

REPORT OF THE HAPPY VALLEY ELEMENTARY SCHOOL DISTRICT PARCEL TAX INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE

The Parcel Tax Citizens' Independent Oversight Committee ("the Committee") has met once in this fiscal year, on June 25, 2025 in the Multi-Purpose Room at Happy Valley School. That meeting is the basis of this report. The Committee was originally established by the Happy Valley Elementary School District Board of Trustees on March 20, 2019, "with the responsibility of annually reviewing the expenditures of purposes set forth in the measure. Such Committee will provide an annual report to the District Board and the public summarizing its review of expenditures of the proceeds of the education parcel tax and findings relating thereto".

The Committee consists of three citizens of Happy Valley who have no fiscal or contractual relationship with HVESD, and who have varied backgrounds in finance, business and homemaking.

During the Committee's meetings, the following documents and information were reviewed:

- Committee bylaws as established the HVESD Board of Trustees.
- HVESD Board Resolution 23-24-04 calling for the March 5, 2024 parcel tax (measure G).
- HVESD Board Resolution 23-24-06 confirming successful parcel tax election and directing county auditor-controller to levy voter approved parcel tax.
- Minutes from the June 18, 2024 Committee meeting.
- The prior year committee report.
- HVESD budget reports and unaudited actuals for the fiscal year 24-25.
- Parcel tax exemption criteria and the process to regularly update and review the exemption rolls.

Michelle Stewart, HVESD Superintendent/Principal was available to the Committee to answer questions and provide background information.

There was no public comment at the June 25, 2025 meeting.

The finding of the Committee are as follows:

- The parcel tax funds are being appropriately accounted for by HVESD in accordance with fund accounting principles used by governmental entities, as required by the Governmental Accounting Standards Board. Parcel tax monies are tracked in a separate parcel tax fund.
- The parcel tax funds have been used solely for the purposes described in Measure G parcel tax ballot language (see ballot language of parcel tax at the end of this report). Based on current budget productions, HVESD appears to be using 2024-2025 parcel tax revenues in a consistent manner, for providing the integration of modern technology into classrooms, supporting quality art and music programs and supporting classroom instruction.
- For the fiscal year 2024-2025, HVESD's general fund projected revenues totaled \$1,867,578. Parcel tax funding for that year was projected at \$51,579 or 2.76% of the total budget.

- HVESD's auditor, Harshwal & Company, will review revenue and expenditures from the parcel tax fund during its annual audit.
- The Committee therefore finds that HVESD has spent the parcel tax proceeds as required by law. Additionally, the Committee recognizes the significant and positive contribution the parcel tax proceeds have had. The Committee strongly recommends the HVESD Board of Trustees to continue to work with the Community Foundation and Parent Club to highlight the impact of all supplemental community funding on the continued high quality of Happy Valley School.
- We are attaching the Parcel Tax Financial History, which we feel underscores the role of the parcel tax revenues relative to overall funding of district operations.

The Committee recommends that HVESD Board take the following actions:

- Continue to publicize the purposes for which the parcel tax is being used. The parcel tax is vital to maintaining HVESD's excellent school and to providing a quality education for Happy Valley students that the community expects and benefits from.
- HVESD should make a strong effort to provide information through its newsletter, school board minutes and district website.

This report is provided to the HVESD Board of Trustees at the September 10, 2025, board meeting by the following Committee members:

Raven Harris, Pat O'Connell and Lindsay Patel

Language of Measure G parcel tax, passed March 5, 2024:

"To support academic excellence for Happy Valley students without increasing the current tax rate, maintain quality art and music programs, integrate modern technology into classrooms, retain high quality teachers and provide local funding that cannot be taken by the State, shall Happy Valley Elementary School District's measure be adopted authorizing the levy of a parcel tax for eight years at a rate of \$99 per year raising \$61,000 annually with an exemption for seniors and with the annual citizens' oversight?"

Parcel Tax Financial History									
As of 8/22/2025		2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Actual	2025-26 Budget	
Revenue									
	Parcel Taxes Rcvd	\$ 52,371	\$ 52,236	\$ 52,173	\$ 51,975	\$ 51,876	\$ 51,579	\$ 51,579	
	Contribution	\$ -	\$ 435	\$ (464)	\$ -	\$ (236)	\$ -	\$ -	
	Carryover	\$ -	\$ -	\$ -	\$ 10,520	\$ 17,427	\$ -	\$ -	
	Total	\$ 52,371	\$ 52,672	\$ 51,709	\$ 62,495	\$ 69,067	\$ 51,579	\$ 51,579	
Expenditures									
	Salaries	\$ 18,243	\$ 33,898	\$ 22,293	\$ 11,461	\$ 33,737	\$ 29,935	\$ 25,666	
	Benefits	\$ 2,614	\$ 4,366	\$ 2,260	\$ 2,517	\$ 6,026	\$ 8,907	\$ 2,213	
	Supplies	\$ 11,961	\$ -	\$ 2,794	\$ 2,183	\$ 16,469	\$ -	\$ -	
	Contracted Services	\$ 8,355	\$ 5,868	\$ 4,403	\$ 21,562	\$ 12,834	\$ 12,737	\$ 23,700	
	Communications	\$ 11,040	\$ 8,540	\$ 9,440	\$ -			\$ -	
	Travel	\$ 158	\$ -		\$ 7,370			\$ -	
	Total	\$ 52,371	\$ 52,672	\$ 41,190	\$ 45,093	\$ 69,067	\$ 51,579	\$ 51,579	
Balance									
				\$ 10,520	\$ 17,401	\$ -	\$ -	\$ -	
Total General Fund Revenue		\$ 1,539,215	\$ 1,580,469	\$ 1,733,719	\$ 2,054,768	\$ 1,957,852	\$ 1,948,514	\$ 1,905,018	
Parcel Tax as a % of Revenue		3.40%	3.31%	3.01%	2.53%	2.65%	2.65%	2.71%	