FISCAL YEAR 2024/25
ANNUAL SB165 COMPLIANCE REPORT

TEMECULA VALLEY UNIFIED SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2021-1

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. 2021-1 ("CFD No. 2021-1") 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. 2021-1 was formed in December 2021 by the Temecula Valley Unified School District. The purpose of CFD No. 2021-1 is 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. 2021-1:

TABLE I
FORMATION SUMMARY DATA

Proceedings Item	Date / Resolution No.
Resolution of Intention to Establish	11/09/2021 / Reso No. 18
Resolution of Formation	12/14/2021 / Reso No. 25
Date of Canvass of Election Results	12/14/2021
County Fund Number	68-0432-FC

B. CFD LOCATION / BOUNDARIES

CFD No. 2021-1 is to be composed of approximately 14.59 gross acres. CFD No. 2021-1 presently includes property within the unincorporated County of Riverside and is located south of Winchester Road and east of McColery Road Appendix A contains the adopted and recorded boundary map for Community Facilities District No. 2021-1.

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. 2021-1.

The Special Tax Report for Community Facilities District No. 2021-1 states that facilities may include, but are not limited to, the following:

1. The Any school facility or facilities to accommodate development with an estimated useful life of five (5) years or longer needed by the Temecula Valley Unified School District ("School District"), including, without limitation: sites including TK-12 and special education sites; on-site and off-site improvements including landscaping, access roadways, drainage, sidewalks and gutters, utility lines, playground areas and equipment; facilities including acquisition of land, construction of buildings, classrooms, appurtenances, athletic fields, recreational facilities, multi-purpose facilities, on-site school offices and other administrative spaces, central support

facilities, administrative facilities, transportation facilities, portable or relocatable buildings, interim student housing, interim additions to existing buildings, and improvements thereto; including, without limitation: construction management, inspection, materials testing and construction staking, the cost of planning, permitting, approving, and designing the facilities (including the cost of environmental evaluation, orthophotography, environmental remediation/mitigation, and compliance); land acquisition and easement payments for authorized Public Facilities; engineering studies and preparation of an engineer's report for the use of recycled water; utility relocation and demolition costs incidental to the construction of the Public Facilities any other expenses incidental to the construction, completion, and inspection of the facilities and related expenses associated with the Public Facilities and any of the foregoing; furnishings and equipment (including, to the extent permitted by law, vehicles, buses and technology equipment, mobile devices and infrastructure including modernization, rehabilitation, expansion and technology upgrades and infrastructure.)

2. Any Eastern Municipal Water District (“EMWD”) water and sewer facilities and fees, which include any of the following: funding of sewer and water capacity and connection fees payable to EMWD to be used by EMWD to construct facilities; and the construction, acquisition, modification, expansion or rehabilitation of sewer system facilities and water system facilities to be owned, operated and maintained by EMWD, including capacity in existing facilities; all in accordance with an EMWD JCFA entered into under the Act, and to the extent permitted by law.

3. In addition to the above, other incidental expenses are authorized to be financed by CFD No. 2021-1 as authorized by the Act, including but not limited to: CFD formation, administration, and bond issuance cost (“debt” as defined by Government Code Section 53317(d). These cost may include but are not limited to the determination of the amount of taxes, collection of taxes, payment of taxes or costs otherwise incurred to carry out the authorized purposes of CFD No. 2021-1; reimbursements to other areas for infrastructure facilities or planning purposes serving development in CFD No. 2021-1; and including, without limitation, the fees and expenses of any consultants to the District, including a special tax consultant, legal counsel, municipal advisor and any other consultant deemed reasonably necessary or advisable by the District, as well as any and all other actual reasonable costs and expenses incurred by the District; the costs to issue and sell any debt (including, without limitation, underwriters discount, appraisals, market studies, reserve fund, capitalized interest, financial advisor, bond counsel, special tax consultant, bond trustee or fiscal agent, bond and official statement printing and administrative expenses of the School District and/or CFD No. 2021-1; and all other incidental expenses).

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 August 2024, Special Tax Bonds, Series 2024 were issued. The following table shows the Special Tax Bonds, Series 2024 issuance information for CFD 2021-1.

TABLE II
DEBT-ISSUANCE INFORMATION

Proceedings Item	Special Tax Bonds, Series 2024
Dated Date of Bonds	08/15/2014
Final Maturity Date	09/01/2054
Bond Issue Amount	$4,790,000
School Facilities Proceeds	$2,912,728.61
Interest Rate Range	5.00%
Calculated Yield	4.34%
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, $4,790,000 of principal remains outstanding.

Section 4. DEVELOPMENT AND FISCAL STATUS

A. CURRENT DEVELOPMENT STATUS

CFD No. 2021-1 is fully developed. As of March 1, 2025, 180 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. 2021-1. 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. 2021-1 2024 Special Tax Bonds issued in August 2024 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. 2021-1 2024 Special Tax Bonds issued in August 2024 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. 2021-1.

