

***THE TEMECULA VALLEY UNIFIED SCHOOL DISTRICT
ANNUAL AND FIVE-YEAR REPORTABLE FEES REPORT FOR
FISCAL YEAR 2021-22, IN COMPLIANCE WITH GOVERNMENT
CODE SECTIONS 66006 AND 66001***

Government Code Sections 66006 and 66001 provide that the Temecula Valley Unified School District (“District”) shall make available to the public certain information and adopt prescribed findings relative to school facility fees adopted pursuant to Education Code Section 17620 and Government Code Sections 65995 (“Level 1 Fees” and “Commercial/Industrial Fees” collectively, “Statutory School Facility Fees”) and Government Code Sections 65995.5, 65995.6 and 65995.7 (“Level 2 Fees” and “Level 3 Fees” collectively, “Alternative School Facility Fees”). The foregoing fees are collectively also referred to as reportable fees (“Reportable Fees”). The described information and findings contained in this Annual and Five-Year Reportable Fees Report (“Report”) relate to Reportable Fees that the District received, expended or may expend in connection with school facilities (“School Facilities”) in order to accommodate additional students from new and other residential development as well as commercial and industrial construction (collectively referred to as “Development”) if funded or partially funded with Reportable Fees. The Reportable Fees only include money in possession of the District and does not include letters of credit, bonds, or other instruments to secure payment of Reportable Fees at a future date. The Reportable Fees have not been levied, collected, or imposed for general revenue purposes.

ANNUAL REPORT

In accordance with Government Code Section 66006, the District provides the following information for fiscal year 2021-22:

A. Description of the Type of Reportable Fees in the Account or Sub-Account(s) of the District:

The Reportable Fees consist of Statutory School Facility Fees and Alternative School Facility Fees. The Reportable Fees were deposited in Fund 25 (“Fund”), a separate capital facilities account or fund in a manner to avoid any commingling of the Reportable Fees with other revenues and funds of the District, except for temporary investments. As this Report provides, the Reportable Fees and any interest income earned by moneys in the Fund have been expended as set forth herein solely for the purpose for which the Reportable Fees were originally collected. Government Code Section 66006(a).

B. Reportable Fees Information for the Fund:

1. Within 180 days after the last day of each fiscal year, the District is required to make available to the public certain information. As set forth below, the District provides the following information for the Fund for the fiscal year 2021-22. Government Code Section 66006(b)(1).

a. Amount of the Reportable Fees:

The Reportable Fees were authorized to be levied on Development by the Board of Education (“Board”) of the District at the time the Reportable Fees were adopted. As shown in the District’s Fee Justification Study (“FJS”) the Reportable Fees only partially mitigate the impacts to the District caused by Development because the Reportable Fee amounts do not adequately fund the District’s School Facilities needs resulting from additional Development within the District. Government Code Section 66006(b)(1)(A).

Statutory School Facility Fees (Government Code Section 66006(b)(1)(B))

Level 1 Residential	\$ 4.08 per square foot
Level 1 Commercial/Industrial	\$ 0.66 per square foot

From July 1, 2021 to June 10, 2022

Level 1 Residential	\$ 4.79 per square foot
Level 1 Commercial/Industrial	\$ 0.78 per square foot
Level 1 Self-Storage	\$ 0.15 per square foot

From June 11, 2022 to June 30, 2022

b. Beginning and Ending Balance, Reportable Fees Collected, Interest Earned and Expenditures of the Fund (Government Code Section 66006(b)(1)(C)and (D)):

	Reportable Fees
Beginning Balance (07/01/21)	\$18,932,719
Amount of Reportable Fees Collected*	\$5,981,994
Other Revenue	\$2,814
Interest Earned	\$78,454
Interfund Transfers IN - OPSC Reimbursement	\$0
Expenditures	<\$ 7,409,723>
Ending Balance (06/30/21):	\$17,586,258

*Net of Refundable Mitigation collections

c. Identification of Each District Project on Which Reportable Fees Were Expended Including the School Facilities Project (“Project”) Total and Percentage of the Project Cost that was Funded with Reportable Fees (Government Code Section 66006(b)(1)(E)):

The foregoing information¹ is set forth below.

