



Continuing Disclosure Annual Report

Fiscal Year Ending June 30, 2022

Submitted March 1, 2023

Moreno Valley Unified School District

Community Facilities District No. 2019-2
Series 2022 Special Tax Bonds

2021 / 2022



A division of California Financial Services

\$4,955,000
Moreno Valley Unified School District
Community Facilities District No. 2019-2
Series 2022 Special Tax Bonds

MATURITY DATE	CUSIP*
Serial Bonds	
09/01/2023	616874UT8
09/01/2024	616874UU5
09/01/2025	616874UV3
Term Bonds	
09/01/2028	616874UW1
09/01/2030	616874UX9
09/01/2032	616874UY7
09/01/2034	616874UZ4
09/01/2037	616874VA8
09/01/2042	616874VB6
09/01/2052	616874VC4

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List of Participants

Issuer

Community Facilities District No. 2019-2
Moreno Valley Unified School District
25634 Alessandro Blvd
Moreno Valley, California 92553
www.mvusd.net

Bond Counsel

Atkinson, Andelson, Loya, Ruud & Romo
20 Pacifica, Suite 1100
Irvine, California 92618

Special Tax Administrator

KeyAnalytics
555 Corporate Drive, Suite 100
Ladera Ranch, California 92694

Fiscal Agent

U. S. Bank National Association
633 West Fifth Street, 24th Floor
Los Angeles, California 90071

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Exhibit A – Rate and Method of Apportionment

Exhibit B – Overlapping Debt Report

Exhibit C – California Debt and Investment Advisory Commission Reports

I. Introduction

This Annual Report (“Report”) has been prepared pursuant to the Continuing Disclosure Agreement (“Disclosure Agreement”) executed in connection with the issuance of the following debt:

- Series 2022 Special Tax Bonds of Community Facilities District No. 2019-2 issued on June 9, 2022, in the par amount of \$4,955,000 (“Bonds”).

Under the Disclosure Agreement, the Moreno Valley Unified School District (“School District”) has agreed to annually provide certain information related to the security of the Bonds. This Report has been prepared by KeyAnalytics, a division of C. Financial Investments, Inc. (“KeyAnalytics”), at the direction of the School District to provide the required information.

Any information contained herein which involves estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representation of fact. The information set forth herein has been furnished by the School District, or other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Report nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the School District or Community Facilities District (“CFD”) No. 2019-2 since the date hereof. Capitalized terms used herein which are not otherwise defined shall have the meaning given them in the respective financing documents.

If there are any questions regarding the information provided herein, please contact KeyAnalytics at (949) 282-1077.

II. Audited Financial Statements

CFD No. 2019-2 does not prepare annual audited financial statements, however, KeyAnalytics has received the School District's annual unaudited financial statements for Fiscal Year 2021/2022 ("Statements"). Copies of the Statements are available online at <http://emma.msrb.org>. At the time of posting, the audited financial statements have not been finalized. Once the audited financial statements are finalized, a copy will be posted and available online at <http://emma.msrb.org>.

III. Special Taxes

CFD No. 2019-2 have covenanted to annually levy the Special Tax in accordance with the Rate and Method of Apportionment (“RMA”), attached as Exhibit A, so long as the Bonds are outstanding. The items below summarize information required by the Disclosure Agreement.

A. Changes to the Rate and Method of Apportionment

There have been no changes to the RMA since the date of the closing of the Bonds.

B. Special Tax Prepayments

There has been no prepayment of the Special Tax since the date of the closing of the Bonds.

C. Summary of Special Tax

A summary of the Fiscal Year 2022/2023 Special Tax levy is outlined below.

Fiscal Year 2022/2023 Special Tax by Tax Rate Category

Tax Class/Land Use	Sq Footage	Number of Units/Acres	Assigned Annual Special Tax Rate	Total Assigned Annual Special Taxes
1 - Residential Property	1,700 Sq. Ft. or Less	14 Units	\$2,218.28 Per Unit	\$31,055.92
2 - Residential Property	1,701 Sq. Ft. to 1,900 Sq. Ft.	0 Units	\$2,319.30 Per Unit	0.00
3 - Residential Property	1,901 Sq. Ft. to 2,100 Sq. Ft.	0 Units	\$2,411.06 Per Unit	0.00
4 - Residential Property	2,101 Sq. Ft. to 2,300 Sq. Ft.	21 Units	\$2,557.78 Per Unit	53,713.38
5 - Residential Property	2,301 Sq. Ft. to 2,500 Sq. Ft.	58 Units	\$2,622.00 Per Unit	152,076.00
6 - Residential Property	Greater than 2,500 Sq. Ft.	24 Units	\$2,796.34 Per Unit	67,112.16
Subtotal Residential Property		117 Units		\$303,957.46
Undeveloped Property ^[1]	N/A	0.00 Acres	\$0.00 Per Acre	0.00
Total		117 Units		\$303,957.46

[1] Undeveloped Properties and Provisional Undeveloped Properties are levied at \$0.00 per Acre due to sufficient Special Tax Levy coverage from Residential Property. The Assigned Annual Special Tax Rate per the RMA is \$35,323.93 per Acre.

