

ANNUAL AND FIVE-YEAR REPORTS

MENIFEE UNION SCHOOL DISTRICT

For Fiscal Year 2021-22



DECEMBER 15, 2022

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Reportable Fee Expenditures for Fiscal Year 2021/2022

I. INTRODUCTION

Sections 66001 and 66006 of the Government Code require that Menifee Union School District ("School District") provide to the public information on impact fees received from new residential and commercial/industrial development to mitigate the impact of that new development on the school facilities of the School District. The School District currently collects statutory school fees ("Statutory School Fees") pursuant to Sections 17620 et seq. of the Education Code and Sections 65995 et seq. of the Government Code, and alternative school facility fees ("Alternative School Fees") collected pursuant to Sections 65995.5, 65995.6, and 65995.7 of the Government Code (collectively, "Reportable Fees").

The School District is required to provide the following information on Reportable Fees for the prior fiscal year:

1. Amounts collected
2. Amount of interest earned
3. Amounts spent on projects to accommodate additional enrollment from new residential and commercial/industrial development

The Reportable Fees do not include special tax proceeds, proceeds of bonds, or letters of credit to secure payment of Reportable Fees at a future date. Further, the School District identifies Reportable Fees have not been levied, collected, or imposed for general revenue purposes.

Additionally, the School District is required to identify the following:

1. The purpose to which unexpended Reportable Fees will be spent
2. The Reasonable Relationship between the unexpended Reportable Fees and the purpose to which they are to be spent
3. The funding sources and expected funding availability date for school facilities projects for which unexpended Reportable Fees are required

The following Annual and Five-Year Reports ("Reports") for the fiscal year ending June 30, 2022 include the information and proposed findings the School District intends to review and adopt in accordance with Sections 66001 and 66006 of the Government Code.

II. ANNUAL REPORT

In accordance with Government Code Section 66006(b)(1) and (2), the School District hereby presents the following information for fiscal year 2021/2022 (i.e. July 1, 2021 through June 30, 2022) with regard to the annual Reportable Fees:

A. **Description of the Type of Reportable Fees in the Account or Subaccount(s) of the School District**

The Reportable Fees of the School District for fiscal year 2021/2022 consist of Statutory School Fees. Statutory School Fees are collected by the School District from new residential and commercial/industrial development.

B. **Amount of the Reportable Fees**

The amount of Reportable Fees is based on the effective Statutory School Fees.

Statutory School Fees

The Statutory School Fees for the period between July 1, 2021 and June 30, 2022 were established by the Governing Board ("Board") of the School District on April 14, 2020, by Resolution No. 2020-67. This resolution adopted the Statutory School Fees for new residential and commercial/industrial development based on the report titled "Residential and Commercial/Industrial Development School Fee Justification Study" ("Study"), dated March 13, 2020.

Table 1 below lists the fee amounts and effective dates for the applicable Statutory School Fees for fiscal year 2021/2022.

TABLE 1
EFFECTIVE DATES FOR DEVELOPER FEE JUSTIFICATION REPORTS

Item	Effective Dates (for FY 2021/2022)	Fee Amount (Per Square Foot)
Statutory School Fees	July 1, 2021 – June 30, 2022	Residential - \$2.94 Commercial/Industrial - \$0.475 Self-Storage - \$0.076

C. **Beginning and Ending Balance of Account and Sub-Account(s):**

Table 2 lists the fiscal year 2021/2022 beginning and ending balances for Reportable Fees held in Fund 25, the Capital Facility Fund:

TABLE 2

BEGINNING AND ENDING BALANCES FOR REPORTABLE FEES

Item	Fund Balance
Beginning Balance (7/1/2021)	\$7,923,676.62 ⁽ⁱ⁾
Ending Balance (6/30/2022)	\$5,257,757.14

(i) Ending Balance of \$16,096,641.29 as of June 30, 2021 reported on the Fiscal Year 2020/2021 Annual and Five Year Report included non-Reportable Fee balances associated with mitigation fees collected pursuant to developer fee agreements and potentially subject to future reimbursement. Such amounts have been removed from the July 1, 2021 beginning balance shown above.

D. **Amount of the Reportable Fees Collected and Interest Earned**

Table 3 shows the amount of Reportable Fees collected and interest earned during fiscal year 2021/2022 to accommodate students from additional development.

