

# Town of Portola Valley

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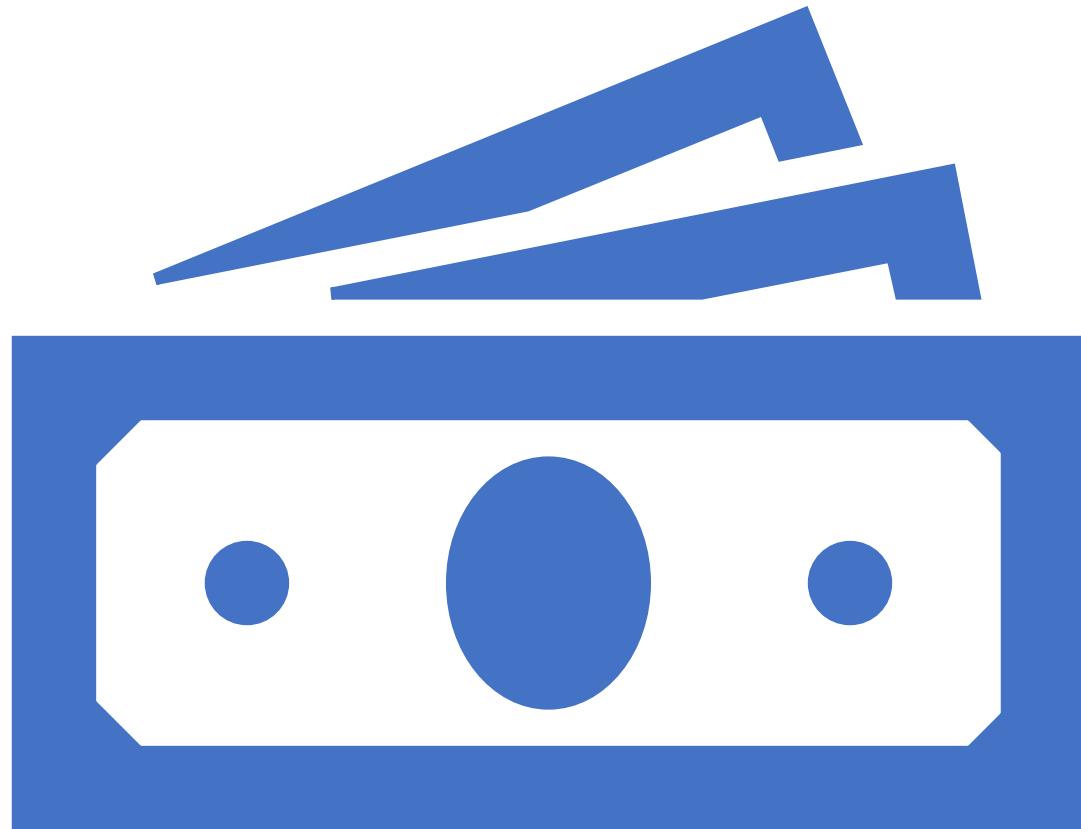
Finance Committee

January 27, 2026

# Overview

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- Interim Financial Statements
- Mid-Year Budget Update
  - Beginning GF Reserve
  - FY 24-25 Results
  - FY 25-26 6 Months Results
  - Y2Y Comp Analysis
  - MY Budget Overview



# Interim Financial Statements

- Major Funds
  - General Fund
  - Open Space
  - Inclusionary In-lieu
  - Measure A