D. Special Tax Collections

Delinquent Special Taxes for CFD No. 2019-2, as of June 30, 2022, for Fiscal Year 2021/2022 and prior Fiscal Years are summarized in the table below. There are no property owners who delinquent Special Taxes represent more than 5% of the Special Tax levy.

Special Tax Levies and Collections

Fiscal Year	Subject Fiscal Year					June 30, 2022	
	Aggregate Special Tax	Parcels Delinquent	Amount Collected	Amount Delinquent	Delinquency Rate	Remaining Amount Delinquent	Remaining Delinquency Rate
2021/2022	\$129,951.24	0	\$129,951.24	\$0.00	0.00%	\$0.00	0.00%

E. Foreclosure Update

No parcel has exceeded the foreclosure thresholds of CFD No. 2019-2, therefore, CFD No. 2019-2 does not have any outstanding foreclosures.

IV. Debt and Assessed Values

The items below summarize information required by the Disclosure Agreement regarding outstanding debt and Assessed Valuations.

A. Principal Amount of Bonds Outstanding

The outstanding principal amount of the Bonds as of September 2, 2022, was \$4,955,000. No parity debt has been issued by CFD No. 2019-2.

B. Value to Lien Ratios

A summary of the value-to-lien ratios for CFD No. 2019-2 are found in the table below. The Overlapping Debt Report listing the Assessed Values and overlapping liens is attached as Exhibit B.

Fiscal Year 2022/2023
Assessed Valuation to Lien Ratios by Land Use Classification

Land Use Category	Number of Taxable Dwelling Units	Fiscal Year 2022/2023 Special Tax	Percentage of Fiscal Year 2022/2023 Special Tax	Bonds Outstanding ^[1]	Overlapping Debt ^[2]	Total Debt	Total Assessed Value ^[3]	Assessed Value-to-Lien Ratio ^[4]
1 - 1,700 Sq. Ft. or Less	14 Units	\$31,055.92	10.22%	\$506,261.91	\$16,538.78	\$522,800.69	\$1,334,056.00	2.55:1
2 - 1,701 Sq. Ft. to 1,900 Sq. Ft.	0 Units	0.00	0.00%	0.00	0.00	0.00	0.00	NA
3 - 1,901 Sq. Ft. to 2,100 Sq. Ft.	0 Units	0.00	0.00%	0.00	0.00	0.00	0.00	NA
4 - 2,101 Sq. Ft. to 2,300 Sq. Ft.	21 Units	53,713.38	17.67%	\$875,615.28	\$106,456.95	\$982,072.24	8,587,063.00	8.74:1
5 - 2,301 Sq. Ft. to 2,500 Sq. Ft.	58 Units	152,076.00	50.03%	2,479,085.66	322,454.36	2,801,540.02	26,009,911.00	9.28:1
6 - Greater than 2,500 Sq. Ft.	24 Units	67,112.16	22.08%	1,094,037.15	\$148,101.91	1,242,139.06	11,946,241.00	9.62:1
Developed Property Subtotal	117 Units	\$303,957.46	100.00%	\$4,955,000.00	\$593,552.00	\$5,548,552.00	\$47,877,271.00	8.63:1
7 - Non Residential	0.00 Acres	0.00	0.00%	0.00	0.00	0.00	0.00	NA
Taxable Property Subtotal	117 Units	\$303,957.46	100.00%	\$4,955,000.00	\$593,552.00	\$5,548,552.00	\$47,877,271.00	8.63:1
8 - Undeveloped Property	0.00 Acres	0.00	0.00%	0.00	0.00	0.00	0.00	NA
Total	117 Units	\$303,957.46	100.00%	\$4,955,000.00	\$593,552.00	\$5,548,552.00	\$47,877,271.00	8.63:1

[1] Reflects the Bonds outstanding as of September 2, 2022 and is allocated based on the Fiscal Year 2022/2023 Special Tax levy.

[2] Overlapping Debt Report is included as Exhibit B.

[3] Source: County of Riverside Assessor's Tax Roll dated July 1, 2022.

[4] Assessed value-to-lien ratio. Ratio calculated by dividing the Total Assessed Value by the sum of the Outstanding Bonds.

V. Fiscal Agent Accounts

The items below summarize information required by the Disclosure Agreement regarding the Fiscal Agent Account balances.

A. Fiscal Agent Account Balances

The balance in each fund and account of the Bonds are listed in the table below.

Fiscal Agent Account Balances (as of December 1, 2022)

Account Name	Balance
Special Tax Fund	\$114.32
Prepayment Account	0.00
Administrative Expense Fund	28,415.60
Bond Fund	2.48
Interest Account	0.00
Principal Account	0.00
Reserve Fund	418,881.67
Redemption Fund	0.00
Optional Redemption Account	0.00
Sinking Fund Redemption Account	0.00
Mandatory Redemption Account	0.00
Construction Fund	0.00
School Facilities Account	2,863,854.42
EMWD Facilities Account	3,362.83
Cost of Issuance Account	24,267.51
Residual Fund	46,886.36
Total	\$3,385,785.19

All other funds, accounts, and subaccounts not listed above but listed within the Bond Indenture have been closed and/or are \$0.00.

B. Reserve Requirement

As of December 1, 2022, the Reserve Requirement for the Bonds and how it is funded is outlined in the table below.

