

EXHIBIT C

Citizens Parcel Tax Oversight Committee Findings FY 2021-22

The Committee met on October 25, 2022 to examine and discuss applicable financial reports, and to reach a conclusion as to whether all of the Measure S school parcel tax receipts were spent in the authorized manner in FY 2021-22 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. Measure S was approved by the voters on May 4, 2021 and 2021-22 was the first year of an eight-year tax measure.

Connie Ngo, CBO for the district, summarized the purposes of the Measure S funds and the responsibilities of the citizens' parcel tax oversight committee. Ms. Ngo reported total parcel tax net revenue to the district was \$968,739 after county fees applied. She then presented the 2020-21 Parcel Tax Expenditure table, showing that the entire \$968,739 amount was expended for 6.5 full time equivalent teachers in science (2.0), math (1.0), music (1.5), reading (1.0) and class size reduction teachers (1.0).

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 S 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 S for the year ended June 30, 2022.

The Committee reviewed a second report (Exhibit A), prepared by Ms. Ngo, entitled "Class Size Reduction Teachers 2021-22." That report identified 45.67 actual full time equivalent classroom teachers against a minimum of 19.87 classroom teachers required to meet allowable class sizes (excluding 10.0 teachers from specialty categories). Of the approximately 15.8 additional teachers above required minimums, Ms. Ngo showed that the parcel tax proceeds funded approximately 6.5 of those additional teachers (at an average of \$149,000 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 S 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

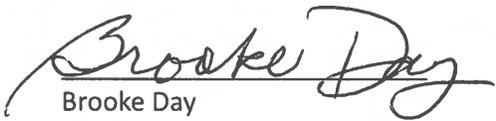
unrestricted general fund monies that would otherwise be spent in those categories, but can now be moved to other non-allowed purposes.

This third report reported that over the past nine fiscal years, the total spending in allowable Measure O (previous expired measure) and the current Measure S categories was \$2,358,233 greater than the cumulative \$10,548,940 parcel tax proceeds—demonstrating that not only was all parcel tax revenue spent as required, but that an additional \$2.4 million of revenue from non-parcel tax sources was spent in these categories.

Fiscal Year 2021-22 reflects a \$392,186 increase in total spending from all revenue sources, for those same Measure S allowable categories.

Based on the three referenced reports and the Committee’s judgment and assessment of their relevance, the Committee has concluded that all of the 2021-22 parcel tax funds were spent in accordance with the ballot language.

Portola Valley School District 2021-22 Parcel Tax


Brooke Day


Hilary Giles

KHL

Karen Lucian


Josh Moser


William Urban

ABSENT
William Rogoway - absent