# FISCAL YEAR 2024/25
# ANNUAL SB165 COMPLIANCE REPORT

# TEMECULA VALLEY UNIFIED SCHOOL DISTRICT
# COMMUNITY FACILITIES DISTRICT NO. 2004-1 IA-B

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. 2004-1 IA-B ("CFD No. 2004-1 IA-B") 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. 2004-1 IA-B was formed in October 2004 to finance authorized school facilities. CFD No. 2004-1 was created with two improvement areas, improvement area A and improvement area B. This SB165 Report covers only Improvement Area B or CFD No. 2004-1 IA-B.

## A. FORMATION PROCEEDING ACTIONS

The following table provides a summary of actions taken by the Board of the School District to form Community Facilities District No. 2004-1 IA-B:

**TABLE I**
**FORMATION SUMMARY DATA**

| Proceedings Item | Date / Resolution No. |
|---|---|
| Resolution of Intention to Establish | 8/17/2004 / Reso No. 2004-05/06 |
| Resolution of Formation | 10/05/2004 / Reso No. 2004-05/15 |
| Date of Special Election | 10/05/2004 |
| County Fund Number | 68-6545-FC |

## B. CFD LOCATION / BOUNDARIES

CFD No. 2004-1 IA-B encompasses six residential neighborhoods within a portion of the master-planned community of Wolf Creek. Wolf Creek is located in the City of Temecula along the northeast side of Pechanga Parkway, extending southeasterly from Loma Linda Road to Deer Hollow Way. Appendix A contains the originally adopted and recorded boundary map for Community Facilities District No. 2004-1.

## 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 the CFD.

The special tax revenues collected within CFD No. 2004-1 IA-B are authorized to fund school facilities necessary to meet increased demands placed upon the School District as a result of development within CFD No. 2004-1 IA-B. The Special Tax Report for Community Facilities District No. 2004-1 IA-B states that these School Facilities may include, but are not limited to, the following:

> New elementary, middle and high school facilities, central administration and support facilities as well as interim facilities, as necessary, including modernization thereof, if necessary, together with land and all necessary

equipment with an estimated useful life of five (5) years or longer to serve the properties within CFD No. 2004-1 IA-B to house grades K through 12. Costs include site purchase and preparation, design, utility connection, general site development, facility construction, incidentals, and financing.

# 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.

In July 2011, Special Tax Bonds were issued as two series. Series A were issued as Qualified School Construction Bonds and Series B were issued as Federally Taxable Bonds. The following table shows the 2011 Special Tax Bond issuance information for both Series A and B of CFD No. 2004-1 IA-B.

**TABLE II**
**DEBT-ISSUANCE INFORMATION**

| Proceedings Item | 2011 Special Tax Bonds |
|---|---|
| Dated Date of Bonds (Series A and B) | 07/07/2011 |
| Final Maturity Date - Series A | 07/01/2027 |
| Final Maturity Date - Series B | 09/01/2028 |
| Bond Issue Amount – Series A | $13,085,000 |
| Bond Issue Amount – Series B | $1,675,000 |
| School Facilities Proceeds – Series A | $12,824,153 |
| School Facilities Proceeds – Series B | $0.00* |
| Interest Rate Range – Series A | 2.91% to 8.61% |
| Interest Rate Range – Series B | 8.61% to 8.71% |
| Originally Calculated Yield – Series A | 2.68% |
| Originally Calculated Yield – Series B | 8.67% |
| Payment Dates | March 1 & September 1 |
| Subject to Arbitrage Calculation | Yes |

* Funded a portion of the cost of issuance, underwriter's discount and the reserve fund for both Series A and B.

Appendix C provides information on the use of the funds deposited into the school facilities account from the sale of bonds. As of July 1, 2025, $4,110,000 of principal remains outstanding.

# Section 4. DEVELOPMENT AND FISCAL STATUS

## A. CURRENT DEVELOPMENT STATUS

CFD No. 2004-1 IA-B is considered fully developed as to residential property. As of March 1, 2012, 1,052 building permits have been issued and therefore classified as Developed Property. A proposed commercial parcel (APN: 962-010-007) remains undeveloped. To date, no lots have had the special tax obligation fully or partially prepaid and permanently satisfied.

## 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. 2004-1 IA-B. 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. The outstanding Temecula Valley Unified School District Community Facilities District No. 2004-1 IA-B Special Tax Bonds issued in July 2011 are subject only to the filing of the Yearly Fiscal Status Report. The School District is in compliance with this requirement and such report is available on the School District's website at https://www.tvusd.k12.ca.us/domain/10996.

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

Secondary Market Reporting Requirements are applicable to certain debt issues dated after July 3, 1995. The Temecula Valley Unified School District Community Facilities District No. 2004-1 IA-B Special Tax Bonds issued in July 2011 are subject to this requirement. The School District is in compliance with this requirement and has timely posted the required data onto the Municipal Securities Rulemaking Board website, "EMMA" (Electronic Municipal Market Access) as required.