Reserve Requirement

Bonds	Reserve Requirement	Funding Source	Amount on Deposit
Series 2022 Special Tax Bonds	\$416,066.67	Cash Deposit	\$418,881.67

VI. Reports and Additional Information

Below is information regarding the Bonds as required by the Disclosure Agreement.

A. Report to the California Debt and Investment Advisory Commission

Copies of the Yearly Fiscal Status Report filed to the California Debt and Investment Advisory Commission (“CDIAC”) filed on or before October 30, 2022, and the Annual Debt and Transparency Report filed to CDIAC on or before January 31, 2023, are also attached as Exhibit C.

B. Listed Events

Pursuant to the Disclosure Agreement, CFD No. 2019-2 shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds:

- (i) Principal and interest payment delinquencies;
- (ii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iii) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (iv) Substitution of credit or liquidity provider, or their failure to perform;
- (v) Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB);
- (vi) Defeasances;
- (vii) Tender offers;
- (vii) Rating changes;
- (ix) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties;

- (x) Bankruptcy, insolvency, receivership or similar proceedings;
- (xi) The consummation of a merger, consolidation or acquisition involving an obligated person or sale of all or substantially all of the assets of the obligated persons or their person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its term;
- (xii) Appointment of a successor or additional fiscal agent or the change of the name of a fiscal agent;
- (xiii) Non payment related defaults;
- (xiv) Modification to the rights of Bondholders;
- (xv) Bonds calls;
- (xvi) Release, substitution, or sale of property securing repayment of the Bonds (including the release of any Letter of Credit);
- (xvii) Other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; and
- (xviii) Incurrence of a Financial Obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation, any of which affect Bondholders.

None of these events occurred in Fiscal Year 2021/2022.

C. Additional Information

Pursuant to the Disclosure Agreement the School District shall provide further information, if any, as may be necessary to make the specifically required statements, considering the circumstances under which they are made, not misleading.

After a thorough review the School District has determined that no additional information is needed for Fiscal Year 2021/2022.

Exhibit A

Rate and Method of Apportionment of Special Taxes for

Community Facilities District No. 2019-2 of the
Moreno Valley Unified School District

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES OF COMMUNITY FACILITIES DISTRICT NO. 2019-2 OF THE MORENO VALLEY UNIFIED SCHOOL DISTRICT

A Special Tax shall be levied on and collected from all Assessor's Parcels in Community Facilities District No. 2019-2 of the Moreno Valley Unified School District each Fiscal Year commencing in Fiscal Year 2020/2021, in an amount determined by the Board through the application of the Rate and Method of Apportionment of Special Taxes ("RMA") described below. All the real property within the District, unless exempted by law or by provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

SECTION A DEFINITIONS

For purposes of this RMA, the terms hereinafter set forth have the following meanings:

"Acreage" means the number of acres of land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the Administrator may rely on the land area shown on the applicable Final Map.

"Act" means the Mello-Roos Communities Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means any ordinary and necessary expense incurred by the School District on behalf of the District related to the determination of the amount of the levy of Special Taxes, the collection of Special Taxes, including, but not limited to, the reasonable expenses of collecting delinquencies, the administration of Bonds, the proportionate payment of salaries and benefits of any School District employee whose duties are directly related to the administration of the District, and reasonable costs otherwise incurred in order to carry out the authorized purposes of the District including, but not limited to, a proportionate amount of School District general administrative overhead related thereto.

"Administrator" means an official of the School District or designee thereof, responsible for determining the levy and collection of the Special Taxes.

"Annual Special Tax" means the Special Tax levied in any Fiscal Year on any Assessor's Parcel.

"Assessor's Parcel" means a parcel of land designated on an Assessor's Parcel Map with an assigned Assessor's Parcel Number within the boundaries of the District.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating parcels by Assessor's Parcel Number.

"Assessor's Parcel Number" means that number assigned to an Assessor's Parcel by the County for purposes of identification.

"Assigned Annual Special Tax" means the Special Tax of that name described in Section D hereof.

"Backup Annual Special Tax" means the Special Tax of that name described in Section E hereof.

"Board" means the Governing Board (Board of Education) of the School District, or its designee(s), acting as the Legislative Body of the District.

"Bond Index" means the national Bond Buyer Revenue Index, commonly referenced as the 25-Bond Revenue Index. In the event the Bond Index ceases to be published, the index used shall be based on a comparable index for revenue bonds maturing in 30 years with an average rating equivalent to Moody's A1 and/or Standard & Poor's A+, as determined by the Board.

"Bond Yield" means the yield of the last series of Bonds issued. For purposes of this calculation the yield of the Bonds shall be the yield calculated at the time such Bonds are issued, pursuant to Section 148 of the Internal Revenue Code of 1986, as amended, for the purpose of the Non-Arbitrage (Tax) Certificate or other similar bond issuance document.

"Bonds" means any obligation to repay a sum of money, including obligations in the form of bonds, notes, certificates of participation, long-term leases, loans from government agencies, or loans from banks, other financial institutions, private businesses, or individuals, or long-term contracts, or any refunding thereof, to which the Special Taxes have been pledged for repayment.

