

CAPISTRANO UNIFIED SCHOOL DISTRICT
San Juan Capistrano, California

RESOLUTION NO. 2324-18

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE CAPISTRANO
UNIFIED SCHOOL DISTRICT APPROVING THE ANNUAL AND FIVE
YEAR REPORTABLE FEES REPORT FOR FISCAL YEAR 2022-2023, IN
COMPLIANCE WITH GOVERNMENT CODE § 66006 AND § 66001**

WHEREAS, the Capistrano Unified School District (District) received and expended statutory school facilities fees (Reportable Fees) for the construction and/or reconstruction of the District's school facilities in order to accommodate students from new development (School Facilities); and

WHEREAS, pursuant to Government Code § 66006(a), the District established and maintained a separate capital facilities account for the Reportable Fees (Reportable Fees Account); and

WHEREAS, pursuant to Government Code § 66006(a), the Reportable Fees have been deposited into the Reportable Fees Account in order to avoid any commingling of the Reportable Fees with other revenues and funds of the District, except for temporary investments, and the District expended the Reportable Fees, along with any interest income earned, solely for the purpose(s) for which the Reportable Fees were originally collected; and

WHEREAS, Government Code § 66006(b)(1) provides that the District shall make a written report containing certain required information available to the public within 180 days after the last day of each fiscal year; and

WHEREAS, Government Code § 66006(b)(2) requires that the Board of Trustees of the District (Board) review the information made available to the public, including the report entitled, "Annual and Five Year Reports" (Report) at a regularly scheduled public meeting at least 15 days after the Report was made available to the public; and

WHEREAS, the Report contains the requisite information and proposed findings concerning the collection and expenditure of Reportable Fees pursuant to Government Code § 66006 and § 66001; and

WHEREAS, pursuant to Government Code § 66006(b)(2), notice of the time and place of the Board meeting where the Report would be considered for adoption (Notice) was mailed at least 15 days prior to the Board meeting to any interested party who filed a written request with the District for mailed Notice of the Board meeting; and

WHEREAS, the District posted the Notice in the District's regular posting locations, including the District's website; and

WHEREAS, Government Code § 66001(d) provides that for the fifth fiscal year following the first deposit into the Reportable Fees Account, and every five years thereafter, the District shall make findings with respect to the portion of the Reportable Fees Account that remains unexpended; and

WHEREAS, when Government Code § 66001(d) requires certain findings, these findings will be made at the same time as that information required by Government Code § 66006(b); and

WHEREAS, pursuant to Government Code § 66001(e), when the District determines that sufficient funds have been collected to complete the financing of incomplete School Facilities projects (Projects), as provided in Government Code § 66006(b)(1)(F), and the Projects remain incomplete, the District shall identify, within 180 days of the determination that sufficient funds have been collected, an approximate date by which the construction of the Projects will be commenced; and

WHEREAS, the District has complied with the foregoing provisions.

NOW, THEREFORE, THE BOARD OF TRUSTEES OF THE CAPISTRANO UNIFIED SCHOOL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. The Board finds and determines that the foregoing recitals and determinations are correct.

Section 2. Pursuant to Government Code § 66006(a), the District established and maintained a Reportable Fees Account during Fiscal Year 2022-2023.

Section 3. Pursuant to Government Code § 66006(a), the Reportable Fees collected during Fiscal Year 2022-2023 have been deposited into the Reportable Fees Account in order to avoid any commingling of the Reportable Fees with other revenues and funds of the District, except for temporary investments, and the District expended the Reportable Fees, along with any interest income earned, solely for the purpose(s) for which the Reportable Fees were originally collected.

Section 4. Pursuant to Government Code § 66006(b)(1), the District made the Report available to the public within 180 days after the last day of Fiscal Year 2022-2023.

Section 5. Pursuant to Government Code § 66006(b)(2), the Board reviewed the Report at a regularly scheduled public meeting at least 15 days after the Report was made available to the public.

Section 6. Pursuant to Government Code §§ 66006(b)(1) and (2), the Board reviewed the Report, which is incorporated by this reference, which contains the following information:

- (A) A brief description of the type of Reportable Fees in the Reportable Fees Account;
- (B) The amount of the Reportable Fees;
- (C) The beginning and ending balance of the Reportable Fees Account;
- (D) The amount of Reportable Fees collected and the interest earned;
- (E) An identification of each Project on which Reportable Fees were expended and the amount of the expenditures on each Project, including the total percentage of the cost of the Project that was funded with Reportable Fees;
- (F) An identification of an approximate date by which the construction of a Project will commence if the District determines that sufficient funds have been collected to complete financing on an incomplete Project, as identified in Government Code § 66001(a)(2), and the Project remains incomplete;
- (G) A description of each interfund transfer or loan made from the Reportable Fees Account, including the Project on which the transferred or loaned Reportable Fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid, and the rate of interest that the Reportable Fees Account will receive on the loan; and
- (H) The amount of refunds made pursuant to Government Code § 66001(e) and any allocations pursuant to Government Code § 66001(f).

