss)	959,280	(406,068)	(71,603)	125,680	(346,910)	59,865	23,608	343,852	(253,639)
Nonoperating revenues (expenses):									
Investment earnings, net	18,342	-	-	87,682	37,048	7,139	995	151,206	27,228
Taxes and assessments	-	-	121,000	-	-	-	-	121,000	-
Other revenue (expense)	4,745	57,789	6,945	(42,304)	95,242	255	-	122,672	172,218
Interest expense and agent fees	(26,896)	(15,805)	-	(191,807)	(62,142)				