"Building Square Footage" or "BSF" means the square footage of assessable internal living space of a Unit, exclusive of any carports, walkways, garages, overhangs, patios, enclosed patios, detached accessory structure, other structures not used as living space, or any other square footage excluded under Government Code Section 65995 as determined by reference to the building permit(s) for such Unit.

"County" means the County of Riverside, California.

"Developed Property" means all Assessor's Parcels of Taxable Property for which building permit(s) were issued on or before May 1 of the prior Fiscal Year, provided that such Assessor's Parcels were created on or before January 1 of the prior Fiscal Year, as reasonably determined by the Administrator.

"District" means Community Facilities District No. 2019-2 of the School District.

"Exempt Property" means all Assessor's Parcels designated as being exempt from Special Taxes pursuant to Section L hereof.

"Final Map" means a final tract map, parcel map, lot line adjustment, or functionally equivalent map or instrument that creates individual Lots, recorded in the Office of the County Recorder.

"Fiscal Year" means the period commencing on July 1 of any year and ending on the following June 30.

"Goals and Policies" means the "Local Goals and Policies" for Community Facilities Districts established by the School District approved by the Board by Resolution No. 2001-02-41 on January 15, 2002, as amended from time to time.

"Land Use Class or Classes" means the tax classifications depicted in Table 1 for all Assessor's Parcel of Developed Property based on the Building Square Footage of such Assessor's Parcel.

"Lot" means an individual legal lot created by a Final Map for which a building permit for residential construction has been or could be issued.

"Maximum Special Tax" means for each Assessor's Parcel, the maximum Special Tax, determined in accordance with Section C, which can be levied by the District in a given Fiscal Year on such Assessor's Parcel.

"Mitigation Agreement" means the School Facilities Mitigation Agreement made and entered into as of November 12, 2019 by and among the School District and Perris-Cactus Development, LLC.

"Net Taxable Acreage" means the total Acreage of Developed Property expected to exist within the District after all Final Maps are recorded.

"Partial Prepayment Amount" means the amount required to prepay a portion of the Special Tax obligation for an Assessor's Parcel as described in Section I hereof.

"Prepayment Administrative Fees" means any fees or expenses of the School District or the District associated with the prepayment of the Special Tax obligation of an Assessor's Parcel. Prepayment Administrative Fees shall include, among other things, the cost of computing the Prepayment Amount, redeeming Bonds, and recording or filing of any notices to evidence such prepayment and any associated or resulting redemption of Bonds.

"Prepayment Amount" means the amount required to prepay the Special Tax obligation in full for an Assessor's Parcel as described in Section H hereof.

"Present Value of Taxes" means for any Assessor's Parcel the present value of (i) the unpaid portion, if any, of the Annual Special Tax applicable to such Assessor's Parcel in the current Fiscal Year and (ii) the Special Taxes expected to be levied on such Assessor's Parcel in each remaining Fiscal Year, as determined by the Administrator, until the termination date specified in Section K, but in no event longer than 33 Fiscal Years. The discount rate used for this calculation shall be equal to (a) the Bond Yield after Bond issuance or (b) the most recently published Bond Index prior to Bond issuance.

"Proportionately" means that the ratio of the actual Annual Special Tax levy to the applicable Assigned Annual Special Tax is equal for all applicable Assessor's Parcels. In the case of Developed Property subject to apportionment of the Annual Special Tax under Step Four of Section F, "Proportionately" shall mean that the quotient of (i) the Annual Special Tax less the Assigned Annual Special Tax divided by (ii) the Backup Annual Special Tax less the Assigned Annual Special Tax is equal for all applicable Assessor's Parcels.

"Provisional Undeveloped Property" means all Assessor's Parcels of Taxable Property that would otherwise be classified as Exempt Property pursuant to Section K but cannot be classified as Exempt Property because to do so would reduce the Net Taxable Acreage below the required minimum Acreage set forth in Section K, as applicable.

"Reserve Fund Credit" means an amount equal to the lesser of (i) the reduction in the applicable reserve fund requirement(s) resulting from the redemption of Bonds with the Prepayment Amount or (ii) ten percent (10%) of the amount of Bonds which will be redeemed. If a surety bond or other credit instrument satisfies the reserve requirement or the reserve requirement is underfunded at the time of the prepayment, no Reserve Fund Credit shall be given.

"School District" means the Moreno Valley Unified School District, a public school district organized and operating pursuant to the Constitution and laws of the State of California.

"Special Tax" means any of the special taxes authorized to be levied by the District pursuant to the Act and this RMA.

"Special Tax Requirement" means the amount required in any Fiscal Year to pay (i) the debt service or the periodic costs on all outstanding Bonds, (ii) Administrative Expenses, (iii) the costs associated with the release of funds from an escrow account or accounts established in association with the Bonds, (iv) any amount required to establish or replenish any reserve funds (or accounts thereof) established in association with the Bonds, and (v) the collection or accumulation of funds for the acquisition or construction of school facilities and certain costs associated with the maintenance and operations of school facilities authorized by the District provided that the inclusion of such amount does not cause an increase in the levy of Special Tax on Undeveloped Property or Provisional Undeveloped Property as set forth in Steps Two through Four of Section G, less (vi) any amount(s) available to pay debt service or other periodic costs on the Bonds pursuant to any applicable bond indenture, fiscal agent agreement, trust agreement, or equivalent agreement or document. In arriving at the Special Tax Requirement, the Administrator shall take into account the reasonably anticipated delinquent Special Taxes, provided that the amount included cannot cause the Annual Special Tax of an Assessor Parcel of Developed Property to increase by greater than ten percent (10%) of what would have otherwise been levied.