Section 7. Pursuant to Government Code § 66006(b)(2), Notice was mailed at least 15 days prior to the Board meeting to any interested party who filed a written request with the District for mailed Notice of the Board meeting.

Section 8. The District posted Notice in the District's regular posting locations within the District's boundaries.

Section 9. Pursuant to Government Code § 66001(d), the Board reviewed the Report, which is incorporated by this reference, which contains the following proposed findings:

- (1) Identification of the purposes to which the Reportable Fees are to be put;
- (2) Demonstration of a reasonable relationship between the Reportable Fees and the purpose for which they are charged;

- (3) Identification of all sources and amounts of funding anticipated to complete incomplete Projects of the District; and
- (4) Designation of the approximate dates on which the funding referred to in paragraph (3) is expected to be deposited into the respective District account(s).

Section 10. The District made the findings required by Government Code § 66001(d) at the same time as the information required by Government Code § 66006(b).

Section 11. Pursuant to Government Code § 66001(e) and Government Code § 66006(b)(1)(F), the District identified approximate dates by which the construction of Projects will commence following the District’s determination that sufficient funds were collected to complete the financing of incomplete Projects.

Section 12. The Board determines that the District is in compliance with Government Code § 66000, *et seq.*, regarding the receipt, deposit, investment, expenditure and/or refund of Reportable Fees received and expended relative to Projects for Fiscal Year 2022-2023.

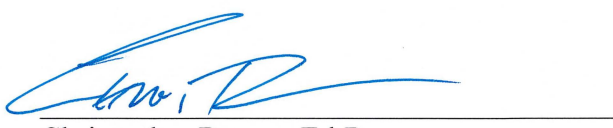
Section 13. The Board determines that no refunds or allocations of Reportable Fees, as required by Government Code § 66001(e) and § 66006(b)(1)(H), are deemed payable at this time for Fiscal Year 2022-2023.

AYES (7)
NOES (0)
ABSENT (0)
ABSTAIN (0)

I, Christopher Brown, Secretary of the Capistrano Unified School District Board of Trustees, hereby certify that the above and foregoing Resolution was duly and regularly adopted by the said Board at the meeting on the 8th day of November 2023, by a roll call vote.



Amy Hanacek
Clerk of the Board of Trustees



Christopher Brown, Ed.D.
Secretary of the Board of Trustees



Annual and Five-Year Reports

Capistrano Unified School District

November 8, 2023

Prepared for:

Capistrano Unified School District

33122 Valle Road

San Juan Capistrano, CA 92675

949.234.9200

www.capousd.org

Prepared by:

King Consulting

2901 35th St.

Sacramento, CA 95817

916.706.3538

www.kinginc.com

TABLE OF CONTENTS

INTRODUCTION..... 2

SECTION A: ANNUAL REPORT 2022-2023 3

SECTION B: FIVE-YEAR REPORT 6

SECTION C: REPORTABLE FEE EXPENDITURE FOR FISCAL YEAR 2022-2023 9

INTRODUCTION

It is a requirement of Government Code Sections 66006 and 66001 that school districts provide certain financial information to the public each year. The report must be made available for public review 180 days after the close of the previous fiscal year. In addition, the governing board must review the information at its next regularly scheduled board meeting held no earlier than 15 days after the information becomes available to the public. Notice of the time and place of this meeting must be mailed at least 15 days prior to the meeting to anyone who has requested such notice. Developer fees are intended to be used for the construction and reconstruction of school facilities to accommodate impacts from new development. Developer fees are not intended for general revenue purposes.

The District provides the following information in compliance with Government Code Section 66006 FOR THE 2022-2023 FISCAL YEAR:

- I. A brief description of the type of fee in the account or fund.
- II. The amount of the fee.
- III. The beginning and ending balance of the account or fund.
- IV. Fees amounts collected.
- V. Amount of interest earned on fees.
- VI. An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with the fees.
- VII. An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, and the public improvement remains incomplete.
- VIII. A description of each interfund transfer or loan.
- IX. Amount of refunds.

The Reportable Fees do not include special tax proceeds, proceeds of bonds, or letters of credit to secure payment of Reportable Fees at a future date. Further, the School District identifies Reportable Fees have not been levied, collected, or imposed for general revenue purposes.

Additionally, the School District is required to identify the following:

- I. The purpose to which unexpended Reportable Fees will be spent.
- II. The Reasonable Relationship between the unexpended Reportable Fees and the purpose to which they are to be spent.
- III. The funding sources and expected funding availability date for school facilities projects for which unexpended Reportable Fees are required.