	General Fund	Open Space	Inclusionary In-lieu	Measure A Sales Tax	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
<b>Taxes</b>						
Property	\$ 3,706,994	\$ -	\$ -	\$ -	\$ -	\$ 3,706,994
Sales Tax	326,974	-	-	306,500	327,328	960,802
Utility Users Tax	807,060	359,091	-	-	-	1,166,151
Gas Tax	-	-	-	-	151,086	151,086
Business License Tax and Other Taxes	123,051	-	-	-	-	123,051
<b>Total Taxes</b>	<b>\$ 4,964,078</b>	<b>\$ 359,091</b>	<b>\$ -</b>	<b>\$ 306,500</b>	<b>\$ 478,414</b>	<b>\$ 6,108,083</b>
Agency Revenues	5,373	-	-	-	-	5,373
Grants	-	-	-	-	45,000	45,000
Contributions	40,100	-	-	-	-	40,100
Franchise Fees	354,990	-	-	-	-	354,990
Licenses and Permits	263,862	-	-	-	-	263,862
Service Charges and Fees	606,930	-	872,693	-	8,101	1,487,724
Parks and Recreation	121,513	-	-	-	-	121,513
Intergovernmental	-	-	-	-	546,381	546,381
Investments and Other Revenues	92,493	123,807	72,852	15,392	8,892	313,436
<b>Total Revenues</b>	<b>6,449,339</b>	<b>482,898</b>	<b>945,545</b>	<b>321,892</b>	<b>1,086,788</b>	<b>9,286,462</b>
<b>EXPENDITURES</b>						
General Government	4,646,645	-	185,340	-	13,170	4,845,155
Parks and Recreation	84,141	-	-	-	92	84,233
Town Center Facilities	116,731	-	-	-	74,862	191,593
Public Safety	1,719,004	-	-	-	161,600	1,880,604
Public Works	739,854	-	-	-	233,284	973,138
Capital Improvement Program	-	-	-	274,697	540,709	815,406
<b>Total Expenditures</b>	<b>7,306,375</b>	<b>-</b>	<b>185,340</b>	<b>274,697</b>	<b>1,023,717</b>	<b>8,790,129</b>
<b>OTHER FINANCING SOURCES</b>						
Transfers In	232,557	-	-	-	702,457	935,014
Transfers (Out)	(641,457)	-	-	-	(293,557)	(935,014)
<b>Total Other Financing Sources (Uses)</b>	<b>(408,900)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>408,900</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(1,265,936)</b>	<b>482,898</b>	<b>760,205</b>	<b>47,195</b>	<b>471,971</b>	<b>496,333</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>5,073,440</b>	<b>7,571,622</b>	<b>3,735,375</b>	<b>742,480</b>	<b>2,242,210</b>	<b>19,365,127</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>3,807,504</b>	<b>8,054,520</b>	<b>4,495,580</b>	<b>789,675</b>	<b>2,714,181</b>	<b>19,861,460</b>

# Interim Financial Statements

- Non-Major Funds
  - Special Revenue

	Special Revenue Funds				Special Revenue Funds			
	Public Safety Sales Tax	Gas Tax	Public Safety COPS	Library	Measure M MVF	Measure W Sales Tax	Frog Pond O/S Remnant	ARPA
REVENUES								
Taxes								
Sales Tax	\$ 42,990	\$ -	\$ 137,787	\$ -	\$ -	\$ 146,551	\$ -	\$ -
Gas Tax	-	151,086	-	-	-	-	-	-
Total Taxes	<u>\$ 42,990</u>	<u>\$ 151,086</u>	<u>\$ 137,787</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 146,551</u>	<u>\$ -</u>	<u>\$ -</u>
Agency Revenues								
Grants	-	-	-	-	-	-	-	-
Service Charges and Fees	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	546,381
Investments and Other Revenues	527	2,488	4,378	816	-	-	-	-
Total Revenues	<u>43,517</u>	<u>153,574</u>	<u>142,165</u>	<u>816</u>	<u>-</u>	<u>146,551</u>	<u>-</u>	<u>546,381</u>
EXPENDITURES								
General Government	-	-	-	-	-	-	-	4,200
Parks and Recreation	-	-	-	-	-	-	-	92
Town Center Facilities	-	-	-	70,382	-	-	-	4,480
Public Safety	15,000	-	145,000	-	-	-	-	-
Public Works	-	219,433	-	-	13,851	-	-	-
Capital Improvement Program	-	-	-	-	-	2,775	-	77,285
Total Expenditures	<u>15,000</u>	<u>219,433</u>	<u>145,000</u>	<u>70,382</u>	<u>13,851</u>	<u>2,775</u>	<u>-</u>	<u>86,057</u>
OTHER FINANCING SOURCES								
Transfers In	-	126,783	-	-	-	-	-	-
Transfers (Out)	-	-	-	-	-	(61,000)	-	(232,557)
Total Other Financing Sources (Uses)	<u>-</u>	<u>126,783</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(61,000)</u>	<u>-</u>	<u>(232,557)</u>
NET CHANGE IN FUND BALANCES	28,517	60,924	(2,835)	(69,566)	(13,851)	82,776	-	227,767
FUND BALANCE, BEGINNING OF YEAR	3,715	303,877	164,444	45,631	54,221	402,107	27,571	410,457
FUND BALANCES, END OF YEAR	<u>32,232</u>	<u>364,801</u>	<u>161,609</u>	<u>(23,935)</u>	<u>40,370</u>	<u>484,883</u>	<u>27,571</u>	<u>638,224</u>