"Taxable Property" means all Assessor's Parcels which are not classified as Exempt Property.

"Undeveloped Property" means all Assessor's Parcels of Taxable Property which are not classified as Developed Property.

"Unit" means each separate residential dwelling unit, including but not limited to, a single family attached or detached unit, condominium, an apartment unit, mobile home, or otherwise, excluding hotel and motels.

SECTION B CLASSIFICATION OF ASSESSOR'S PARCELS

Each Fiscal Year, commencing with Fiscal Year 2020/2021, all Assessor's Parcels within the District shall be classified as either Taxable Property or Exempt Property. In addition, each Assessor's Parcel of Taxable Property shall be further classified as Developed Property, Undeveloped Property or Provisional Undeveloped Property. Developed Property shall be assigned to a Land Use Class, according to Table 1 below, based on the Building Square Footage of each Unit.

Table 1
Land Use Classification

Land Use Class	Building Square Footage
1	$\leq 1,700$ sq. ft.
2	1,701 – 1,900 sq. ft.
3	1,901 – 2,100 sq. ft.
4	2,101 – 2,300 sq. ft.
5	2,301 – 2,500 sq. ft.
6	$> 2,500$ sq. ft.

SECTION C MAXIMUM SPECIAL TAX

1. **Developed Property**

The Maximum Special Tax for each Assessor's Parcel classified as Developed Property shall be the greater of the amount derived by the application of the (a) Assigned Annual Special Tax or (b) Backup Annual Special Tax.

2. **Undeveloped Property**

The Maximum Special Tax for each Assessor's Parcel classified as Undeveloped Property or Provisional Undeveloped Property shall be derived by the application of the Assigned Annual Special Tax.

SECTION D ASSIGNED ANNUAL SPECIAL TAXES

1. Developed Property

The Assigned Annual Special Tax for each Assessor's Parcel of Developed Property will be determined in accordance with Table 2 below, subject to increases as described below.

Table 2
Fiscal Year 2020/2021
Assigned Annual Special Taxes
for Developed Property

Land Use Class	Building Square Footage	Assigned Annual Special Tax
1	≤ 1,700 sq. ft.	\$2,132.15 per Unit
2	1,701 – 1,900 sq. ft.	\$2,229.25 per Unit
3	1,901 – 2,100 sq. ft.	\$2,317.44 per Unit
4	2,101 – 2,300 sq. ft.	\$2,458.46 per Unit
5	2,301 – 2,500 sq. ft.	\$2,520.20 per Unit
6	> 2,500 sq. ft.	\$2,687.77 per Unit

2. Undeveloped Property and Provisional Undeveloped Property

The Assigned Annual Special Tax for each Assessor's Parcel of Undeveloped Property or Provisional Undeveloped Property in Fiscal Year 2020/2021 shall be \$33,952.26 per acre of Acreage.

3. Increases in the Assigned Annual Special Tax

a. Developed Property

On each July 1, commencing July 1, 2021, the Assigned Annual Special Tax applicable to Developed Property shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year.

b. Undeveloped Property and Provisional Undeveloped Property

On each July 1, commencing July 1, 2021, the Assigned Annual Special Tax per acre of Acreage for Undeveloped Property and Provisional Undeveloped Property shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year.

SECTION E

BACKUP ANNUAL SPECIAL TAX

Each Fiscal Year, each Assessor's Parcel of Developed Property shall be subject to a Backup Annual Special Tax.

1. Calculation of the Backup Annual Special Tax

The Backup Annual Special Tax for an Assessor's Parcel of Developed Property within a Final Map shall be the rate per Lot calculated in accordance with the following formula in Fiscal Year 2020/2021 or such later Fiscal Year in which such Final Map is created, subject to increases as described below:

$$B = (U \times A) / L$$

The terms above have the following meanings:

B	=	Backup Annual Special Tax per Lot for the applicable Final Map
U	=	Assigned Annual Special Tax per Acre of Undeveloped Property in the Fiscal Year the calculation is performed
A	=	Acreage of Taxable Property expected to exist within such Final Map at the time of calculation, as determined by the Administrator
L	=	Number of Lots within the applicable Final Map at the time of calculation

2. Changes to a Final Map

If the Final Map(s) described in the preceding paragraph are subsequently changed or modified, then the Backup Annual Special Tax for each Assessor's Parcel of Developed Property changed or modified in each such Final Map shall be a rate per square foot of Acreage calculated as follows:

- a. Determine the total Backup Annual Special Tax revenue anticipated to apply to the changed or modified Assessor's Parcels prior to the change or modification.
- b. The result of paragraph a. above shall be divided by the Acreage of Taxable Property of the modified Assessor's Parcels, as reasonably determined by the Administrator.
- c. The result of paragraph b above shall be divided by 43,560. The result is the Backup Annual Special Tax per square foot of Acreage that shall be applicable to the modified Assessor's Parcels, subject to increases as described below.

