FISCAL YEAR 2024/25
ANNUAL SB165 COMPLIANCE REPORT

TEMECULA VALLEY UNIFIED SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 1

December 12, 2025

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SDFA

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Section 1. PURPOSE AND OVERVIEW

The purpose of this Report is to provide the Board with an overview of Community Facilities District No. 1 ("CFD No. 1") of the Temecula Valley Unified School District (the "School District" or "District"). This analysis was performed by Special District Financing & Administration, LLC ("SDFA") as the Special Tax Consultant and CFD Administrator to the District in conjunction with District staff.

A. SUMMARY OF AUTHORIZING LEGISLATION

The Mello-Roos Community Facilities Act ("Act") of 1982 came about as a response to the lack of adequate financing for public capital facilities and services in the post-Proposition 13 Era. State Senators Mello and Roos sponsored this Bill, which was enacted into law by the California Legislature and is now Sections 53311 through 53368.3 of the *California Government Code*. The Act, as amended, authorizes a local governmental agency, such as a school district or city, to form a Community Facilities District ("CFD") within a defined set of boundaries for the purposes of providing public facilities and/or services. A CFD is formed for financing purposes only and is governed by the agency that formed it. Funding is provided through the levy of voter-approved special taxes. The Act also provides that multiple agencies can join together through a Joint Community Facilities Agreement ("JCFA") to form one CFD.

B. HISTORICAL USE OF COMMUNITY FACILITY DISTRICTS AT TEMECULA VALLEY UNIFIED SCHOOL DISTRICT

Since 1990, the District has utilized the Act to form Mello-Roos Community Facilities Districts to provide for the funding of school facilities both directly and through the use of debt financing. The District has entered into JCFAs with other municipalities to allow for the formation of one CFD to fund various public facilities, such as water and sewer facilities, to be owned and operated by the controlling municipal agency.

Section 2. SUMMARY OF FORMATION PROCEEDINGS

Community Facilities District No. 1 was formed in January 2012 by the Temecula Valley Unified School District and Hemet Unified School District Joint School Facilities Authority (the "Authority"). The purpose of CFD No. 1 is to finance authorized school facilities for the District effective upon the transfer of territory within Hemet Unified School District to the District. Such transfer occurred on July 1, 2015, terminated the Authority and instating the Board of Education of the District as the legislative body of CFD No. 1.

A. FORMATION PROCEEDING ACTIONS

The following table provides a summary of actions taken by the Authority to form Community Facilities District No. 1:

TABLE I
FORMATION SUMMARY DATA

Proceedings Item	Date / Resolution No.
Resolution of Intention to Establish	07/21/2011 / Reso No. 5
Resolution of Formation	1/11/2012 / Reso No. 7
Date of Canvass of Election Results	1/11/2012
County Fund Number	68-6548-FC

B. CFD LOCATION / BOUNDARIES

CFD No. 1 is approximately 852.2 acres of the most westerly portion of the transfer area which consists of approximately 6,052.8 acres. CFD No. 1 is generally located south of Keller Road and east of Pourroy Road. Appendix A contains the adopted and recorded boundary map for Community Facilities District No. 1.

C. AUTHORIZED FACILITIES

At the time of formation, a Special Tax Report is prepared which identifies the permitted use of the special tax funds collected and the proceeds from the issuance of debt. Additional formation documents, as well as documents adopted at the time of the issuance of any debt, may add additional specifics. The repayment of any issued debt is made from the special taxes levied within CFD No. 1.

The Special Tax Report for Community Facilities District No. 1 states that facilities may include, but are not limited to, the following:

The planning, designing, acquisition, construction, leasing, expanding, improving, relocation, rehabilitation, and/or financing of interim and permanent facilities, including classrooms, multi-purpose, administration and auxiliary space at school, central support and administrative facilities and special education facilities, together with furniture, equipment and technology, needed in order to serve development occurring

within the Temecula Valley Unified School District, including the project students, as more particularly set forth in the Authority's Resolution of Intention to Establish the CFD, in addition to all land or interests in land required for the construction of such on-site or off-site facilities and all land or interests in land required to be provided by the Authority as mitigation or impacts associated with the development of such facilities.

Section 3. DEBT-ISSUANCE INFORMATION

After a CFD is formed and an acceptable amount of development occurs, the CFD may issue debt with the approval of the Board acting as the legislative body of the CFD. Many different types of debt may be issued, such as Special Tax Bonds or Certificates of Participation. The repayment of the debt is the obligation of the CFD and is not an obligation of the School District.