# Interim Financial Statements

- Non-Major Funds
  - Capital Projects

	Capital Projects			Total
	Park In-lieu	Grants	Capital Projects	
<b>REVENUES</b>				
Taxes				
Sales Tax	\$ -	\$ -	\$ -	\$ 327,328
Gas Tax	-	-	-	151,086
Total Taxes	\$ -	\$ -	\$ -	\$ 478,414
Agency Revenues				
Grants	-	45,000	-	45,000
Service Charges and Fees	8,101	-	-	8,101
Intergovernmental	-	-	-	546,381
Investments and Other Revenues	683	-	-	8,892
Total Revenues	8,784	45,000	-	1,086,788
<b>EXPENDITURES</b>				
General Government	-	8,970	-	13,170
Parks and Recreation	-	-	-	92
Town Center Facilities	-	-	-	74,862
Public Safety	-	1,600	-	161,600
Public Works	-	-	-	233,284
Capital Improvement Program	-	-	460,649	540,709
Total Expenditures	-	10,570	460,649	1,023,717
<b>OTHER FINANCING SOURCES</b>				
Transfers In	-	61,000	514,674	702,457
Transfers (Out)	-	-	-	(293,557)
Total Other Financing Sources (Uses)	-	61,000	514,674	408,900
NET CHANGE IN FUND BALANCES	8,784	95,430	54,025	471,971
FUND BALANCE, BEGINNING OF YEAR	35,086	133,482	661,619	2,242,210
FUND BALANCES, END OF YEAR	43,870	228,912	715,644	2,714,181

# Interim Financial Statements

- Fund Financials
  - Balance Sheet

	General	Open Space Restricted	Inclusionary In-lieu	Measure A	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and Investments	\$ 3,061,759	\$ 8,010,295	\$ 4,476,541	\$ 785,505	\$ 2,756,144	\$ 19,090,244
Restricted Cash - customer Deposits	865,065	-	-	-	-	865,065
Accounts and interest receivable	609,561	44,225	19,039	4,170	39,252	716,247
Loans receivable	124,083	-	-	-	-	124,083
<b>Total Assets</b>	<b>\$ 4,660,468</b>	<b>\$ 8,054,520</b>	<b>\$ 4,495,580</b>	<b>\$ 789,675</b>	<b>\$ 2,795,396</b>	<b>\$ 20,795,639</b>
<b>LIABILITIES</b>						
Accounts Payable	\$ 244,601	\$ -	\$ -	\$ -	\$ 81,214	\$ 325,815
Refundable Deposits	981,196	-	-	-	-	981,196
<b>Total Liabilities</b>	<b>1,225,797</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>81,214</b>	<b>1,307,011</b>
<b>FUND BALANCES</b>						
Nonspendable	124,083	-	-	-	-	124,083
Restricted	-	8,054,520	4,495,580	789,675	2,714,182	16,053,957
Assigned	3,130,287	-	-	-	-	3,130,287
Unassigned	553,134	-	-	-	-	553,134
<b>Total Fund Balances</b>	<b>3,807,504</b>	<b>8,054,520</b>	<b>4,495,580</b>	<b>789,675</b>	<b>2,714,182</b>	<b>19,861,461</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 5,033,301</b>	<b>\$ 8,054,520</b>	<b>\$ 4,495,580</b>	<b>\$ 789,675</b>	<b>\$ 2,795,396</b>	<b>\$ 21,168,472</b>





