

## EXHIBIT C

### Citizens Parcel Tax Oversight Committee Findings FY 2020-21

The Committee met on October 5, 2021 to examine and discuss applicable financial reports, and to reach a conclusion as to whether all of the Measure O school parcel tax receipts were spent in the authorized manner in FY 2020-21 in accordance with the ballot language. This report, and the attached supporting documentation that was shared with the Committee, comprises the basis of the assessment made by the Committee. This is the eighth year and the final report of Measure O.

Connie Ngo, CBO for the district, summarized the purposes of the Measure O funds and responsibilities of the citizens' parcel tax oversight committee. Ms. Ngo reported total parcel tax assessments of \$1,231,720, with net revenue of \$1,228,124 after County collection fees applied. She then presented the 2020-21 Parcel Tax Expenditure table, showing that the entire \$1,228,124 amount was expended for 8.0 full time equivalent teachers in science (2.0), math (1.0), music (2.0), reading (1.0) and class size reduction teachers (2.0).

Ms. Ngo also shared a presentation that she said was presented at the board meeting on September 23, 2021 on the District's 2020-21 Unaudited Actuals. The presentation included a financial summary of the District's General Fund revenue and expenditure for the 2020-21 fiscal year and projections through 2025-26. The presentation also included a slide on other funds (besides the General Fund) of the district as of June 30, 2021. This presentation was not relied upon by the Committee in making its assessment of spending in compliance with the ballot measure language.

The district's external auditor, EideBailly, CPAs & Business Advisors, was represented by Ms. Joyce Peters, partner, at the meeting. Ms. Peters presented her firm's Measure O Parcel Tax Audit Report and answered the Committee members' questions. The auditor's report letter stated their opinion that the financial statements they audited presents fairly, in all material respects, the respective financial position of Measure O for the year ended June 30, 2021.

The Committee reviewed a second report (Exhibit A), prepared by Ms. Ngo, entitled "Class Size Reduction Teachers 2020-21." That report identified 41.01 actual full time equivalent classroom teachers against a minimum of 19.66 classroom teachers required to meet allowable class sizes (excluding 10.0 teachers from specialty categories). Of the approximately 21.35 additional teachers above required minimums, Ms. Ngo showed that the parcel tax proceeds funded approximately 8 of those additional teachers (at an average of \$154,000 per teacher, fully burdened cost.)

The Committee reviewed a third report, entitled "Parcel Tax Spending Analysis", prepared by Ms. Ngo from a template suggested and supplied by Committee member William Urban. That report was designed to test whether the total spending in allowable Measure O categories, each

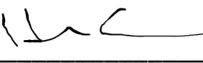
year and over the entire history of the parcel tax, equaled or exceeded the changes/increases in parcel tax proceeds each year and over the entire history of the parcel tax. If so, that would be another confirming indicator that all parcel tax proceeds were in fact being used to increase spending in those categories. Since money is fungible, and revenue received from the parcel tax might be assigned to fund account numbers in the budget that match the allowed purposes, there may not otherwise be assurances that some parcel tax money is not, in reality, simply backfilling unrestricted general fund monies that would otherwise be spent in those categories, but can now be moved to other non-allowed purposes.

This third report reported that over the past eight fiscal years, the total spending in allowable Measure O categories was \$1,966,047 greater than the cumulative \$9,580,201 parcel tax proceeds—demonstrating that not only was all parcel tax revenue spent as required, but that an additional \$1.97 million of revenue from non-parcel tax sources was spent in these categories.

Fiscal Year 2020-21 reflects a \$35,626 decrease in total spending from all revenue sources, for those same Measure O allowable categories, even though parcel tax revenues increased \$15,067 from the previous year. It is the judgment of the Committee that this decrease does not represent a reassignment of parcel tax revenues to other uses, but that parcel taxes were fully expended as required and that the reduction occurred from new replacement teachers hired.

Based on the three referenced reports and the Committee's judgment and assessment of their relevance, the Committee has concluded that all of the 2020-21 parcel tax funds were spent in accordance with the ballot language.

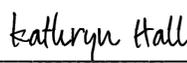
Portola Valley School District 2020-21 Parcel Tax

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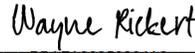
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