The following Annual and Five-Year Reports ("Reports") for the fiscal year ending June 30, 2023 include the information and proposed findings the Board of Trustees ("Board") of School District intends to make available to the public in accordance with Sections 66001 and 66006 of the Government Code.

SECTION A: ANNUAL REPORT 2022-2023

In accordance with Government Code Section 66006(b)(1) and (2), the School District hereby presents the following information for fiscal year beginning July 1, 2022 and ending June 30, 2023 with regard to the Annual Reportable Fees:

I. Description of the Type of Reportable Fees in the Account or Sub-account(s) of the School District

The Reportable Fees of the School District for fiscal year beginning July 1, 2022 and ending June 30, 2023 consist of Statutory School Fees (also commonly referred to as "Level 1 Fees"). Statutory School Fees are collected by the School District, pursuant to Education Code Section 17620 and Government Code Section 65995, from new residential and commercial/industrial development.

II. Amount of the Reportable Fees

The amount of Reportable Fees is based on the effective Statutory School Fees.

Statutory School Fees

The Statutory School Fees for the period between July 1, 2022 and June 30, 2023 were established by the Board of the School District on May 18, 2022 by Resolution No. 2122-63. This resolution adopted the Statutory School Fees for new residential and commercial/industrial development based on the reports titled "Residential

and Commercial/Industrial Development School Fee Justification Study" ("Study"), dated May 18, 2022.

Table 1 lists the fee amounts and effective dates for the applicable Statutory School Fees for fiscal year ending June 30, 2023.

Table 1. Statutory School Fee Amounts

Item	Effective Dates (for FY 2022-2023)	Fee Amount (Per Square Foot)
Residential	July 1, 2022 - June 30, 2023	\$4.79
Commercial/Industrial ("CID")	July 1, 2022 - June 30, 2023	\$0.78
Self-Storage CID	July 1, 2022 - June 30, 2023	\$0.03

III. Beginning and Ending Balance of Account and Sub-Account(s):

Table 2 lists the fiscal year 2022-2023 beginning and ending balances for Fund 25, the Capital Facility Fund, which holds all Reportable Fees:

Table 2. Beginning and Ending Balances for Fund 25

Item	Fund Balance
Beginning Balance (July 1, 2022)	\$1,435,818.92
Ending Balance (June 30, 2023)	\$4,029,114.29

IV. Amount of the Reportable Fees Collected and Interest Earned

Table 3 shows the amount of Reportable Fees collected and interest earned during fiscal year 2022-2023 to accommodate students from additional development.

Table 3. Amount of Reportable Fees Collected

Item	Total Revenues
Reportable Fees Collected	\$4,736,733.15
Interest Earned	\$124,419.08
Increase (Decrease) in Fair Value of Investments*	\$(68,496.00)
Total	\$4,792,656.23

*Entry required per GASB 31

V. Identification of Each Improvement on Which Reportable Fees Were Expended and the Amount of the Expenditures on Each Improvement, Including the Total Percentage of the Cost of Each Project of the School District that Was Funded with Reportable Fees

A total of \$2,199,360.86 of Reportable Fees were expended during Fiscal Year 2022-2023. Component C in this report identifies the amount of Reportable Fees expended on School Facilities in fiscal year 2022-2023, as well as the percentage of each improvement funded by Reportable Fees.

VI. Identification of an Approximate Date by Which the Construction of Project(s) of the School District will Commence if the School District Determines that Sufficient Funds have been Collected to Complete Financing on an Incomplete Project of the School District, as Identified in Paragraph (2) of Subdivision (A) of Section 66001, and the Project of the School District Remains Incomplete

The School District has determined that during the fiscal year 2022-2023, Reportable Fees and other sources of funding were utilized to complete the projects at Esencia and OCASA. A Notice to Proceed was issued for the Esencia project on April 17, 2017 and the OCASA project on July 27, 2021.

VII. Description of each Interfund Transfer or Loan made from the Account or Sub- Account(s), Including Project(s) of the School District on which the Transferred or Loaned Reportable Fees will be Expended, and, in the Case of an Interfund Loan, the Date on which the Loan will be Repaid, and the Rate of Interest that the Account or Sub-Account(s) will Receive on the Loan

In the fiscal year 2022-2023 no interfund transfers were made from the Account or Sub-Account.

VIII. The Amount of Refunds Made or Revenues Allocated for Other Purposes if the Administrative Costs of Refunding Unexpended Revenues Exceed the Amount to be Refunded

In the fiscal year 2022-2023 no refunds were made nor revenues allocated for other purposes pursuant to Section 66001(e) of the Government Code.

IX. Summary Table of Fund Balance, Revenues, and Expenditures

Table 6 below summarizes the beginning and ending balances, the amount of Reportable Fees collected and interest earned, additional refunds/revenues, and total expenditures from Fund 25 during fiscal year 2022-2023.