As of June 30, 2025, no debt had been issued by CFD No. 1.

Section 4. DEVELOPMENT AND FISCAL STATUS

A. CURRENT DEVELOPMENT STATUS

CFD No. 1 is not fully developed. As of March 1, 2025, 1,220 dwelling units are within the boundaries and classified as Developed Property. A projection of dwelling units anticipated to be built within CFD No. 1 is unknown at this time due to the status of undeveloped property. Since formation, one parcel has prepaid their special tax obligation.

B. FISCAL OVERVIEW

The special tax rates proposed to be levied in the coming fiscal year are presented to the Board annually and are set at an amount adequate to meet annual debt service requirements, cover administrative costs and fund school facilities directly from special taxes as authorized in the Rate and Method of Apportionment of Special Tax adopted at formation.

Appendix B provides a report of the funds collected and expended for Fiscal Year 2024/25. Appendix C contains the status of school facilities construction and funding which was authorized at the time of formation. This information is presented in compliance with SB165, the “Bond Accountability Act” which was codified in Government Code Sections 50075.1, 50075.3 and 50075.5. Appendix B also contains additional information which complies with Government Code Section 53343.1. The requirement to comply with Government Code Section 53343.1 is only applicable if requested by a person who resides in or owns property in CFD No. 1. To date, this information has not been requested, but is being provided here for transparency purposes.

Section 5. ADMINISTRATIVE OBLIGATIONS

This section of the Report overviews administrative obligations under which the School District has an obligation to comply.

A. CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION ("CDIAC") REPORTING OBLIGATIONS

California Government Code requires that a report entitled, Yearly Fiscal Status Report, be filed with the California Debt and Investment Advisory Commission ("CDIAC") each October for debt issued after January 1, 1993, as well as posted on the School District website on or before January 31st. In addition, CDIAC also requires an Annual Debt Transparency Report to be filed each January for debt issued after January 1, 2017. As CFD No. 1 currently has no debt outstanding, these requirements do not apply.

B. SECONDARY MARKET REPORTING REQUIREMENTS (RULE 15C2-12)

Secondary Market Reporting Requirements are applicable to certain debt issues dated after July 3, 1995. As CFD No. 1 currently has no debt outstanding, this requirement does not apply.

C. NOTICE OF SPECIAL TAX TO HOMEOWNERS

In accordance with Section 53340.2 of the Government Code, an agency will designate an office, department, or bureau to establish procedures to promptly respond to inquiries concerning current and future estimated tax liability. For purposes of enabling sellers of real property subject to the levy of special taxes to satisfy the notice requirements, the designated party will furnish a Notice of Special Tax to any individual requesting the notice within five (5) business days of receiving a request for such notice. The local agency may charge a reasonable fee for this service not to exceed ten dollars ($10.00). SDFA is the direct contact to comply with all requests for this notice as well as general questions regarding CFD No. 1.

