

**PORTOLA VALLEY SCHOOL DISTRICT
MEETING OF THE CITIZENS' PARCEL TAX
OVERSIGHT COMMITTEE**

October 25, 2022 at 3:30 P.M.

Meeting ID

meet.google.com/bvi-qpd-wmj

Phone Numbers

(US)+1 401-472-4549

PIN: 390 463 613#

MEETING AGENDA

- | | |
|--|-----------|
| 1. CALL TO ORDER | 3:30 P.M. |
| 2. APPROVAL OF AGENDA | |
| 3. OPEN FORUM | |
| 4. INTRODUCTION OF COMMITTEE MEMBERS | 3:35 P.M. |
| 5. REVIEW THE PURPOSE OF THE
CITIZENS' PARCEL TAX OVERSIGHT COMMITTEE | 3:40 P.M. |
| 6. REVIEW 2021-22 PARCEL TAX REVENUES
AND EXPENDITURES | 3:45 P.M. |
| 7. REVIEW 2021-22 PARCEL TAX AUDIT REPORT | 4:05 P.M. |
| 8. DISCUSSION OF COMMITTEE REPORT TO THE BOARD | 4:20 P.M. |
| 9. MEETING ADJOURNMENT | 4:30 P.M. |

PLEASE NOTE: Auxiliary aids are available for individuals with disabilities who wish to attend public meetings of the Portola Valley School District. Auxiliary aids are also available to assist individuals with disabilities with printed or other visually delivered materials associated with these meetings. For further information about these aids, please contact Connie Ngo, ADA Coordinator for the Portola Valley School District at (650) 851-1777, ext. 2560 or by email at cngo@pvsd.net.

AGENDA ITEM #5

**REVIEW THE PURPOSE OF THE CITIZENS'
PARCEL TAX OVERSIGHT COMMITTEE**

Measure S

The Charge of the Citizens' Parcel Tax Oversight Committee

- Inform the public about the District's expenditure of Measure S proceeds
- Review expenditure reports produced by the District to ensure that Measure S funds have been expended only for the purposes set forth in Measure S
- Present to the Governing Board in a public, open meeting, its annual written report outlining committee activities and conclusions regarding the expenditure of Measure S proceeds.

Measure S Overview

- \$471 per parcel for 8 years (7/1/2021 – 06/30/2029)
- Senior exemption for those 65 and older
- Citizen Oversight Committee

Ballot Language (Short Version)

“To maintain excellent local schools, shall Portola Valley School District protect enhanced science, math, reading/writing instruction, retain qualified/experienced teachers, support music and arts programs, maintain small class sizes and school library services by renewing and reducing the current annual per parcel tax to \$471, raising approximately \$997,000 annually, for 8 years, with senior exemptions, annual audits, independent citizen oversight, no money for administrator salaries, no funds for Sacramento, and all funds supporting Portola Valley School District students?”

Measure S Text Regarding Use of Parcel Tax Funds

Shall the Portola Valley School District be authorized to renew and increase a qualified special tax that will:

- a. Maintain quality science, math, reading/writing instruction
- b. Retain qualified/experienced teachers
- c. Minimize class size increases
- d. Support music/art programs
- e. Develop advanced programs in engineering/technology

Portola Valley School District

Measure S

To maintain excellent local schools, shall Portola Valley School District protect enhanced science, math, reading/writing instruction, retain qualified/experienced teachers, support music and arts programs, maintain small class sizes and school library services by renewing and reducing the current annual per parcel tax to \$471, raising approximately \$997,000 annually, for 8 years, with senior exemptions, annual audits, independent citizen oversight, no money for administrator salaries, no funds for Sacramento, and all funds supporting Portola Valley School District students?