TABLE 3

AMOUNT OF REPORTABLE FEES COLLECTED

Item	Total Revenues
Reportable Fees Collected	\$293,583.08
Interest Earned	\$89,336.62
Net Income/Fair Value of Investments	(\$392,634.25)
Sale of Equipment and Supplies	\$2,925.00
Total	(\$6,789.55)

E. **Identification of Each Improvement on Which Reportable Fees Were Expended and the Amount of the Expenditures on Each Improvement, Including the Total Percentage of the Cost of Each Project of the School District that Was Funded with Reportable Fees**

Schedule A to this report identifies the amount of Reportable Fees expended on School Facilities in fiscal year 2021/2022, as well as the percentage of each improvement funded by Reportable Fees.

F. **Identification of an Approximate Date by Which the Construction of Project(s) of the School District Will Commence if the School District Determines that Sufficient Funds have been Collected to Complete Financing on an Incomplete Project of the School District, as Identified in Paragraph (2) of Subdivision (A) of Section 66001, and the Project of the School District Remains Incomplete**

The School District has determined that at the close of fiscal year 2021/2022, Reportable Fees and other sources of funding were not sufficient to complete the financing of additional school facilities of the School District.

G. **Description of each Interfund Transfer or Loan Made from the Account or Sub-Account(s), Including Project(s) of the School District on which the Transferred or Loaned Reportable Fees will be Expended, and, in the Case of an Interfund Loan, the Date on Which the Loan will be Repaid, and the Rate of Interest that the Account or Sub-Account(s) will Receive on the Loan**

The School District made an interfund transfer of \$8,807.49 from Fund 25 into the general fund to reimburse the general fund for previously expended administrative costs allocable to Reportable Fees per Section 17620(a)(5) of the Education Code in school year 2021/2022.

H. **The Amount of Refunds Made or Revenues Allocated for Other Purposes if the Administrative Costs of Refunding Unexpended Revenues Exceed the Amount to be Refunded**

No refunds of Reportable Fees were made pursuant to Section 66001(e) of the Government Code in fiscal year 2021/2022.

I. **Summary Table of Fund Balance, Revenues, and Expenditures**

Table 4 on the following page summarizes the beginning and ending balances, the amount of Reportable Fees collected and interest earned, additional refunds/revenues, and total expenditures from Fund 25 during fiscal year 2021/2022.

TABLE 4**FUND 25 REPORTABLE FEES ACTIVITY SUMMARY (FY 2021/2022)**

Item	Amount
Beginning Balance (7/1/2021)	\$7,923,676.63
Reportable Fees Collected and Interest Earned	(\$6,789.55)
Interfund Transfer Out/Other Sources	(\$8,807.49)
Expenditures – Schedule A	(\$2,650,322.44)
Ending Balance (6/30/2022)	\$5,257,757.15

III. FIVE-YEAR REPORT

In accordance with Government Code Section 66001, the School District provides the following information with respect to the Reportable Fees in the account or subaccount(s) remaining unexpended, whether committed or uncommitted to projects:

A. **Identification of the Purpose to which the Reportable Fees are to be Put**

The purpose of the Reportable Fees imposed and collected on new residential and commercial/industrial development within the School District was to fund the additional school facilities required to serve students generated by new development within the School District. Specifically, the Reportable Fees will be used for the construction, expansion, and/or acquisition of additional School Facilities, furnishing and equipping such facilities, as well as acquiring and installing additional portable classrooms to accommodate students.

B. **Demonstration of a Reasonable Relationship Between the Reportable Fees and the Purposes for which they are Charged**

There is a roughly proportional and a reasonable relationship between the new development upon which the Reportable Fees are charged and the need for additional School Facilities. This relationship is based on the additional students that will be generated by new development within the School District exceeding the School District's existing student capacity. Furthermore, the Reportable Fees do not exceed the costs of providing school facilities for the students generated from the development in which such fees were collected (as set forth in the Studies, referred to herein Section II.B).

C. **Identification of All Sources and Amounts of Funding Anticipated to Complete Financing of the School Facilities the School District Has Identified in the School District's Reports**

Table 5 on the following page lists the proposed funding sources for all pending School Facility projects presently identified by the School District.