## 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. 2004-1 IA-B.

# 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

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SHEET 1 OF 1

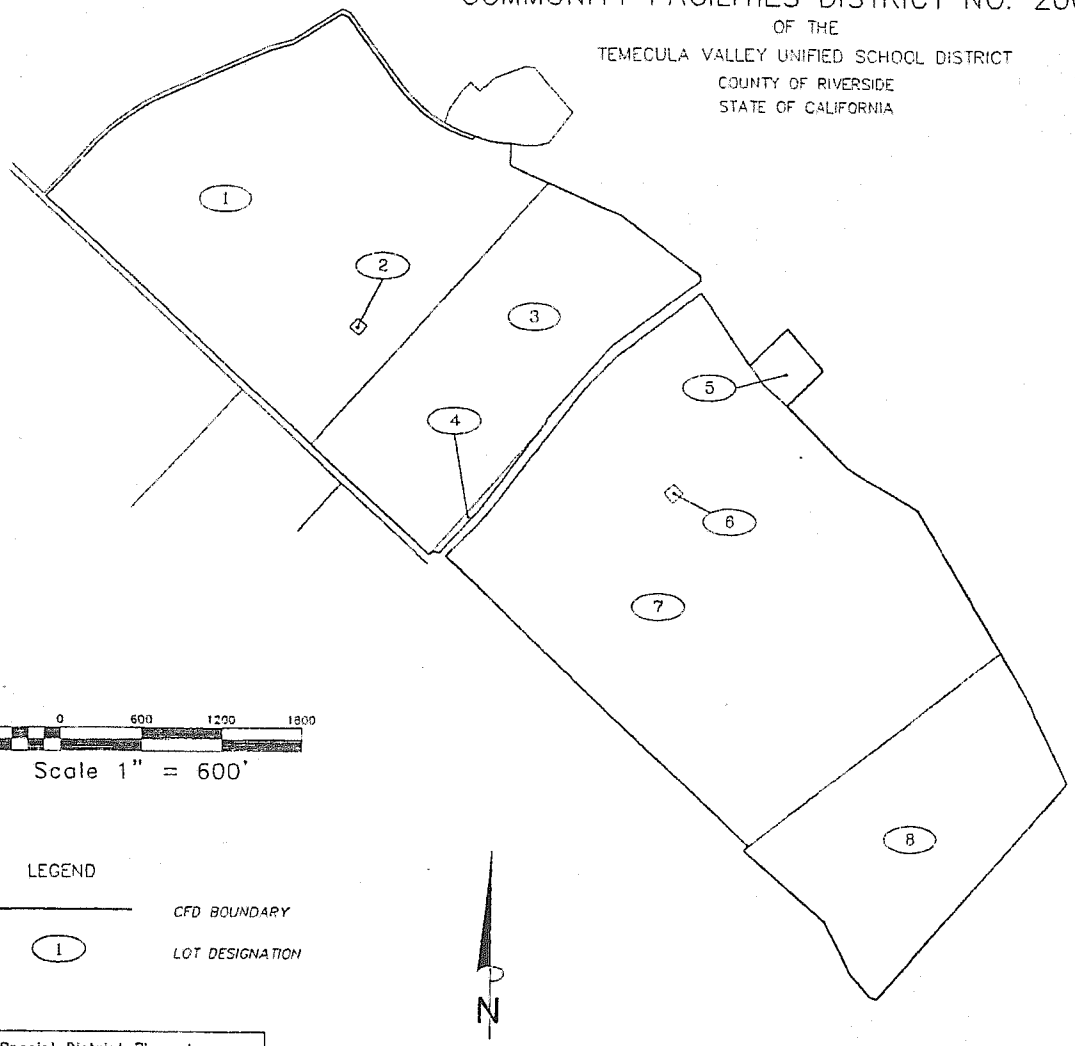
# PROPOSED BOUNDARY MAP OF COMMUNITY FACILITIES DISTRICT NO. 2004-1

OF THE

TEMECULA VALLEY UNIFIED SCHOOL DISTRICT

COUNTY OF RIVERSIDE

STATE OF CALIFORNIA




600 0 600 1200 1800

Scale 1" = 600'

LEGEND

CFD BOUNDARY

(1) LOT DESIGNATION

LOT DESIGNATION

| LOT NO. | IMPROVEMENT AREA | ASSESSOR'S PARCEL NUMBER |
|---|---|---|
| 1 | IMP. AREA A | 961-020-001 |
| 2 | IMP. AREA A | 961-020-002 |
| 3 | IMP. AREA A | 961-020-003 |
| 4 | IMP. AREA A | 961-020-004 |
| 5 | IMP. AREA B | 962-010-001 |
| 6 | IMP. AREA B | 962-010-002 |
| 7 | IMP. AREA B | 962-010-003 |
| 8 | IMP. AREA B | 962-010-004 |

FILED IN THE OFFICE OF THE SECRETARY OF THE BOARD OF EDUCATION OF THE TEMECULA VALLEY UNIFIED SCHOOL DISTRICT THIS 5th DAY OF AUGUST, 2004.