Full Text

PORTOLA VALLEY SCHOOL DISTRICT Quality Education Measure S

INTRODUCTION AND PURPOSE

To continue funding to protect the academic excellence of Ormondale and Corte Madera schools, protect enhanced science, math, reading and writing instruction, and retain qualified and experienced teachers, provide local reliable funding for local schools that cannot be taken by the State, with no proceeds used for administrators' salaries, benefits and pensions, the Portola Valley School District ("District") proposes to renew and reduce its existing quality education parcel tax for a period of eight years from its current expiration date (June 30, 2021), starting on July 1, 2021 at the reduced rate of \$471 per parcel per year, raising approximately \$997,000 per year, with an exemption available for senior citizens and certain disabled persons, and to implement accountability measures, including citizen oversight, to ensure the funds are used to help:

- Maintain enhanced science, math, reading, and writing instruction;
- Retain qualified and experienced teachers;
- Support music and arts programs;
- Maintain small class sizes;
- Sustain programs in engineering and technology; and
- Maintain school library services.

The proceeds of the parcel tax shall be deposited into a separate account created by the District.

DEFINITION OF "PARCEL"

For purposes of the quality education renewal parcel tax, the term "Parcel" means any parcel of land which lies wholly or partially within the boundaries of the Portola Valley School District, that receives a separate tax bill for *ad valorem* property taxes from the San Mateo County Assessor/Tax Collector, as applicable. All property that is otherwise exempt from or upon which are levied no *ad valorem* property taxes in any year shall also be exempt from the quality education renewal parcel tax in such year.

For purposes of this quality education renewal parcel tax, any such "Parcels" which are (i) contiguous, and (ii) used solely for owner-occupied, single-family residential purposes, and (iii) held under identical ownership may, by submitting to the District an application of the owners thereof by June 15 of any year, be treated as a single "parcel" for purposes of the levy of the high quality education renewal parcel tax.

EXEMPTION FOR SENIORS AND SSI RECIPIENTS

Pursuant to Government Code Section 50079 (b)(1), any owner of a Parcel used solely for owner-occupied, single-family residential purposes and who are either (a) 65 years of age or older on or before June 30 of the fiscal year immediately preceding the year in which the tax would apply, or (b) persons receiving Supplemental Security Income for a disability, regardless of age, or (c) receiving Social Security Disability Insurance benefits, regardless of age, whose yearly income does not exceed 250 percent of the 2012 federal poverty guidelines issued by the United States Department of Health and Human Services, may obtain an exemption from the parcel tax by submitting an application therefore, by June 15 of any year, to the District. Once granted, exemptions remain in place until the property is transferred or not owner-occupied by a qualifying person.

Persons who are owners of Parcels used solely for owner-occupied, single-family residential purposes and currently exempted from the District's expiring Measure O parcel tax shall automatically be exempted from this Measure without having to file a new application.

The District may establish administrative procedures to periodically verify the continuance of any previously granted exemption.

With respect to all general property tax matters within its jurisdiction, the San Mateo County Treasurer and Tax Collector or other appropriate county tax officials, shall make all final determinations of tax exemption or relief for any reason, and that decision shall be final and binding. With respect to matters specific to the levy of the high quality education renewal parcel tax, including any exemptions and the classification of property for purposes of calculating the tax, the decisions of the District shall be final and binding.

REDUCTION IN TAX IF RESULT IS LESS OTHER GOVERNMENT SUPPORT

The collection of the quality education renewal parcel tax is not intended to decrease or offset any increase in local, state or federal government revenue sources that would otherwise be available to the District during the period of the parcel tax. In the event that the levy and collection does have such an effect, the District may cease the levy or shall reduce the parcel tax to the extent that such action would restore the amount of the decrease or offset in other revenues.

AGENDA ITEM #6

**REVIEW 2021-22 PARCEL TAX REVENUES
AND EXPENDITURES**

Portola Valley School District 2021-22 Parcel Tax Expenditures Report

BACKGROUND

On May 4, 2021, the Portola Valley voters approved Measure S – the Portola Valley Elementary School District Parcel Tax – in the amount of \$471 per parcel. This parcel tax for the Portola Valley School District (“District”) replaced Measure O which expired on June 30, 2021 in the amount of \$581 per parcel, \$110 more than the current Measure S. This new measure will continue to support high academic achievement in math, science, reading, writing, and technology; attract and retain highly qualified teachers; support music/art programs; and provide ongoing teacher training. The voters authorized a Parcel Tax of \$471 per year for 8 years, including an independent community oversight committee, an exemption for senior citizens and disabled persons, and a commitment that no funds will be used for administrator salaries or benefits and that all funds stay in this community to promote student achievement.