TABLE 5

POTENTIAL FUNDING SOURCES FOR PLANNED SCHOOL FACILITY PROJECTS

Sources	State School Building Program	State Grant	Community Facilities Districts	General Obligation Bonds	Reportable Fees	Public Financing Authority
Districtwide Security Camera	\$0	\$0	\$15,018.14	\$0	TBD	\$1,857,199.22
Construction of KNMS	\$0	\$0	\$35,861,696.65	\$36,709,430.60	\$34,322.25	\$0
Expansion of Harvest Hill STEAM Academy	\$0	\$0	\$21,489,369.23	\$0	TBD	\$2,783,979.12
Reconstruction of MVMS	\$0	\$0	\$3,617,204.07	\$30,676,850.12	TBD	\$10,236,156.48
Construction of ES #15	\$13,357,570.20	\$0	\$8,205,840.56	\$38,152,059.67	\$41,897.00	\$0
Reconstruction of CWM Kindergarten Wing	\$0	\$0	\$2,903,256.96	\$2,994,769.75	\$38,503.00	\$0
Districtwide Roofing Renovations	\$0	\$0	\$0	\$1,472,275.86	TBD	\$0
Bus Yard Fueling Station	\$0	\$0	\$0	\$0	TBD	\$236,000.00
Access Control	\$0	\$0	\$0	\$489,849.00	TBD	\$510,151.00
Preschool	\$1,410,000.00	\$636,813.00	\$0	\$0	TBD	\$0
TK-K Phase 1	\$859,339.80	\$0	\$15,795,037.40	\$0	\$2,416,881.00	\$3,000,000.00
BMMS Track	\$400,000.00	\$0	\$0	\$0	TBD	\$0
Total	\$16,026,910.00	\$636,813.00	\$87,887,423.01	\$110,495,235.00	\$2,531,603.25	\$18,623,485.82

Notes: These school facilities costs are for fiscal year 2021/2022. Future school facilities may be funded by the State School Building Program, community facilities districts, general obligation bonds, and Reportable Fees.

D. Identification of the Approximate Dates on Which the Funding Referred to in Section III.C is Expected to be Deposited into the Appropriate Account or Fund

Table 6 below lists the approximate dates on which the funds are expected to be available for the school facility projects presently identified by the School District.

TABLE 6
TIMING OF FUNDS FOR PLANNED SCHOOL FACILITY PROJECTS

Sources	State School Building Program	State Grant	Community Facilities Districts	General Obligation Bonds	Reportable Fees	Public Financing Authority
Districtwide Security Camera	N/A	N/A	2021-2022	N/A	As Available	2021-2022
Construction of MS #4	N/A	N/A	2021-2022	2021-2022	As Available	N/A
Expansion of Harvest Hill STEAM Academy	N/A	N/A	2021-2022	N/A	As Available	2021-2022
Reconstruction of MVMS	N/A	N/A	2021-2022	2021-2022	As Available	2021-2022
Construction of ES #15	2021-2022	N/A	2021-2022	2021-2022	As Available	N/A
Reconstruction of CWM Kindergarten Wing	N/A	N/A	2021-2022	2021-2022	As Available	N/A
Districtwide Roofing Renovations	N/A	N/A	N/A	2021-2022	As Available	N/A
Bus Yard Fueling Station	N/A	N/A	N/A	N/A	As Available	2021-2022
Access Control	N/A	N/A	N/A	2021-2022	As Available	2021-2022
Preschool	2021-2022	2021-2022	N/A	N/A	As Available	N/A
TK-K Phase 1	2021-2022	N/A	2021-2022	N/A	As Available	2021-2022
BMMS Track	2021-2022	N/A	N/A	N/A	As Available	N/A

EXHIBIT A

REPORTABLE FEE EXPENDITURES FOR

FISCAL YEAR 2021/2022

MENIFEE UNION SCHOOL DISTRICT

Public Improvements on Which Reportable Fees Were Expended Fiscal Year 2021/2022 Schedule A

Project	Amount Paid from Fees During FY 2021/2022	Percent of Total Cost Funded with Fees
Books and Supplies	\$30,651.73	100%
<i>Materials and Supplies for New School</i>	\$30,651.73	100%
Professional/Consulting Services & Operating Expenditures	\$668,845.34	100%
COPs Debt Service	\$500,522.39	100%
Capital Outlay	\$1,450,302.98	100%
<i>Land Improvements</i>	\$290,063.04	100%
<i>Buildings & Improvements of Buildings</i>	\$1,160,239.94	100%
Total	\$2,650,322.44	100%