Section 6. APPENDICES

Appendix A Boundary Map

Appendix B Fiscal Year 2024/25 Revenues and Expenditures

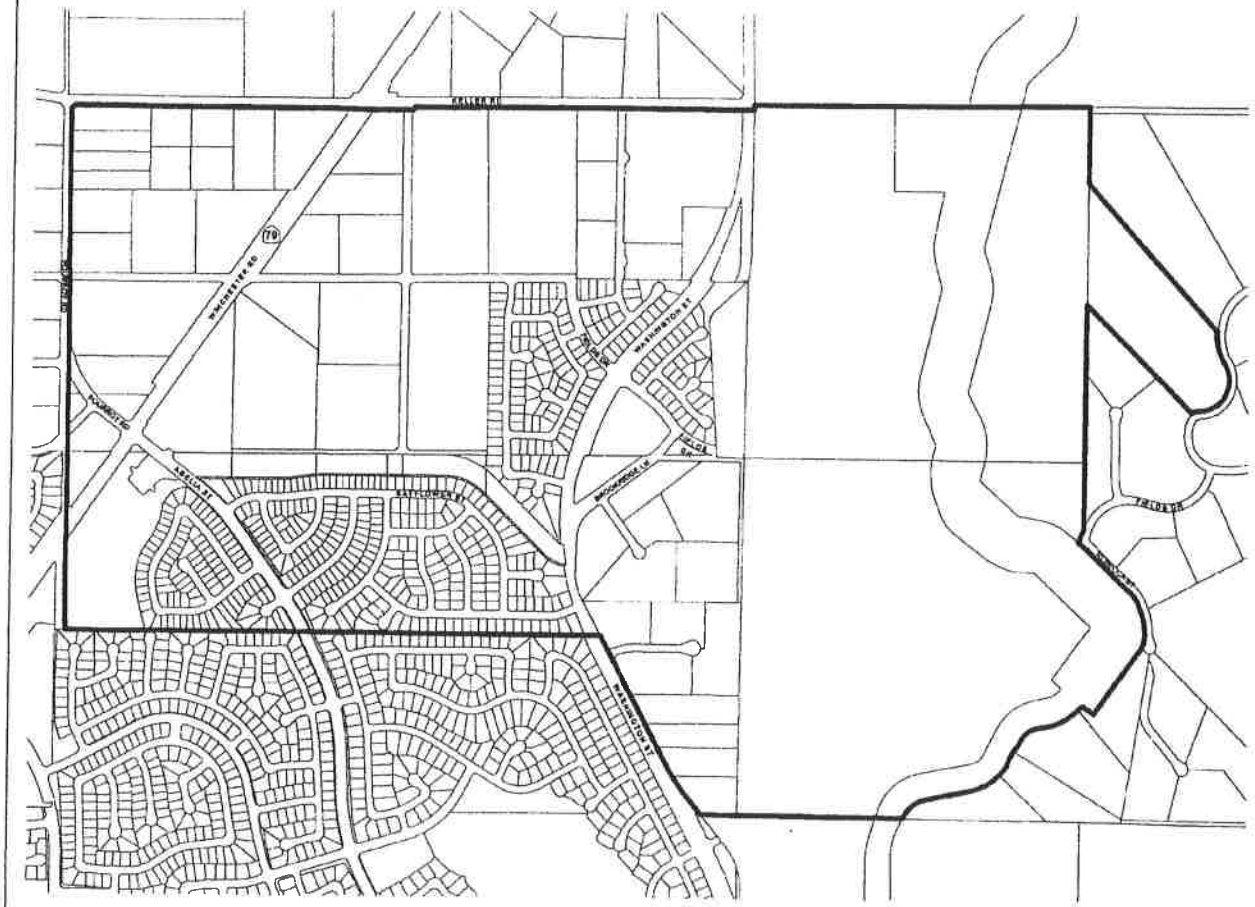
Appendix C School Facilities Construction and Funding Status

Appendix A: Boundary Map

COPY

SHEET 1 OF 3

COMMUNITY FACILITIES DISTRICT NO. 1
OF THE TVUSD/HUSD JOINT SCHOOL FACILITIES AUTHORITY
RIVERSIDE COUNTY
STATE OF CALIFORNIA



(1) Filed in the office of the Secretary of the Authority Board this 11th day of July, 2011.

Secretary of the Authority Board

(2) I hereby certify that the within map showing the boundaries of Community Facilities District No. 1 of the TVUSD/HUSD Joint School Facilities Authority, Riverside County, State of California, was approved by the Authority Board at a special meeting thereof, held on this 21st day of July, 2011, by its Resolution No. 6.

Secretary of the Authority Board

(3) Filed this 27th day of JULY, 2011, at the hour of 2:24 o'clock pm in Book 75 of Maps of Assessment and Community Facilities Districts at page 20-22 and as Instrument No. 2011-0328604, in the office of the County Recorder of Riverside County, State of California. Fee $ 14.00

County Recorder of Riverside County
Larry W. Ward - Assessor-Clerk-Recorder

Legend

- Boundary of Community Facilities District No. 1
- Assessor Parcel Boundary

Reference is hereby made to the Assessor maps of the County of Riverside for an exact description of the lines and dimensions of each lot and parcel.

COPY 75/21

COMMUNITY FACILITIES DISTRICT NO. 1
OF THE TVUSD/HUSD JOINT SCHOOL FACILITIES AUTHORITY
RIVERSIDE COUNTY
STATE OF CALIFORNIA

Assessor Parcels within Community Facilities District No. 1

| | | |

COPY 25/22

COMMUNITY FACILITIES DISTRICT NO. 1
OF THE TVUSD/HUSD JOINT SCHOOL FACILITIES AUTHORITY
RIVERSIDE COUNTY
STATE OF CALIFORNIA

