FISCAL YEAR 2024/25
ANNUAL SB165 COMPLIANCE REPORT

TEMECULA VALLEY UNIFIED SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2018-1

December 12, 2025

Prepared For:
Amber Perez
Director of Facilities Development
Temecula Valley Unified School District
31350 Rancho Vista Road
Temecula, CA 92592

Prepared By:
Special District Financing &
Administration
27201 Puerta Real #260
Mission Viejo, CA 92691

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. 2018-1 ("CFD No. 2018-1") 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. 2018-1 was formed in February 2018 to finance authorized school facilities.

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. 2018-1:

TABLE I
FORMATION SUMMARY DATA

Proceedings Item	Date / Resolution No.
Resolution of Intention to Establish	1/16/2018 / Reso No. 2017-18/18
Resolution of Formation	2/20/2018 / Reso No. 2017-18/30
Date of Special Election	2/20/2018
County Fund Number	68-0097-FC

B. CFD LOCATION / BOUNDARIES

CFD No. 2018-1 consists of two non-contiguous single-family residential subdivisions. The first is located in an unincorporated area of Riverside County known as French Valley. The second is located in the City of Temecula. Appendix A contains the adopted and recorded boundary map for Community Facilities District No. 2018-1.

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. 2018-1.

(a) K-12 school sites and facilities, including lease rental payments therefore relates to the acquisition of land, or interests in land required for the construction of such on-site or offsite facilities, including, but not limited to, buildings, appurtenances, athletic fields, playgrounds and improvements thereto, as well as portable or relocatable buildings or interim additions to existing buildings at such facilities.

(b) Modernization, rehabilitation, relocation and expansion of existing facilities and related infrastructure.

(c) Central support, administrative facilities, special education facilities and transportation facilities, including, but not by way of limitation, buses and vehicles.

(d) Furniture, equipment and technology, including technology upgrades and mobile devices and infrastructure therefore, with a useful life of at least five (5) years at such School Facilities.

(e) The costs attributable to planning, engineering, designing, leasing, financing, acquiring, expanding, relocating, rehabilitating, or constructing (or any combination thereof) of School Facilities (including, without limitation, construction management, inspection, materials testing, and construction staking); any "debt," as defined in Government Code Section 53317(d); the costs to issue and sell any such debt (including, without limitation, underwriters discount, appraisals, market studies, reserve fund, capitalized interest, bond counsel, special tax consultant, bond trustee or fiscal agent, bond and official statement printing, and administrative expenses of the District and/or CFD No. 2018-1), and all other incidental expenses.

The facilities shall be constructed, whether or not acquired in their completed states, pursuant to plans and/or specifications approved by the District. The facilities described in this Exhibit are representative of the types of improvements to be funded or financed by the CFD No. 2018-1. Addition, deletion or modification of facilities may be made consistent with the requirements of the District, CFD No. 2018-1, and the Mello-Roos Act.

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 May 2019, Special Tax Bonds were issued. The following table shows the 2019 Special Tax Bond issuance information for CFD No. 2018-1.

TABLE II
DEBT-ISSUANCE INFORMATION

Proceedings Item	2019 Special Tax Bonds
Dated Date of Bonds	06/13/2019
Final Maturity Date	09/01/2049
Bond Issue Amount	$2,195,000.00
School Facilities Proceeds	$2,004,909.97
Interest Rate Range	3.00% to 5.00%
Calculated Yield	3.01%
Payment Dates	March 1 & September 1
Subject to Arbitrage Calculation	Yes

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, $1,965,000 of principal remains outstanding.

Section 4. DEVELOPMENT AND FISCAL STATUS

A. CURRENT DEVELOPMENT STATUS

CFD No. 2018-1 is fully developed. As of March 1, 2020, 105 building permits have been issued and therefore classified as Developed Property. 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. 2018-1. 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. The outstanding Temecula Valley Unified School District Community Facilities District No. 2018-1 2019 Special Tax Bonds issued in June 2019 are subject to both the filing of the Yearly Fiscal Status Report and the Annual Debt Transparency 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. 2018-1 2019 Special Tax Bonds issued in June 2019 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. 2018-1.

Section 6. APPENDICES

Appendix A Boundary Map

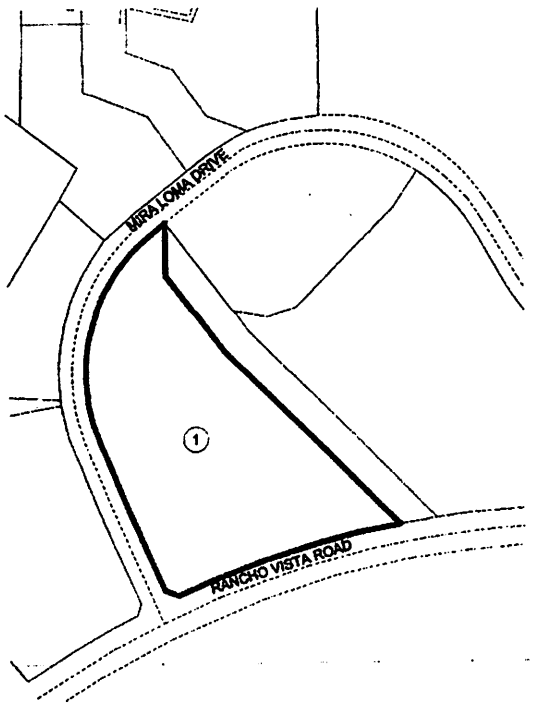
Appendix B Fiscal Year 2024/25 Revenues and Expenditures