Project Description	Project Total	Percentage of Project Total Funded w/ Reportable Fees
Chaparral High School-DSA	\$ 500	100%
Temecula Valley High School-DSA	\$ 500	100%
K8 Steam Academy-Growth	\$ 3,430,390	100%
Rancho Elementary School-Growth	\$ 3,775,418	100%
Vail Elementary School-Growth	\$ 2,652	100%
Legal Fees	\$ 8,993	100%
Accounting Software & Prequal Bidder Review	\$ 46,130	100%
Demographics Studies	\$ 26,695	100%
GIS Software	\$ 500	100%
Developer Fee Software	\$ 6,500	100%
Justification Study Fees	\$ 6,000	100%

¹ Pursuant to Education Code 17620(a)(5), Level 1 Fees collected may also be spent on the following nonfacility costs: the costs of conducting a School Facilities Needs Analysis and/or Fee Justification Study; and preparing the Annual and Five-Year Report. In addition, a school district may also retain “an amount not to exceed, in any fiscal year, three percent of the fees collected in that fiscal year. . . .” The three percent amount is for the reimbursement of administrative costs incurred in collecting the fee. For school districts that levy a Level 2 Fee, the three percent amount is calculated only on the amount of the Level 1 Fees that are collected.

Project Description	Project Total	Percentage of Project Total Funded w/ Reportable Fees
Administrative- Up to 3% Amount Retained	\$ 105,445	100%
<u>TOTAL</u>	<u>\$ 7,409,723</u>	100%

d. When the District Accumulates Sufficient Funds to Complete Project(s) for Which It Previously Identified as Intending to Spend Reportable Fees,² the District Needs to Identify the Approximate Date It Will Commence Construction on Such Project(s) (Government Code 66006(b)(1)(F)):

The District has determined for the fiscal year 2021-22 that sufficient funds have been collected to complete financing on the Project(s) listed below. The chart below identifies the estimated date that construction is anticipated to commence on each Project:

Project	Estimated/Actual Commencement Date
Vail Elementary School Growth	9/29/18
K8 STEAM Academy Phase 1 Growth	1/6/20
Rancho Elementary School Growth	10/17/20

e. **Description of Each Interfund Transfer or Loan Made From the Fund (Government Code Section 66006(b)(1)(G)):**

Interfund Transfers Out:

Description of Project for which Interfund Transfer was Used	Fund(s) to Which Reportable Fees Were Transferred	Amount Transferred
NONE		

² The District is required to make such identification pursuant to Government Code Section 66001(a)(2). The identification may have been done by reference to a capital improvement plan or general plan or may be made in other public documents that identify the public facilities for which the fee is charged.

Interfund Loans:

Description of Project for Which Interfund Loan was Used	Fund(s) to Which Reportable Fees Were Loaned	Amount Loaned	Date Loan Repaid	Rate of Interest
Nutritional Services	Fund 13	1,000,000	6/1/22	0%

f. Refunds and Allocations (Government Code Section 66006(b)(1)(H), 66001(e), (f):

When the District has determined that sufficient funds have been collected to complete financing on incomplete Project(s) and the Project remains incomplete, the District is required to identify the approximate date by which the construction of the Project(s) will commence. If the District fails to timely identify the approximate date by which the construction of the Project(s) will commence, then the District must refund the unexpended portion of the Reportable Fees and any interest accrued thereon to the then current record owner(s).

Refund and Allocations	NONE
Less Admin. Costs of Refunding	\$
Net Refund	\$

2. The District will review the Report at the next regularly scheduled public meeting (“Meeting”) not less than 15 days after the Report is made available to the public. Notice of the time and place of the Meeting, including the address where the Report may be reviewed, will be mailed at least 15 days prior to the Meeting, to any interested party who filed a written request with the District for mailed notice of the Meeting.³

³ Any written request for mailed notices shall be valid for one year from the date on which it is filed unless a renewal request is filed. Renewal requests for mailed notices shall be filed on or before April 1 of each year. The legislative body may establish a reasonable annual charge for sending notices based on the estimated cost of providing the service.

FIVE-YEAR REPORT

In accordance with Government Code Section 66001, the District provides the following information for fiscal year 2021-22:

For the fifth fiscal year following the first deposit into the Fund, and every five years thereafter, the District is required to make all of the following findings with respect to that portion of the Fund remaining unexpended, whether committed or uncommitted. At the close of the fiscal year 2021-22, there remained \$17,586,258 in the Fund (Government Code Section 66001(d):

A. Identification of All Projects for Which the Reportable Fees Will be Expended in the Future:

The purpose of the Reportable Fees imposed and collected on Development within the District is to fund additional School Facilities required to serve the students of the District generated by Development within the District. Specifically, the Reportable Fees will be used for the construction and/or acquisition of additional School Facilities, remodeling existing School Facilities to accommodate new growth from new development including, but not limited to, adding additional classrooms, technology and acquiring and installing additional portable classrooms. (Government Code Section 66001(d)(1)(A)).