Specifically, the Parcel Tax proceeds will support the following purposes:

- Maintain quality math, science, reading and writing instruction;
- Develop advanced programs in engineering and technology;
- Keep class sizes small;
- Support art and music programs; and
- Retain qualified/experienced teachers

INCOME

The parcel tax of \$471 per parcel was recorded for 2021-22. There were 2,836 available parcels. There were 773 exemptions on the tax roll; The net amount received from the parcel tax in 2021-22 was \$968,739 which is approximately 5.5 percent of the total general fund revenues.

EXPENDITURES

As previously stated, the 2021-22 parcel tax was designated for the following areas of expenditure: maintain quality math, science, reading and writing instruction; develop advanced programs in engineering and technology; keep class sizes small; support art and music programs; and retain qualified/experienced teachers. The parcel taxes paid for about 6.5 FTE teaching positions. The District has 45.67 FTE certificated positions which include classroom teachers, two counselors and one psychologist in 2021-22. Please see **Exhibit A** for Class Size Reduction Teacher

calculations. **Exhibit B** is a spending analysis which shows the District has spent all the parcel tax funds on allowable expenditures for the fiscal year 2021-22.

The table below shows the expenditures from the parcel tax in 2021-22.

Portola Valley School District		
2021-22 Parcel Tax Expenditures		
Expenditures	Full Time Equivalent	Allocation
Science Teacher	2.0	\$ 283,462
Math Teacher	1.0	\$ 120,623
Music Teacher	1.5	\$ 212,592
Reading Teacher	1.0	\$ 165,932
Class Size Reduction Teachers	1.0	\$ 186,131
Total Expenditures	6.5	\$ 968,739

The revenue and expenditure data in this report were audited by the District’s external auditor, EideBaily, LLP, and no exceptions were found. The auditor’s report is available for review in the Business Office. The partner of the firm, Ms. Joyce Peters, discussed the audit procedures and results with the district’s Parcel Tax Oversight Committee on October 25, 2022.

EXHIBIT A

**Class Size Reduction Teachers
2021-22**

SCHOOL	GRADES	2021-22 Enrollment As of 10.06.21	Actual Classroom Teachers (full time equivalent)	Actual Class Size	Class Size Allowed	Classroom Teachers Required	Additional Teachers due to CSR
			(a)				
ORMONDALE	TK	13	1.00	13.00	25.00	0.52	0.48
	K	55	3.00	18.33	26.00	2.12	0.88
	1	44	3.00	14.67	29.00	1.52	1.48
	2	54	3.00	18.00	29.00	1.86	1.14
	3	55	3.00	18.33	29.00	1.90	1.10
CORTE MADERA	4	54	3.00	18.00	29.00	1.86	1.14
	5	50	3.00	16.67	29.00	1.72	1.28
	6,7,8 *	152	16.67	9.12	29.00	8.37	8.33
TOTAL DISTRICT		477	35.67			19.87	15.8
Funded by Parcel Tax							6.5
Funded by General Fund							9.3

* Class sizes for core classes are smaller then elective classes

The following positions were not included in the counts above:

	Ormondale	Corte Madera	Total
Physical Education	1.00		1.00
Speech & Language	0.50	0.50	1.00
Music	1.00	-	1.00
Counselors	1.00	1.00	2.00
Pyschologist	0.50	0.50	1.00
Special Education	1.00	3.00	4.00
	5.00	5.00	10.00
Total positions			45.67

EXHIBIT B

PVSD Parcel Tax-Spending Analysis
Measure O through 2021
Measure S starts 2022

Fiscal Year Ending
 2013 2014 2015 2016 2017 2018 2019 2020 2021 Measure S
 2022

REVENUE:

Revenue inflation factor for year:

