



Portola Valley School District

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2017-18 Second Interim Budget Update

March 7, 2018

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**BUDGET DEVELOPMENT/FINANCIAL
REPORTING/CALENDAR
FOR THE 2017-18 & 2018-19 BUDGET**

February 2018	2017-18 Budget Update
March 2018	2017-18 Second Interim PVSD Financial Report
May 2018	Governor's May Revise
June 2018	Adoption of 2018-19 PVSD Budget
June 2018	Governor Signs State Budget

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Agenda

- Update of District financial situation
- 2017-18 Second Interim budget changes
- Multi-year Assumptions
- Outlook
- Next Steps

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2017-18 Second Interim Budget Update

	1st Interim Budget	2nd Interim Budget	Difference
BEGINNING FUND BALANCE	1,468,717	1,468,717	-
Restricted/Reserved/Designated	416,639	416,639	-
Available to Mitigate Future Budget Cuts	1,052,078	1,052,078	-
INCOME	15,664,960	15,649,658	(15,302)
EXPENDITURES	16,362,160	16,073,911	(288,249)
Excess of Revenues over Expenses	(697,200)	(424,253)	272,947
Prior Year Adjustment		(111,060)	(111,060)
ENDING FUND BALANCE	771,517	933,404	161,887
Restricted/Reserved/Designated	415,787	399,519	(16,268)
Available to Mitigate Future Budget Cuts	355,730	533,885	178,155

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Second Interim Budget Changes - Revenue

- Property Tax – Decrease of \$35,975
- State Aid – Increase of \$12,225
- Other State Revenue – Increase of \$2,083
- Local Revenue – Increase of \$6,365
 - Foundation Endowment Grants – Increase \$23,218
 - Lease Revenues – Decrease of \$10,000
 - Misc Revenues – Decrease of \$6,859

Net Decrease in Revenue Budget \$15,302

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Second Interim Budget Changes - Expenditures

- Personnel Costs (Decrease of \$40,898): Adjust salaries and benefits to reflect first seven months of payroll and to reflect estimated actuals.

- Materials and Supplies (Decrease of \$144,444):
 - Materials and supplies, subscriptions, software, equipments

- Services and Other Operating Expenses (Decrease of \$160,399)
 - Decrease of Election cost, travel, conference, NPS services
 - Increase of facilities and landscape budgets

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Second Interim Budget Changes - Expenditures

- Capital Outlay (Increase of \$20,367): District Contribution for Engage Space

- Cost to other School District for Special Education Services (Increase of \$37,125)

Net Decrease in Expenditure Budget \$288,249

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Prior Year Fund Balance Adjustment

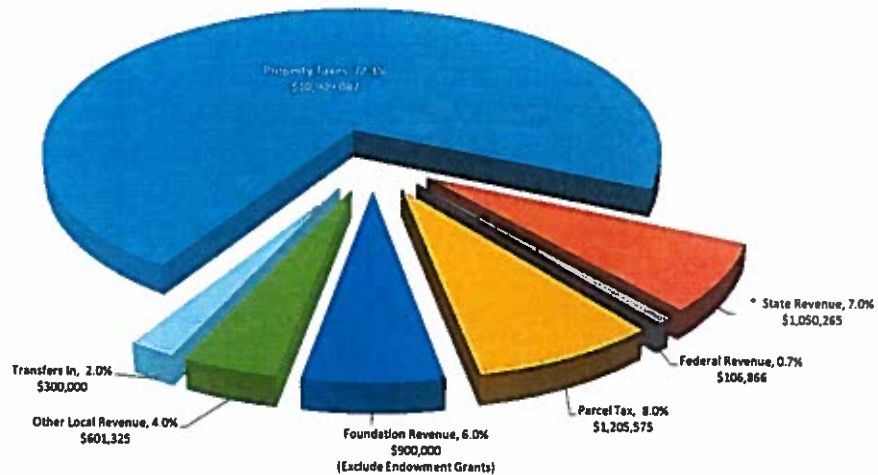
- Reconciliation of the Health and Welfare Holding Account

Decrease to the Fund Balance of \$111,060

Net Change to Fund Balance: \$161,887

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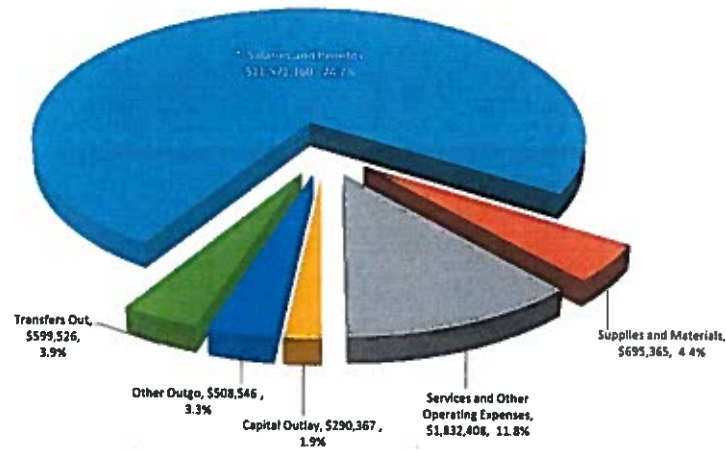
Sources of Revenues – General Fund



* Exclude CalSTRS onbehalf payments of \$576,539

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Expenditures – General Fund



* Exclude CalSTRS onbehalf payments of \$576,539

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Multi-Year Projection - Assumptions

- Property Taxes Revenue
 - 18-19 4.25%
 - 19-20 4.00%
 - 20-21 3.00%
- Enrollment projection assumes flat in the out-years
- Increase in pension costs
- 2% cost of steps is included in the budget
- 0% salary raise each year from 2018-19 to 2020-21

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Outlook

- Budget Pressures
 - Aging facilities requiring higher repair costs
 - District's obligation from recent facility issues at CMS – Unknown at this time
 - Increase Pension Costs from CalSTRS and CalPERS
 - Need to build healthy reserve

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Next Steps

- May 2018
 - State Budget Update for 2018-19: May Revise

- June 2018
 - Board approval of 2018-19 Budget

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