Further information regarding such Project(s) is set forth in the following chart:

Project Name	Source of Funds ⁴	Amount of Anticipated Funding From Each Source ⁵	Project Total ⁶
CHS Modernization Phase 1	\$5,960,995-OPSC \$5,408,139-GO Bond	\$11,369,134	\$11,369,134
CHS Modernization Phase 2	\$41,500,000-GO Bond	\$41,500,000	\$41,500,000
K8 Site-Phase 1-Growth	\$ 28,912-Statutory Fee	\$28,912	\$28,912
T-K8 -Phase 2-Growth	\$ 15,946,214-CFD \$ 10,417,483-GO Bond \$ 12,000,000-Statutory Fee	\$38,363,697	\$38,363,697
DMS Special Ed Flooring	\$40,000-CFD	\$40,000	\$40,000
GOHS Special Ed Bathroom	\$350,000-CFD	\$350,000	\$350,000
JES Security Package	\$750,000-CFD	\$750,000	\$750,000
NVES Security Package	\$150,000-CFD	\$150,000	\$150,000
Playground ShadeStructure VarSite	\$1,800,000-GO Bond	\$1,800,000	\$1,800,000

⁴ See chart in Paragraph C below for applicable sources of funds.

⁵ The total in this column should equal the total in Line 11 of the chart in paragraph C below.

⁶ The total in this column should equal the total in Line 12 of the chart in paragraph C below.

Project Name	Source of Funds⁴	Amount of Anticipated Funding From Each Source⁵	Project Total⁶
RES Modernization 2020-Growth	\$ 329,856-GO Bond \$ 42,543-Statutory Fee	\$372,399	\$372,399
VHES Modernization	\$5,200,753-GO Bond	\$5,200,753	\$5,200,753
T-K8-Phase 3-Growth	\$5,329,055-CFD \$ 392,580-GO Bond \$15,145,565-Statutory Fee	\$20,867,200	\$20,867,200
T-K8-Phase 4-Growth	\$22,539,083-CFD \$3,369,237-Statutory Fee	\$25,908,320	\$25,908,320
JES Modernization	\$4,000,000-GO Bond	\$4,000,000	\$4,000,000
ARES Modernization	\$3,000,000-Go Bond	\$3,000,000	\$5,700,000
DMS Modernization	\$0	\$0	\$6,900,000
BES Modernization	\$0	\$0	\$6,000,000
Portable Replacement &/or Relocation related to Growth	\$ 864,908-CFD \$2,000,000-Statutory Fee	\$2,864,908	\$25,000,000
Demographic & Developer Fee Studies for future Growth	\$0-Statutory Fee	\$0	\$ 750,000
Reconfiguration Accommodations-Growth	\$0-Statutory Fee	\$0	\$2,000,000
Transitional Kindergarten Remodel-Growth	\$0-Statutory Fee	\$0	\$20,000,000
SAEC 12-Plex Remodel-Growth	\$0-Statutory Fee	\$0	\$ 1,000,000
TOTAL		\$156,565,323	\$218,050,415

B. Demonstration of a Reasonable Relationship Between the Reportable Fees and the Purposes for Which They are Charged:

As shown in the Fee Justification Study, there is a roughly proportional, reasonable relationship between the Development upon which the Reportable Fees are charged and the need for additional School Facilities by reason of the fact that additional students will be generated by additional Development within the District, and the District does not have student capacity in its existing School Facilities to accommodate these new students. Furthermore, the Reportable Fees charged on Development will be used to fund School Facilities which will be used to serve the students generated from Development. The Reportable Fees do not exceed the costs of providing such School Facilities for new students. (Government Code Section 66001(d)(1)(B)).

C. Identification of All Sources and Amounts of Funding Anticipated to Complete Incomplete Projects Identified by the District in Paragraph A Above and Approximate Date Funding Is Expected to Be Deposited. (Government Code Section 66001(d)(1)(C) and (D):

Source of Funding		Amount of Funding Anticipated to Complete Incomplete Projects	Approximate Date Funding Expected to Be Deposited
1.	State Funding Program Funds	\$ 5,960,995	12/2021
2.	State Hardship Funds	\$ 0	N/A
3.	Community Facilities Districts	\$ 45,969,260	Unknown
4.	General Obligation Bond Proceeds (Not Authorized, Only Issued)	\$ 72,048,811	06/2021
5.	Redevelopment Pass-Through Agreements	\$ 0	N/A
6.	Statutory School Facility Fees	\$ 32,586,257	5 years
7.	Alternative School Facility Fees	\$ 0	N/A
8.	Mitigation Payments	\$ 0	N/A
9.	Certificates of Participation	\$ 0	N/A
10.	SB-201 Fees (Government Code Section 65970, <i>et seq.</i>)	\$ 0	N/A
11.	Total Funding (Add Lines 1 – 10 above)	\$ 156,565,323	
12.	Total Costs of All Incomplete Projects	\$ 218,050,415	
13.	Minus Total of All Funding Sources (Enter from Line 11 above).	\$ 156,565,323	
14.	Unfunded Balance (Line 12, minus Line 13)	\$ 61,485,092	