# Interim Financial Statements

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## Customer Deposits

	<u>Customer Deposits</u>
ADDITIONS	
Applicant Deposits	<u>\$ 1,092,145</u>
Total Additions	<u>\$ 1,092,145</u>
DEDUCTIONS	
General Government	<u>660,857</u>
Total Deductions	<u>660,857</u>
Net increase (decrease) in fiduciary net position	<u>\$ 431,288</u>
Net Position, beginning of the year	<u>(431,288)</u>
Net Position, end of the year	<u><u>-</u></u>

# Interim Financial Statements

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## Customer Deposits

	<u>Customer Deposits</u>
<b>ASSETS</b>	
Restricted Cash	\$ 865,065
Accounts and Interest Receivable	<u>187,256</u>
Total Assets	<u><u>\$ 1,052,321</u></u>
<b>Liabilities</b>	
Accounts Payable	71,125
Refundable Deposits	<u>981,196</u>
Total Liabilities	<u><u>1,052,321</u></u>
<b>NET POSITION</b>	
Restricted	<u>-</u>
Total Net Position	<u><u>-</u></u>

# Questions

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FY 25-26  
Budget

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Beginning Fund Balance

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FY 24-25 Preliminary Results

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FY 25-26 6-month Results

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Y2Y Comparative Analysis

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Mid-Year Budget Overview

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FY 26-27 Budget

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# Beginning Fund Balance

- Estimated Proposed - \$2.2M
- Audits, Corrections, Reclassifications
- Increased \$705K

## General Fund Reserve Reconciliation

<b>Proposed Beginning Reserve - FY 25-26</b>		<b><u>\$ 2,207,099</u></b>
Beginning Reserve Balance - FY 21-22	\$ 5,465,067	
Audited Deficit - FY 21-22	(391,627)	
Estimated Deficit - FY 22-23	(1,265,936)	
Estimated Deficit - FY 23-24	(975,125)	
Estimated Surplus - FY 24-25	<u>79,535</u>	
Total Change in Fund Balance	<u>\$ (2,553,153)</u>	
Subtotal - Reserve		<b>\$ 2,911,914</b>
Estimated Beginning Reserve - FY 25-26		<b><u>\$ 2,911,914</u></b>
Change		<b><u>\$ 704,815</u></b>

# FY 24-25 Preliminary Results

- Balanced Budget
- Revenues - \$7.96M +6.4%
- Expenses - \$7.88M +5.4%
- \$80K Surplus

Category	Budget	Actuals	\$	%
Property Taxes	4,231,055	4,313,015	81,960	101.94%
Sales & Use Tax	350,000	344,247	(5,753)	98.36%
Utility Users Tax	945,000	1,244,927	299,927	131.74%
Business License Tax	125,000	133,188	8,188	106.55%
Franchise Fees	405,000	414,711	9,711	102.40%
Fines & Forfeitures	2,000	3,478	1,478	173.89%
Licenses & Permits	292,900	210,363	(82,537)	71.82%
Intergovernmental	5,500	13,779	8,279	250.53%
Charges for Services	835,200	895,378	60,178	107.21%
Use of Money & Property	284,530	348,264	63,734	122.40%
Miscellaneous	3,600	38,962	35,362	1082.28%
Transfers In	-	-	-	0.00%
<b>Total</b>	<b>7,479,785</b>	<b>7,960,312</b>	<b>480,527</b>	<b>106.42%</b>

Category	Budget	Actuals	\$	%
Salaries	2,208,513	2,272,139	63,626	102.88%
Benefits	801,193	790,120	(11,073)	98.62%
Services	755,091	939,992	184,901	124.49%
Maintenance	335,600	475,736	140,136	141.76%
Contract	2,474,650	2,422,018	(52,632)	97.87%
Consultants	716,000	947,734	231,734	132.37%
Development	55,047	33,037	(22,010)	60.02%
Transfers Out	133,691	-	(133,691)	0.00%
<b>Total</b>	<b>7,479,785</b>	<b>7,880,777</b>	<b>400,992</b>	<b>105.36%</b>

<b>Surplus / (Deficit)</b>	<b>-</b>	<b>79,536</b>		
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# FY 25-26 6-Month Results