3. Increase in the Backup Annual Special Tax

Each July 1, commencing the July 1 following the initial calculation of the Backup Annual Special Tax for Developed Property within a Final Map, the Backup Annual Special Tax for each Lot within such Final Map shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year.

**SECTION F
REDUCTION OF THE SPECIAL TAX
PRIOR TO BOND SALE**

Prior to the issuance of the first series of Bonds, the Maximum Special Tax and Assigned Annual Special Tax on Taxable Property may be reduced in accordance with, and subject to, the conditions set forth in this Section F and the terms of the Mitigation Agreement without the need for any proceedings to make changes as permitted or required under the Act.

Prior to the issuance of the first series of Bonds the Administration may review information regarding the current and expected value of residential units within the District and prepare an analysis estimating the total property tax burden of completed homes within the District. The Maximum Special Tax and Assigned Annual Special Tax on Taxable Property may be reduced with the written consent of the Administrator to a level such that the resulting estimated total property tax rate complies with the School District's Goals and Policies and the terms of the Mitigation Agreement.

With respect to any Assessor's Parcel for which the Special Tax is reduced, the Board shall indicate in the records of the District that there has been a reduction of the Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act to indicate the reduction of the Special Tax obligation.

SECTION G

METHOD OF APPORTIONMENT OF THE ANNUAL SPECIAL TAX

Commencing Fiscal Year 2020/2021 and for each subsequent Fiscal Year, the Board shall levy Annual Special Taxes on all Taxable Property in accordance with the following steps:

- Step One:** The Special Tax shall be levied on each Assessor's Parcel of Developed Property at the Assigned Annual Special Tax applicable to each such Assessor's Parcel.
- Step Two:** If additional moneys are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property up to 100% of the Assigned Annual Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.
- Step Three:** If additional moneys are needed to satisfy the Special Tax Requirement after the second step has been completed, the Special Tax on each Assessor's Parcel of Developed Property, for which the Maximum Special Tax is the Backup Annual Special Tax, shall be increased Proportionately from the Assigned Annual Special Tax up to 100% of the Backup Annual Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.
- Step Four:** If additional moneys are needed to satisfy the Special Tax Requirement after the third step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Provisional Undeveloped Property up to 100% of the Assigned Annual Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.

SECTION H

PREPAYMENT OF SPECIAL TAXES

1. **Special Tax Prepayment Times and Conditions**

The Special Tax obligation of an Assessor's Parcel of Taxable Property may be prepaid, if there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel. An owner of an Assessor's Parcel intending to prepay the Special Tax shall provide the School District with written notice of intent to prepay. Within thirty (30) days of receipt of such written notice, the Administrator shall determine the Prepayment Amount for such Assessor's Parcel and shall notify such owner of such Prepayment Amount.

2. **Special Tax Prepayment Calculation**

The Prepayment Amount shall be calculated according to the following formula:

$$P = PVT - RFC + PAF$$

The terms above have the following meanings:

P	=	Prepayment Amount
PVT	=	Present Value of Taxes
RFC	=	Reserve Fund Credit
PAF	=	Prepayment Administrative Fees

3. **Special Tax Prepayment Procedures and Limitations**

The amount representing the Present Value of Taxes attributable to the prepayment less the Reserve Fund Credit attributable to the prepayment shall, prior to the issuance of Bonds, be deposited into a separate account held with the School District and disbursed in accordance with the Mitigation Agreement and after the issuance of Bonds be deposited into the applicable account or fund established under the trust agreement, indenture agreement or fiscal agent agreement and used to pay debt service or redeem Bonds. The amount representing the Prepayment Administrative Fees attributable to the prepayment shall be retained and deposited into the applicable account by the District.

With respect to any Assessor's Parcel for which the Special Tax is prepaid, the Board shall indicate in the records of the District that there has been a prepayment of the Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act to indicate the prepayment of the Special Tax obligation and the release of the Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such Special Tax shall cease.

Notwithstanding the foregoing, no prepayment will be allowed unless the amount of Assigned

Annual Special Taxes that may be levied on Taxable Property, net of Administrative Expenses and excluding Provisional Undeveloped Property, after such prepayment shall be at least 1.10 times the regularly scheduled annual interest and principal payments on all currently outstanding Bonds in each future Fiscal Year and such prepayment will not impair the security of all currently outstanding Bonds, as reasonably determined by the Administrator. Such determination shall include identifying all Assessor's Parcels that are expected to be classified as Exempt Property.

Notwithstanding the above, the ability to prepay the Special Tax obligation of an Assessor's Parcel may be suspended, by the Administrator, acting in his or her absolute and sole discretion for and on behalf of the District, without notice to the owners of property within the District for a period of time, not to exceed sixty (60) days, prior to the scheduled issuance of Bonds by the District to assist in the efficient preparation of the required bond market disclosure.

SECTION I PARTIAL PREPAYMENT OF SPECIAL TAXES

1. Partial Prepayment Times and Conditions

The Special Tax obligation for Assessor's Parcels of Taxable Property may be partially prepaid in increments of ten (10) Units, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcels at the time the Special Tax obligation would be partially prepaid. An owner of an Assessor's Parcel(s) intending to partially prepay the Special Tax shall provide the District with written notice of their intent to partially prepay. Within thirty (30) days of receipt of such written notice, the Administrator shall determine the Partial Prepayment Amount of such Assessor's Parcel and shall notify such owner of such Partial Prepayment Amount.