Assessor Parcels within Community Facilities District No. 1

326	476-072-002	351	476-074-002	376	476-080-001	401	476-080-026	426	476-082-007	451	476-320-003	476	476-322-009	501	476-323-015	526	476-330-003	551	476-333-001	576	476-340-011	601	476-340-037								
327	476-072-003	352	476-074-003	377	476-080-002	402	476-080-027	427	476-082-008	452	476-320-004	477	476-322-010	502	476-323-016	527	476-330-004	552	476-333-002	577	476-340-012										
328	476-072-004	353	476-074-004	378	476-080-003	403	476-080-028	428	476-083-001	453	476-320-005	478	476-322-011	503	476-323-017	528	476-330-005	553	476-333-003	578	476-340-013										
329	476-072-005	354	476-074-005	379	476-080-004	404	476-080-029	429	476-083-002	454	476-321-001	479	476-322-012	504	476-323-018	529	476-330-006	554	476-333-004	579	476-340-014										
330	476-072-006	355	476-074-006	380	476-080-005	405	476-080-030	430	476-083-003	455	476-321-002	480	476-322-013	505	476-323-019	530	476-330-007	555	476-333-005	580	476-340-015										
331	476-072-007	356	476-074-007	381	476-080-006	406	476-080-031	431	476-083-004	456	476-321-003	481	476-322-014	506	476-323-020	531	476-330-008	556	476-333-006	581	476-340-016										
332	476-072-008	357	476-074-008	382	476-080-007	407	476-080-032	432	476-083-005	457	476-321-004	482	476-322-015	507	476-323-021	532	476-330-009	557	476-333-007	582	476-340-017										
333	476-072-009	358	476-074-009	383	476-080-008	408	476-080-033	433	476-083-006	458	476-321-005	483	476-322-016	508	476-323-022	533	476-330-010	558	476-333-008	583	476-340-018										
334	476-072-010	359	476-074-010	384	476-080-009	409	476-080-034	434	476-090-001	459	476-321-006	484	476-322-017	509	476-323-023	534	476-330-011	559	476-333-009	584	476-340-019										
335	476-073-001	360	476-074-011	385	476-080-010	410	476-081-001	435	476-090-002	460	476-321-007	485	476-322-018	510	476-323-024	535	476-330-012	560	476-333-010	585	476-340-020										
336	476-073-002	361	476-074-012	386	476-080-011	411	476-081-002	436	476-090-003	461	476-321-008	486	476-322-019	511	476-323-025	536	476-330-013	561	476-333-011	586	476-340-021										
337	476-073-003	362	476-075-001	387	476-080-012	412	476-081-003	437	476-090-004	462	476-321-009	487	476-323-001	512	476-323-026	537	476-330-014	562	476-333-012	587	476-340-022										
338	476-073-004	363	476-075-002	388	476-080-013	413	476-081-004	438	476-090-005	463	476-321-010	488	476-323-002	513	476-323-027	538	476-331-001	563	476-333-013	588	476-340-023										
339	476-073-005	364	476-075-003	389	476-080-014	414	476-081-005	439	476-090-006	464	476-321-011	489	476-323-003	514	476-323-028	539	476-331-002	564	476-333-014	589	476-340-024										
340	476-073-006	365	476-075-004	390	476-080-015	415	476-081-006	440	476-090-007	465	476-321-012	490	476-323-004	515	476-323-029	540	476-331-003	565	476-333-015	590	476-340-025										
341	476-073-007	366	476-075-005	391	476-080-016	416	476-081-007	441	476-090-008	466	476-321-013	491	476-323-005	516	476-323-030	541	476-331-004	566	476-340-001	591	476-340-026										
342	476-073-008	367	476-075-006	392	476-080-017	417	476-081-008	442	476-090-009	467	476-321-014	492	476-323-006	517	476-323-031	542	476-331-005	567	476-340-002	592	476-340-027										
343	476-073-009	368	476-075-007	393	476-080-018	418	476-081-009	443	476-090-010	468	476-322-001	493	476-323-007	518	476-323-032	543	476-331-006	568	476-340-003	593	476-340-028										
344	476-073-010	369	476-075-008	394	476-080-019	419	476-081-010	444	476-090-011	469	476-322-002	494	476-323-008	519	476-323-033	544	476-331-007	569	476-340-004	594	476-340-029										
345	476-073-011	370	476-075-009	395	476-080-020	420	476-082-001	445	476-090-012	470	476-322-003	495	476-323-009	520	476-323-034	545	476-331-008	570	476-340-005	595	476-340-030										
346	476-073-012	371	476-075-010	396	476-080-021	421	476-082-002	446	476-090-013	471	476-322-004	496	476-323-010	521	476-323-035	546	476-332-001	571	476-340-006	596	476-340-031										
347	476-073-013	372	476-075-011	397	476-080-022	422	476-082-003	447	476-090-014	472	476-322-005	497	476-323-011	522	476-323-036	547	476-332-002	572	476-340-007	597	476-340-032										
348	476-073-014	373	476-075-012	398	476-080-023	423	476-082-004	448	476-090-015	473	476-322-006	498	476-323-012	523	476-323-037	548	476-332-003	573	476-340-008	598	476-340-033										
349	476-073-015	374	476-075-013	399	476-080-024	424	476-082-005	449	476-320-001	474	476-322-007	499	476-323-013	524	476-330-001	549	476-332-004	574	476-340-009	599	476-340-034										
350	476-074-001	375	476-075-014	400	476-080-025	425	476-082-006	450	476-320-002	475	476-322-008	500	476-323-014	525	476-330-002	550	476-332-005	575	476-340-010	600	476-340-035										