- Adopted \$215K Deficit
- Revenues - \$3.57M 45%
- Expenses - \$3.64M 45%
- \$70K Deficit

Category	Budget	Actuals	\$	%
Property Taxes	4,355,875	2,096,776	(2,259,099)	48.14%
Sales & Use Tax	325,000	124,116	(200,884)	38.19%
Utility Users Tax	1,173,000	499,952	(673,048)	42.62%
Business License Tax	115,000	49,648	(65,352)	43.17%
Franchise Fees	424,000	81,165	(342,835)	19.14%
Fines & Forfeitures	2,500	9,026	6,526	361.05%
Licenses & Permits	322,500	155,904	(166,596)	48.34%
Intergovernmental	7,500	-	(7,500)	0.00%
Charges for Services	885,200	379,506	(505,694)	42.87%
Use of Money & Property	337,000	170,993	(166,007)	50.74%
Miscellaneous	5,200	3,050	(2,150)	58.66%
Transfers In	-	-	-	0.00%
<b>Total</b>	<b>7,952,775</b>	<b>3,570,136</b>	<b>(4,382,639)</b>	<b>44.89%</b>

Category	Budget	Actuals	\$	%
Salaries	2,316,850	1,167,619	(1,149,231)	50.40%
Benefits	981,978	406,983	(574,995)	41.45%
Services	799,777	457,033	(342,744)	57.15%
Maintenance	353,500	136,111	(217,389)	38.50%
Contract	2,740,054	1,174,476	(1,565,578)	42.86%
Consultants	772,000	268,432	(503,568)	34.77%
Development	63,700	29,387	(34,313)	46.13%
Transfers Out	140,000	-	(140,000)	0.00%
<b>Total</b>	<b>8,167,859</b>	<b>3,640,042</b>	<b>(4,527,817)</b>	<b>44.57%</b>

<b>Surplus / (Deficit)</b>	<b>(215,084)</b>	<b>(69,906)</b>		
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# Y2Y Comparative Analysis

- Revenues - +62K +1.8%
  - VLF Shortfall -\$218K
  - Licenses & Permits
- Expenses - -235K -6.1%
  - Consultants -19.14%
- Vacant Positions
  - Senior Planner
  - Development Review Tech
  - Services provided through consultants
- Accrued Expenses
  - Sheriff - \$959K

Category	FY 25	FY 26	\$	%
Property Taxes	2,167,327	2,096,776	(70,551)	-3.26%
Sales & Use Tax	100,868	124,116	23,249	23.05%
Utility Users Tax	492,298	499,952	7,654	1.55%
Business License Tax	41,206	49,648	8,442	20.49%
Franchise Fees	66,925	81,165	14,240	21.28%
Fines & Forfeitures	790	9,026	8,236	1042.29%
Licenses & Permits	80,644	155,904	75,260	93.32%
Intergovernmental	-	-	-	0.00%
Charges for Services	409,744	379,506	(30,238)	-7.38%
Use of Money & Property	143,214	170,993	27,778	19.40%
Miscellaneous	4,962	3,051	(1,911)	-38.52%
Transfers In	-	-	-	0.00%
<b>Total</b>	<b>3,507,978</b>	<b>3,570,136</b>	<b>62,158</b>	<b>1.77%</b>

Category	FY 25	FY 26	\$	%
Salaries	1,298,598	1,167,619	(130,978)	-10.09%
Benefits	391,605	406,983	15,378	3.93%
Services	505,209	457,033	(48,176)	-9.54%
Maintenance	161,788	136,111	(25,677)	-15.87%
Contract	1,163,440	1,174,476	11,036	0.95%
Consultants	331,967	268,432	(63,534)	-19.14%
Development	22,897	29,387	6,490	28.35%
Transfers Out	-	-	-	0.00%
<b>Total</b>	<b>3,875,503</b>	<b>3,640,042</b>	<b>(235,461)</b>	<b>-6.08%</b>

<b>Surplus / (Deficit)</b>	<b>(367,525)</b>	<b>(69,906)</b>		
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# Mid-Year Budget Overview