2. Partial Prepayment Calculation

The Partial Prepayment Amount shall be calculated according to the following formula:

$$PP = PVT \times F - RFC + PAF$$

The terms above have the following meanings:

PP	=	the Partial Prepayment Amount
PVT	=	Present Value of Taxes
F	=	the percent by which the owner of the Assessor's Parcel is partially prepaying the Special Tax obligation
RFC	=	Reserve Fund Credit

PAF = Prepayment Administrative Fees

3. Partial Prepayment Procedures and Limitations

The amount representing the Present Value of Taxes attributable to the prepayment less the Reserve Fund Credit attributable to the prepayment shall, prior to the issuance of Bonds, be deposited into a separate account held with the School District and disbursed in accordance with the Mitigation Agreement and after the issuance of Bonds be deposited into the applicable account or fund established under the trust agreement or indenture agreement or fiscal agent agreement and used to pay debt service or redeem Bonds. The amount representing the Prepayment Administrative Fees attributable to the prepayment shall be retained and deposited into the applicable account by the District.

With respect to any Assessor's Parcel for which the Special Tax obligation is partially prepaid, the Board shall indicate in the records of the District that there has been a partial prepayment of the Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act to indicate the partial prepayment of the Special Tax obligation and the partial release of the Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such prepaid portion of the Special Tax shall cease. Additionally, the notice shall indicate that the Assigned Annual Special Tax and the Backup Annual Special Tax if applicable for the Assessor's Parcel has been reduced by an amount equal to the percentage which was partially prepaid.

Notwithstanding the foregoing, no partial prepayment will be allowed unless the amount of Special Taxes that may be levied on Taxable Property, excluding Provisional Undeveloped Property, after such partial prepayment, and net of Administrative Expenses, shall be at least 1.10 times the regularly scheduled annual interest and principal payments on all currently outstanding Bonds in each future Fiscal Year and such partial prepayment will not impair the security of all currently outstanding Bonds, as reasonably determined by the Administrator. Such determination shall include identifying all Assessor's Parcels that are expected to be classified as Exempt Property.

Notwithstanding the above, the ability to prepay the Annual Special Tax obligation of an Assessor's Parcel may be suspended, by the Administrator, acting in his or her absolute and sole discretion for and on behalf of the District, without notice to the owners of property within the District for a period of time, not to exceed sixty (60) days, prior to the scheduled issuance of Bonds by the District to assist in the efficient preparation of the required bond market disclosure.

SECTION J TERMINATION OF SPECIAL TAX

The Special Tax shall be levied for a term of three (3) Fiscal Years after the final maturity of the last series of Bonds, provided that the Special Tax shall not be levied later than Fiscal Year 2064/2065. However, the Special Tax may cease to be levied in an earlier Fiscal Year if the Board has determined (i) that all required interest and principal payments on the Bonds have been paid, (ii) all authorized facilities of the District have been acquired and all reimbursements have been paid, and (iii) all other obligations of the District have been satisfied.

SECTION K EXEMPTIONS

The Administrator shall classify as Exempt Property in the chronological order in which each Assessor Parcel becomes (i) owned by the State of California, federal or other local governments, (ii) used as places of worship and are exempt from *ad valorem* property taxes because they are owned by a religious organization, (iii) owned by a homeowners' association, (iv) burdened with a public or utility easements making impractical their utilization for other than the purposes set forth in the easement, or (v) any other Assessor's Parcels at the reasonable discretion of the Board, provided that no such classification would reduce the Net Taxable Acreage to less than 8.6049 acres of Acreage ("Minimum Taxable Acreage").

Notwithstanding the above, the Administrator or Board shall not classify an Assessor's Parcel as Exempt Property if such classification would reduce the sum of the Acreage of all Taxable Property to less than the Minimum Taxable Acreage. Assessor's Parcels which cannot be classified as Exempt Property because such classification would reduce the Acreage of all Taxable Property to less than the Minimum Taxable Acreage will be classified as Provisional Undeveloped Property, as applicable, and will continue to be subject to Special Taxes accordingly.

SECTION L APPEALS

Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the Administrator to be received by the Administrator not later than six (6) months after having paid the first installment of the Special Tax that is disputed. The reissuance or cancellation of a building permit is not an eligible reason for appeal. In order to be considered sufficient, any notice of appeal must (i) specifically identify the property by address and Assessor's Parcel Number, (ii) state the amount in dispute and whether it is the whole amount or only a portion of the Special Tax, (iii) state all grounds on which the property owner is disputing the amount or application of the Special Tax, including a reasonably detailed explanation as to why the amount or application of such Special Tax is incorrect, (iv) include all documentation, if any, in support of the claim, and (v) be verified under penalty of perjury by the person who paid the Special Tax or his or her guardian, executor or administrator. The Administrator shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and rule on the appeal. If the representative's decision requires that the Special Tax for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund shall not be made (except for the last year of levy), but an adjustment shall be made to the Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s) as the representative's decision shall indicate.