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

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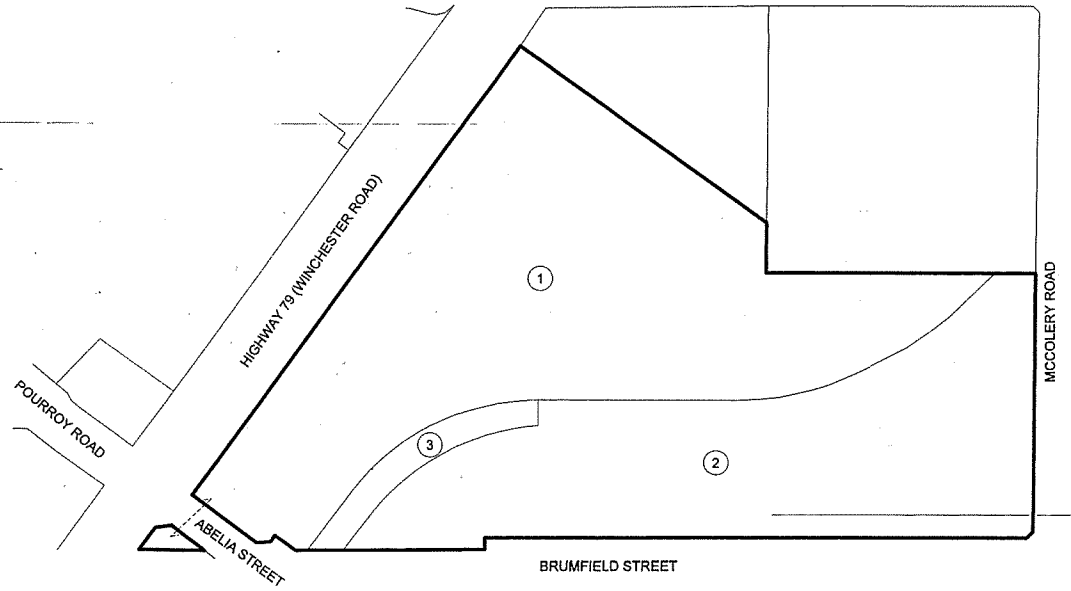
PROPOSED BOUNDARY MAP OF
TEMECULA VALLEY UNIFIED SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2021-1

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 22nd DAY OF October, 2021.

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. 2021-1, 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 9th DAY OF November 2021, BY ITS RESOLUTION NO. 2021-22/20

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

FILED THIS 18 DAY OF November, 2021, AT THE HOUR OF 3:10 O'CLOCK P M. IN BOOK 87 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGES 90, AND AS INSTRUMENT NO. 2021-0688283, IN THE OFFICES OF THE COUNTY RECORDER OF RIVERSIDE COUNTY, STATE OF CALIFORNIA.
FEE: $ 9

Deputy
COUNTY RECORDER OF THE COUNTY OF RIVERSIDE
Peter Aldana, Assessor-Clerk-Recorder

LEGEND:

(1) LOT NUMBER

COMMUNITY FACILITIES DISTRICT BOUNDARY

LOT DESIGNATION	
LOT NO.	ASSESSOR'S PARCEL NO.
1	476-010-072
2	476-010-073
3	476-010-074

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.

SDFA
SPECIAL DISTRICT FINANCING & ADMINISTRATION

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

SHEET	1 OF 1
DATE	SEPTEMBER 2021
JOB NO.	TVCFD 2021-1

Appendix B: Fiscal Year 2024/25 Revenues and Expenditures

Appendix B

Temecula Valley Unified School District
Community Facilities District No. 2021-1
Revenues and Expenditures

	Fiscal Year 2024/25
Beginning Balance (July 1st):	$2,975,595.82
Revenue:	
Special Taxes Collected[(1)]	319,766.13
Mitigated Developer Fees	
Prior Mitigated Developer Fees	
Interest Earnings[(2)]	158,407.40
Bond Proceeds	
Total Revenue	$478,173.53
Expenditures:	
Facilities	1,441,910.69
Bonded Indebtedness	
Principal	0.00
Interest	130,394.44
Administration	
Cost of Collection[(3)]	353,566.86
Other	12,145.15
Misc - refunding of mitigated fees	
Other-pay out of mitigated feed	
Total Expenditures	$1,938,017.14
Ending Balance (June 30th)[(4)]:	$1,515,752.21

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. 2021-1
Fiscal Year End Balances by Account[1]

	Fiscal Year 2024/25
Funds and Accounts as of June 30th:	
Special Tax Fund	189,757.83
Principal Account	0.00
Interest Account	0.00
Bond Proceeds: School Facilities Account	3,029,548.35
Administrative Expense Fund	0.00
Direct Funding: School Facilities Account [2]	187,606.97
EMWD Facilities Construction Fund	
Reserve Fund	335,196.86
Costs of Issuance Account	
Escrow Fund	0.00
Ending Balance (June 30th)	$3,742,110.01

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, required administration, and investment earnings. 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. 2021-1
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
Bond Proceeds	2,912,728.61
Deposits (Interest, Accrued Interest, Etc.)	116,819.74
Expenditures	0.00
Ending Balance (June 30th)	$3,029,548.35

Summary of Projects Authorized and Funded through Debt Issuance:

No projects authorized and funded

Projects Authorized and Funded Directly from Special Taxes

Project Funding from Direct Funding: Activity and Balance	Fiscal Year 2024/25
Beginning Balance (July 1st)	174,312.02
Deposits[(1)]	13,294.95
Expenditures	0.00
Ending Balance (June 30th)	$187,606.97

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.