DAVID B. ALLMEN
SECRETARY OF THE BOARD OF EDUCATION
TEMECULA VALLEY UNIFIED SCHOOL DISTRICT
STATE OF CALIFORNIA

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING THE PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 2004-1, RIVERSIDE COUNTY, STATE OF CALIFORNIA, WAS APPROVED BY THE BOARD OF EDUCATION OF THE TEMECULA VALLEY UNIFIED SCHOOL DISTRICT AT A REGULAR MEETING THEREOF, HELD ON THE 12TH DAY OF AUGUST, 2004, BY ITS RESOLUTION NO. 2004-05/08.

DAVID B. ALLMEN
SECRETARY OF THE BOARD OF EDUCATION
TEMECULA VALLEY UNIFIED SCHOOL DISTRICT
STATE OF CALIFORNIA

FILED THIS 20th DAY OF August, 2004, AT THE HOUR OF 8:00 O'CLOCK A.M. IN BOOK 57 PAGE 85 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AND AS INSTRUMENT NO. 2004-0641351, IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY, STATE OF CALIFORNIA.

GARY L. ORSO
COUNTY RECORDER OF RIVERSIDE COUNTY

NOTE: FOR PARTICULARS OF LINES AND DIMENSIONS OF ASSESSOR'S PARCELS, REFERENCE IS MADE TO THE RIVERSIDE COUNTY ASSESSOR'S PARCEL MAPS.

Special District Financing & Administration
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(03-008 AUGUST 2003)

# Appendix B: Fiscal Year 2024/25 Revenues and Expenditures

**Appendix B**

Temecula Valley Unified School District
**Community Facilities District No. 2004-1 IA-B**
Revenues and Expenditures

| | Fiscal Year 2024/25 |
|---|---|
| Beginning Balance (July 1st): | 3,639,644.39 |
| Revenue: | |
| Special Taxes Collected[(1)] | 1,402,068.48 |
| Interest Earnings[(2)] | 35,335.07 |
| Tax Subsidy (US Treasury) | 139,597.38 |
| Sweep | 0.00 |
| Total Revenue | $1,577,000.93 |
| Expenditures: | |
| Facilities | 317,615.96 |
| Bonded Indebtedness | |
| Principal | 940,000.00 |
| Interest | 391,133.82 |
| Administration | |
| Cost of Collection[(3)] | 93,249.65 |
| Other | 0.00 |
| Total Expenditures | $1,741,999.43 |
| Ending Balance (June 30th)[(4)]: | $3,474,645.89 |

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. 2004-1 IA-B**
Fiscal Year End Balances by Account[1]

| | Fiscal Year 2024/25 |
|---|---|
| **Funds and Accounts as of June 30th:** | |
| Special Tax Fund | 1,277,661.14 |
| Principal Account | 0.00 |
| Interest Account | 174,118.88 |
| Bond Proceeds: School Facilities Account | 0.00 |
| Administrative Expense Fund | 4,756.52 |
| Direct Funding: School Facilities Account [2] | 618,022.24 |
| Reserve Fund | 1,400,087.11 |
| Escrow Fund | 0.00 |
| Ending Balance (June 30th) | $3,474,645.89 |

Footnotes:

(1) All funds are held by US Bank acting as Fiscal Agent for the District, except the School Facilities Account for Direct Funding.

(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. 2004-1 IA-B**
School Facilities Construction and Funding Status

## Projects Authorized and Funded through the Issuance of Debt

| **Project Funding from Proceeds: Activity and Balance** | Fiscal Year 2024/25 |
|---|---|
| Beginning Balance (July 1st) | 0.00 |
| Deposits (Interest, Accrued Interest, Etc.) | 0.00 |
| Expenditures | 0.00 |
| Ending Balance (June 30th) | $0.00 |

**Summary of Projects Authorized and Funded through Debt Issuance:**

| Site | Description | Status | Approx. % of Total |
|---|---|---|---|
| Temecula Valley HS | Theater Project | Complete | 87% |

## Projects Authorized and Funded Directly from Special Taxes

| **Project Funding from Direct Funding: Activity and Balance** | Fiscal Year 2024/25 |
|---|---|
| Beginning Balance (July 1st) | 765,038.48 |
| Deposits[(1)] | 170,599.72 |
| Expenditures | 317,615.96 |
| Ending Balance (June 30th) | $618,022.24 |

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

| Site | Description | Status | Approx. % of Total |
|---|---|---|---|
| Margarita Middle School | Modernization | To Be Determined | |

**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.