SECTION M

MANNER OF COLLECTION

The Special Tax shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes and shall be subject to the same penalties, the same procedure, sale and lien priority in the case of delinquency; provided, however, that the District may directly bill all or a portion of the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial or contractual obligations, and if so collected, a delinquent penalty of ten percent (10%) of the Special Tax will attach at 5:00 p.m. on the date the Special Tax becomes delinquent and interest at 1.5% per month of the Special Tax will attach on the July 1 after the delinquency date and the first of each month thereafter until such Special Taxes are paid.

Exhibit B

Overlapping Debt Report

Community Facilities District No. 2019-2

MORENO VALLEY UNIFIED SCHOOL DISTRICT COMMUNITY FACILITIES DISTRICT NO. 2019-2

2022-23 Local Secured Assessed Valuation: \$47,877,271 (Land and Improvements)

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 1/1/23</u>
Metropolitan Water District General Obligation Bonds	0.001%	\$ 263
Riverside County Flood Control and Water Conservation District, Zone No. 4	0.066	3,558 (1)
Riverside City Community College District General Obligation Bonds	0.034	99,184
Moreno Valley Unified School District General Obligation Bonds	0.233	490,547
Moreno Valley Unified School District Community Facilities District No. 2019-2	100.	<u>4,955,000</u>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$5,548,552

<u>OVERLAPPING GENERAL FUND DEBT:</u>		
Riverside County General Fund Obligations	0.013%	\$ 90,431
Riverside County Pension Obligation Bonds	0.013	107,235
Moreno Valley Unified School District Certificates of Participation	0.233	13,940
City of Moreno Valley General Fund Obligations	0.227	<u>159,357</u>
TOTAL OVERLAPPING GENERAL FUND DEBT		\$370,963

COMBINED TOTAL DEBT \$5,919,515 (2)

- (1) 2015 Negotiable Promissory Notes secured by the District's share of 1% Ad Valorem property tax revenues collected on properties within Zone 4. The Notes are not secured by a direct property tax lien.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2022-23 Assessed Valuation:

Direct Debt (\$4,955,000)	10.35%
Total Direct and Overlapping Tax and Assessment Debt	11.59%
Combined Total Debt	12.36%

KD:(\$500)

Exhibit C

**California Debt and Investment
Advisory Commission Reports**
Community Facilities District No. 2019-2



Information as of Reporting Year End: 06/30/2022

Issuance

Issuer Name:	Moreno Valley Unified School District CFD No 2019-2
Issue Name:	2022 Special Tax Bonds
Project Name:	School Facilities
Actual Sale Date:	05/18/2022
Settlement Date:	06/09/2022
Original Principal Amount:	\$4,955,000.00
Date of Filing:	10/27/2022
Reserve Fund Minimum Balance:	Yes
Reserve Fund Minimum Balance Amount:	\$415,113.71

Credit Rating from Report of Final Sale

Credit Rating:	Not Rated
Standard & Poor:	
Fitch:	
Moody's:	
Other:	

Credit Rating from Mello-Roos Last Yearly Fiscal Status Report

Credit Rating:	--
Standard & Poor:	
Fitch:	
Moody's:	
Other:	

Credit Rating for This Reporting Period

Credit Rating:	Not Rated
Standard & Poor:	



Fitch:

Moody's:

Other:

Fund Balance

Principal Amount of Bonds Outstanding:	\$4,955,000.00
Bond Reserve Fund:	\$415,113.71
Capitalized Interest Fund:	\$0.00
Construction Fund(s):	\$4,062,478.19

Assessed Value

Assessed or Appraised Value Reported as of:	03/08/2022
Use Appraised Value only in first year or before annual tax roll billing commences:	From Appraisal of Property
Total Assessed Value of All Parcels:	\$54,878,000.00

Tax Collection

Total Amount of Special Taxes Due Annually:	\$129,951.24
Total Amount of Unpaid Special Taxes Annually:	\$0.00
Does this agency participate in the County's Teeter Plan?	No

Delinquent Reporting

Delinquent Parcel Information Reported as of Equalized Tax Roll of:	06/30/2022
Total Number of Delinquent Parcels:	0
Total Amount of Special Taxes Due on Delinquent Parcels:	\$0.00

Foreclosure

Date Foreclosure Commenced	Total Number of Foreclosure Parcels	Total Amount of Tax on Foreclosure Parcels
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Retired Issues



MELLO ROOS REPORT

California Debt and Investment Advisory Commission, 915 Capitol Mall,
Room 400, Sacramento, CA 95814 P.O. Box 942809, Sacramento, CA
94209-0001 Tel.: (916) 653-3269 Fax: (916) 654-7440

CDIAC # : 2022-0350
10/27/2022

Indicate Reason for Retirement:

Not Retired

Filing Contact

Filing Contact Name:

Justin Bjorgan

Agency/Organization Name:

KeyAnalytics (California Financial Services)

Address:

555 Corporate Drive, Suite 100

City:

Ladera Ranch

State:

CA

Zip Code:

92694

Telephone:

949-2821077

Fax Number:

E-mail:

jbjorgan@calschools.com

Comments

Issuer Comments:

Moreno Valley Unified School District
Riverside County
Community Facilities District No. 2019-2
Fiscal Year 2021/2022 Tax Roll Delinquent Parcel Detail Report

Assessor's Parcel Number	Tax Year	Total Delinquent	Total Special Tax Levied	Percentage Delinquent
No Parcels are Delinquent				