Reference is hereby made to the Assessor maps of the County of Riverside for an exact description of the lines and dimensions of each lot and parcel.

Appendix B: Fiscal Year 2024/25 Revenues and Expenditures

Appendix B

Temecula Valley Unified School District
Community Facilities District No. 1
Revenues and Expenditures

	Fiscal Year 2024/25
Beginning Balance (July 1st):	$945,058.59
Revenue:	
Special Taxes Collected[(1)]	$951,676.16
Interest Earnings[(2)]	$48,780.42
Total Revenue	$1,000,456.58
Expenditures:	
Facilities	$0.00
Bonded Indebtedness	
Principal	$0.00
Interest	$0.00
Administration	
Cost of Collection[(3)]	$50,000.00
Other	$11,295.84
Total Expenditures	$61,295.84
Ending Balance (June 30th)[(4)]:	$1,884,219.33

Footnotes:

(1) Represents the total amount of special taxes received from the County of Riverside along with the payment of delinquent special taxes directly to the CFD. These payments may include interest earnings on current year special tax payments, as well as penalties and interest on delinquent prior year special taxes paid.

(2) Includes interest earned and accrued interest paid on investments.

(3) Cost of Collection includes: the administrative expenses of the School District, the cost of an independent financial consultant, bank fees and charges, as well as the cost of legal fees as needed or required. The Cost of Collection does not include the cost of placing the levy onto the roll of the County of Riverside as these charges are collected by the County as a reduction in the amount of special taxes received annually.

(4) See Page 2 for balance details by account.

Appendix B

Temecula Valley Unified School District
Community Facilities District No. 1
Fiscal Year End Balances by Account[1]

	Fiscal Year 2024/25
Funds and Accounts as of June 30th:	
Special Tax Fund	$0.00
Principal Account	$0.00
Interest Account	$0.00
Bond Proceeds: School Facilities Account	$0.00
Administrative Expense Fund	$0.00
Direct Funding: School Facilities Account [2]	$1,884,219.33
Reserve Fund	$0.00
Escrow Fund	$0.00
Ending Balance (June 30th)	$1,884,219.33

Footnotes:

(1) No debt has been issued which is secured by the special taxes of this CFD. All funds are held by the District.

(2) Direct funding of School Facilities represents special tax funds annually deposited from the levy of special taxes in excess of debt service and required administration. Use of such funds is described in Appendix C.

Appendix C: School Facilities Construction and Funding Status

Appendix C

Temecula Valley Unified School District
Community Facilities District No. 1
School Facilities Construction and Funding Status

Projects Authorized and Funded through the Issuance of Debt

No debt has been issued.

Projects Authorized and Funded Directly from Special Taxes

Project Funding from Direct Funding: Activity and Balance	Fiscal Year 2024/25
Beginning Balance (July 1st)	945,058.59
Deposits[(1)]	1,000,456.58
Expenditures	61,295.84
Ending Balance (June 30th)	$1,884,219.33

Fiscal Year 2024/25 Projects Authorized and Funded through Direct Funding:

Site	Description	Status	Approx. % of Total

No expenditures - Fiscal Year 2024/25

Projected Projects Authorized and Funded through Fund Balances:

The above identified fund balances will be used to directly or indirectly benefit property within the CFD. Identified balances have not yet been dedicated but have been found to be needed to mitigate the impact of the development on school facilities. See the 2021 School Facilities Master Plan as to possible projects to be funded when adequate funding is available.

Footnote:

(1) Represents the Special Taxes collected less expenditures within the fiscal year, both as described in Appendix B, including interest earnings and accrued interest paid. This total does not match the net change in total fund balance shown in Appendix B due to ending balances held in individual funds.