- GF Deficit - -\$215K
- Post Adoption
  - Sheriff contract reduced – (\$172K)
  - VLF Shortfall lawsuit
  - Revenue Enhancement
    - Campaign, materials
  - Town Attorney
    - Open Space
    - Housing Element
    - Revenue Enhancement
    - Valley Oak Trail Bridges
  - Building & Planning
    - Implement Permitting/GIS
    - Staffing vacancies/consultants

Fund	FY 2025-26				
	Beginning Balance	Estimated Revenues	Estimated Expenditures	Transfers In/(Out)	Ending Balance
<b>General Purpose Funds</b>					
101 - Unassigned	\$ 1,106,643	\$ 7,952,775	\$ 8,027,859	\$ 75,084	\$ 1,106,643
Assigned					
UAL	249,214	-	-	-	249,214
Equipment Replacement	34,960	-	-	-	34,960
Capital Replacement/Emergency	489,447	-	-	-	489,447
Legal Contingency	34,960	-	-	-	34,960
OPEB Liability	291,875	-	-	(215,084)	76,791
<b>Sub-total</b>	<b>\$ 2,207,099</b>	<b>\$ 7,952,775</b>	<b>\$ 8,027,859</b>	<b>\$ (140,000)</b>	<b>\$ 1,992,015</b>
<b>Restricted Funds</b>					
201 - Grants	\$ 401,995	\$ 254,973	\$ 234,973	\$ -	\$ 421,995
202 - Public Safety Sales Tax	61,381	17,100	16,500	-	61,981
203 - Public Safety/COPS	470,548	166,600	155,000	-	482,148
204 - Open Space	9,118,958	819,000	15,000	-	9,922,958
205 - Library Fund	124,851	78,000	78,000	-	124,851
206 - Gas Tax/RMRA	445,158	267,814	364,767	140,000	488,205
208 - Frog Pond Open Space	28,903	1,300	-	-	30,203
211 - Measure A	1,397,512	421,630	421,130	-	1,398,012
212 - Measure M	106,408	78,000	75,000	-	109,408
213 - Measure W	785,912	204,745	150,000	-	840,657
221 - Park In-lieu	45,454	1,200	30,000	-	16,654
222 - Inclusionary In-lieu	4,849,927	135,000	115,000	-	4,869,927
225 - ARPA	165,534	-	100,000	-	65,534
401 - Capital Projects	691,120	-	302,366	-	388,754
701 - Applicant Deposits	112,430	475,000	475,000	-	112,430
<b>Sub-total</b>	<b>\$ 18,806,091</b>	<b>\$ 2,920,362</b>	<b>\$ 2,532,736</b>	<b>\$ 140,000</b>	<b>\$ 19,333,717</b>
<b>Fiduciary Funds</b>					
501 - Crescent Road Maintenance District	\$ 205,202	\$ 23,756	\$ -	\$ -	\$ -
502 - Portola Valley Ranch Road Maintenance District	40,556	2,295	-	-	-
504 - Wayside II Road Maintenance District	161,573	46,596	-	-	-
505 - Woodside Highlands Road Maintenance District	375,126	69,997	50,097	-	-
<b>Sub-total</b>	<b>\$ 782,457</b>	<b>\$ 142,644</b>	<b>\$ 50,097</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Grand Total</b>	<b>\$ 21,795,647</b>	<b>\$ 11,015,781</b>	<b>\$ 10,610,692</b>	<b>\$ -</b>	<b>\$ 21,325,732</b>

# Capital Improvement Plan

## Storm Drain Assessment

- Initial quotes exceed budget will defer to FY 26-27

## Valley Oak Trail Bridges

- Scope revision will require additional GF appropriation for survey and legal review

## Court Resurfacing

- Scope revision may require park in-lieu funds or donations through PV Fund

## Ford Field Bathroom

- Feasibility Study to determine cost funded by Capital Project fund appropriation

# Other Funds

## Safety Element

- Town Geologist
- General Fund

## Housing Element

- Consultants for affordable housing program implementation
- Legal Review
- Inclusionary In-lieu

## Open Space

- Appraisals for two potential acquisition sites
- Legal review

## Risk Management

- 2 liability claims
- General Fund

# Questions

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