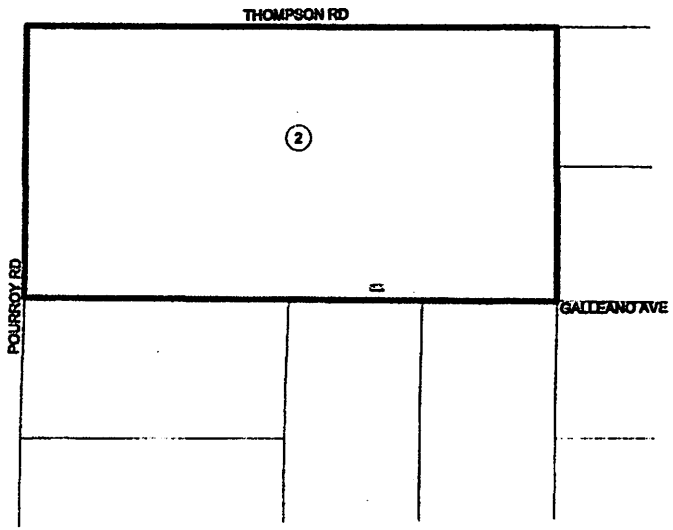
Appendix C School Facilities Construction and Funding Status

Appendix A: Boundary Map

PROPOSED BOUNDARY MAP OF
TEMECULA VALLEY UNIFIED SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2018-1

COUNTY OF RIVERSIDE
STATE OF CALIFORNIA





FILED IN THE OFFICE OF THE CLERK OF THE BOARD OF EDUCATION OF THE TEMECULA VALLEY UNIFIED SCHOOL DISTRICT THIS 3rd DAY OF January, 2018.

CLERK OF THE BOARD OF EDUCATION
TEMECULA VALLEY UNIFIED SCHOOL DISTRICT
STATE OF CALIFORNIA

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING THE BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 2018-1, 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 10th DAY OF January 2018, BY ITS RESOLUTION NO. 2017-18/20.

CLERK OF THE BOARD OF EDUCATION
TEMECULA VALLEY UNIFIED SCHOOL DISTRICT
STATE OF CALIFORNIA

FILED THIS 22nd DAY OF JANUARY, 2018, AT THE HOUR OF 10:52 O'CLOCK A M. IN BOOK 81 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGES 97, AND AS INSTRUMENT NO. 2018-0024191, IN THE OFFICES OF THE COUNTY RECORDER OF RIVERSIDE COUNTY, STATE OF CALIFORNIA.
FEE: $ 54.-

BY: Maria Steven S. Olmos, DEPUTY
COUNTY RECORDER OF THE COUNTY OF RIVERSIDE
PETER ALDANA

LEGEND:

(1) LOT NUMBER

COMMUNITY FACILITIES DISTRICT BOUNDARY

LOT DESIGNATION			
LOT NO.	ASSESSOR'S PARCEL NO.	TRACT NO.	LOCATION
1	944-050-008	33584	CITY OF TEMECULA
2	964-010-001	35161	COUNTY OF RIVERSIDE

200 0 200 400
Scale in Feet

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

SHEET	1 OF 1
DATE	JANUARY 2018
JOB NO.	CFD 2018-1

SDFA
SPECIAL DISTRICT FINANCING & ADMINISTRATION

437 WEST GRAND AVENUE
ESCONDIDO, CALIFORNIA 92025
TELEPHONE: (760)233-2630
FAX: (760)233-2631

Appendix B: Fiscal Year 2024/25 Revenues and Expenditures

Appendix B

Temecula Valley Unified School District
Community Facilities District No. 2018-1
Revenues and Expenditures

	Fiscal Year 2024/25
Beginning Balance (July 1st):	$427,652.17
Revenue:	
Special Taxes Collected[(1)]	193,256.15
Interest Earnings[(2)]	1,578.80
Total Revenue	$194,834.95
Expenditures:	
Facilities	0.00
Bonded Indebtedness	
Principal	50,000.00
Interest	92,131.28
Administration	
Cost of Collection[(3)]	26,385.85
Other	0.00
Total Expenditures	$168,517.13
Ending Balance (June 30th)[(4)]:	$453,969.99

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. 2018-1
Fiscal Year End Balances by Account[1]

	Fiscal Year 2024/25
Funds and Accounts as of June 30th:	
Special Tax Fund	144,910.18
Principal Account	0.07
Interest Account	7.24
Bond Proceeds: School Facilities Account	0.00
Administrative Expense Fund	12,983.45
Direct Funding: School Facilities Account [2]	36,894.35
Reserve Fund	143,636.00
Residual Fund [2]	115,538.70
Escrow Fund	0.00
Ending Balance (June 30th)	$453,969.99

Footnotes:

(1) All funds are held by US Bank acting as Fiscal Agent for the District, except for a portion of the School Facilities Account for Direct Funding which represents special taxes received in excess of annual administration expenses prior to the issuance of debt.

(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. 2018-1
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
Summit Academy TK-8 Phase 1	New Construction	Complete	3%
Vail ES	BASES	Complete	21%

Projects Authorized and Funded Directly from Special Taxes

Project Funding from Direct Funding: Activity and Balance	Fiscal Year 2024/25
Beginning Balance (July 1st)	121,908.10
Deposits[(1)]	30,524.95
Expenditures	0.00
Ending Balance (June 30th)	$152,433.05

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.