1.	Revenue (non-parcel tax sources)	\$	11,504,805	\$	11,477,598	\$	11,896,869	\$	12,873,818	\$	12,845,767	\$	13,793,578	\$	14,624,475	\$	14,854,653	\$	15,572,499	\$	16,559,023
2.	Parcel tax revenue	\$	987,133	\$	1,172,127	\$	1,180,743	\$	1,187,555	\$	1,191,611	\$	1,201,462	\$	1,205,522	\$	1,213,057	\$	1,228,124	\$	968,739
3.	Total revenue (1) + (2)	\$	12,491,938	\$	12,649,725	\$	13,077,612	\$	14,061,373	\$	14,037,378	\$	14,995,040	\$	15,829,997	\$	16,067,710	\$	16,800,623	\$	17,527,762

EXPENDITURE:

Expenditure inflation factor for year:

4.	Expenditures teaching/allowable categories	\$	7,595,325	\$	8,139,776	\$	8,236,942	\$	9,608,809	\$	10,010,856	\$	9,899,584	\$	10,373,146	\$	9,822,922	\$	9,802,363	\$	9,935,164
	% of tot. spending:		65.2%		65.9%		66.1%		69.5%		70.2%		68.4%		71.4%		70.3%		69.3%		67.5%
5.	Expenditures non-teaching categories	\$	4,061,744	\$	4,212,802	\$	4,223,587	\$	4,224,432	\$	4,258,065	\$	4,566,928	\$	4,150,931	\$	4,146,657	\$	4,348,931	\$	4,789,863
6.	Total expenditures (4) + (5)	\$	11,657,069	\$	12,352,578	\$	12,460,529	\$	13,833,241	\$	14,268,921	\$	14,466,512	\$	14,524,077	\$	13,969,579	\$	14,151,294	\$	14,725,027
7.	Surplus / (deficit) (3) - (6)	\$	834,869	\$	297,147	\$	617,083	\$	228,132	\$	(231,543)	\$	528,528	\$	1,305,920	\$	2,098,131	\$	2,649,329	\$	2,802,735
8.	Increase in allowable spending above parcel tax increase (4) incr - (2) incr (must be >=\$0)	\$	-	\$	359,457	\$	88,550	\$	1,365,054	\$	397,991	\$	(121,122)	\$	469,501	\$	(557,759)	\$	(35,626)	\$	392,186
													underspent				underspent				underspent
9.	Cumulative excess (or underspending) of parcel tax in allow. cats. Cuml (8) (must be >=\$0)	\$	-	\$	359,457	\$	448,007	\$	1,813,061	\$	2,211,052	\$	2,089,930	\$	2,559,431	\$	2,001,673	\$	1,966,047	\$	2,358,233

AGENDA ITEM #7

**REVIEW 2021-22 PARCEL TAX AUDIT
REPORT**

Financial Statements
Measure S Parcel Tax
June 30, 2022

Portola Valley School District

Independent Auditor’s Report..... 1

Financial Statements

 Statement of Revenues and Expenditures..... 4

 Notes to Financial Statements 5

Independent Auditor’s Reports

Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* 8

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CPAs & BUSINESS ADVISORS

Independent Auditor's Report

Board of Trustees
Portola Valley School District
Portola Valley, California

Report on the Audit of the Financial Statements

Opinions

We have audited the statement of revenues and expenditures of the Measure S Parcel Tax (the "Measure") of the Portola Valley School District for the year ended June 30, 2022.

In our opinion, the accompanying financial statement referred to above present fairly, in all material respects, the respective financial position of the Measure S Parcel Tax of the Portola Valley School District for the year then ended in accordance with accounting principles generally accepted in the United States of America

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Portola Valley School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 2, the financial statement present only the Measure's statement of revenues and expenditures, and do not purport to, and do not, present fairly the financial results of operations of the Portola Valley School District in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Portola Valley School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated _____, 2022, on our consideration of the Measure's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Measure's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Measure's internal control over financial reporting and compliance.

Menlo Park, California
_____, 2022

Portola Valley School District
Measure S Parcel Tax
Statement of Revenues and Expenditures
Year Ended June 30, 2022

Revenues		
Assessments	\$	975,441
Less		
County collection fees		<u>(6,702)</u>
Total revenues and other sources		<u>968,739</u>
Expenditures		
Instruction		
Science teacher		283,462
Math teacher		120,623
Music teacher		212,592
Reading teacher		165,932
Class size reduction teacher		<u>186,130</u>
Total expenditures		<u>968,739</u>
Excess of Revenues over Expenditures	\$	<u><u>-</u></u>

Note 1 - General Background and Information

On May 2, 2021, the Portola Valley voters approved Measure S (the "Measure") – the Portola Valley Elementary School District Parcel Tax- in the amount of \$471 per parcel. This parcel tax for the Portola Valley School District (the "District") replaced the expiring education parcel taxes, Measure O. The Measure will continue to support high academic achievement in math, science, reading, writing, and technology; attract and retain highly qualified teachers; and support music/art programs. The voters authorized a Parcel Tax of \$471 per year for 8 years, including an independent community oversight committee, an exemption for senior citizens and disabled persons, and a commitment that no funds will be used for administrator salaries or benefits and that all funds stay in this community to promote student achievement. Specifically, the Parcel Tax proceeds will support the following purposes:

- Maintain quality math, science, reading and writing instruction;
- Develop advanced programs in engineering and technology;
- Keep class sizes small;
- Support art and music programs; and
- Retain qualified/experienced teachers.

Note 2 - Summary of Significant Accounting Policies**Accounting Principles**

The accounting policies of the Measure conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

Financial Reporting Entity

The financial statement includes only the Measure of the District. This financial statement is not intended to present fairly the financial results of operations of the Portola Valley School District as a whole, in compliance with accounting principles generally accepted in the United States of America.

Basis of Accounting

The District accounts for the Measure within a governmental fund by resource. The Measure is accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. There is no balance sheet reported for the Measure because there were no balances to report at June 30, 2022. The statement of revenues, expenditures, and changes in fund balance reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

Fund Accounting

The operations of the Measure are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. The District's governing board adopts an operating budget no later than July 1 in accordance with State law. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements. The Board revises this budget during the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

Encumbrances

The District utilizes an encumbrance accounting system under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are liquidated when the commitments are paid and all outstanding encumbrances are liquidated at June 30 since they do not constitute expenditures or liabilities.

Subsequent Events

Management has reviewed subsequent events and transactions that occurred after the date of the financial statement through the date the financial statement was issued. The financial statement includes all events or transactions, including estimates, required to be recognized in accordance with generally accepted accounting principles. Management has determined that there are no non-recognized subsequent events that require additional disclosure.

Parcel Tax

The County is responsible for assessing, collecting, and apportioning property taxes. Taxes are levied for each fiscal year on taxable real and personal property in the county. The levy is based on the assessed values as of the preceding January 1, which is also the lien date. Property taxes on the secured roll are due on August 31 and February 1, and taxes become delinquent after December 10 and April 10, respectively. Property taxes on the unsecured roll are due on the lien date (March 1) and become delinquent if unpaid by August 31.

Secured property taxes are recorded as revenue when apportioned, in the fiscal year of the levy. The county apportions secured property tax revenue in accordance with the alternate method of distribution prescribed by Section 4705 of the California Revenue and Taxation Code. This alternate method provides for crediting each applicable fund with its total secured taxes upon completion of the secured tax roll – approximately October 1 of each year.

The County Auditor reports the amount of the District’s allocated property tax revenue to the California Department of Education.

Independent Auditor's Reports
Measure S Parcel Tax
June 30, 2022

Portola Valley School District

**Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

Board of Trustees
Portola Valley School District
Portola Valley, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying statement of revenues and expenditures of the Measure S Parcel Tax (the "Measure") of Portola Valley School District (the "District") for the year ended June 30, 2022, and the related notes of the financial statement and have issued our report thereon dated _____, 2022.

Emphasis of Matter

As discussed in Note 2, the financial statement present only the Measure's statement of revenues and expenditures, and do not purport to, and do not, present fairly the financial results of operations of the Portola Valley School District in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the statement of revenues and expenditures, we considered the Measure's internal control over financial reporting (internal control) as basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the Measure's statement of revenues and expenditures, but not for the purpose of expressing an opinion on the effectiveness of the Measure's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Measure's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Measure of the District's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Menlo Park, California
_____, 2022

Portola Valley School District
Measure S Parcel Tax
Financial Statement Findings
Year Ended June 30, 2022

None reported.