Table 6. Fund 25 Activity Summary for Fiscal Year 2022-2023

Item	Total Revenues
Beginning Balance (July 1, 2022)	\$1,435,818.92
Reportable Fees Collected & Interest Earned	\$4,792,656.23
Expenditures	(\$2,199,360.86)
Ending Balance (June 30, 2023)	\$4,029,114.29

SECTION B: FIVE-YEAR REPORT

In accordance with Government Code Section 66001, the School District provides the following information with respect to the Reportable Fees in the account or sub-account(s) remaining unexpended, whether committed or uncommitted to projects:

I. Identification of the Purpose to which the Reportable Fees are to be Expended

The purpose of the Reportable Fees imposed and collected on new residential and commercial/industrial development within the School District was to fund the additional school facilities required to serve students generated by new development within the School District. Specifically, the Reportable Fees will be used for the construction, expansion, and/ or acquisition of additional School Facilities, furnishing and equipping such facilities, as well as acquiring and installing additional portable classrooms to accommodate students.

II. Demonstration of a Reasonable Relationship Between the Reportable Fees and the Purposes for which they are Charged

There is a roughly proportional and reasonable relationship between the new development upon which the Reportable Fees are charged and the need for additional School Facilities. This relationship is based on the additional students that will be generated by new development within the School District exceeding the School District’s existing student capacity. Furthermore, the Reportable Fees do not exceed the costs of providing school facilities for the students generated from the development in which such fees were collected (as set forth in the Studies, referred to herein Section B III).

III. Identification of All Sources and Amounts of Funding Anticipated to Complete Financing of the School Facilities the School District has Identified in the School District's Reports

Table 7 on the following page lists the proposed funding sources for all pending School Facility projects presently identified by the School District.

Table 7. Identification of Sources and Amounts to Complete Financing of School Facilities

Sources	Reportable Fees	Total
Esencia K-8 School Classroom Additions	\$3,500,000	\$3,500,000
Districtwide Classroom Additions Due to Growth	\$1,500,000	\$1,500,000

IV. Identification of the Approximate Dates on Which the Funding Referred to in Section B III is Expected to be Deposited into the Appropriate Account or Fund

Table 8 on the following page lists the approximate dates on which the funds are expected to be available for the school facility projects presently identified by the School District.

Table 8. Timing of Funds for Planned School Facility Projects

Sources	Reportable Fees
Esencia K-8 School Classroom Additions Due to Growth	As Collected
Districtwide Classroom Additions Due to Growth	As Collected

SECTION C: REPORTABLE FEE EXPENDITURE FOR FISCAL YEAR 2022-2023

Capistrano Unified School District's Capital Public Improvements on which Reportable Fees were Expended in Fiscal Year 2022-2023

Project	Amount Paid From Fees During FY 2022-2023	Percentage of Total Cost Funded With Fees
Districtwide	\$228,711.56	100.00%
<i>Administrative Costs Incurred in Collecting Reportable Fees</i>	\$142,101.99	100.00%
<i>Facility Planning Consulting Services*</i>	\$40,374.00	100.00%
<i>Legal Services**</i>	\$45,473.52	100.00%
<i>Bank Fees</i>	\$762.05	100.00%
Esencia K-8	\$1,380,464.55	100.00%
<i>Building & Building Improvement</i>	\$845,327.05	100.00%
<i>Building Impr: Staff Costs</i>	\$243,459.28	100.00%
<i>Building Impr: Architect Fees</i>	\$39,185.00	100.00%
<i>Building Impr: Construction Management</i>	\$74,985.00	100.00%
<i>Building Impr: Inspections</i>	\$4,608.00	100.00%
<i>Furniture & Equipment</i>	\$172,900.22	100.00%
Rienda K-8 School	\$589,662.67	100.00%
<i>Building Impr: Staff Costs</i>	\$103,993.14	100.00%
<i>Building Impr: Architect Fees</i>	\$402,460.89	100.00%
<i>Building Impr: Construction Management</i>	\$3,885.00	100.00%
<i>Building Impr: Appraisal Fees</i>	\$7,500.00	100.00%
<i>Building Impr: DTSC Fees</i>	\$416.14	100.00%
<i>Facility Planning Consulting Services</i>	\$71,407.50	100.00%
OCASA College Prep	\$522.07	100.00%
<i>Building Impr: Staff Costs</i>	\$92.07	100.00%
<i>Building Impr: DSA Fees</i>	\$430.00	100.00%
Total	\$2,199,360.86	N/A

* The District expended \$84,172.75 on Facility Planning Consulting Services. An accounting error occurred and resulted in a credit to Fund 25 in the amount of \$43,798.75 with a net expenditure of \$40,374.00 for Facility Planning Consulting Services for Fiscal Year 2022-2023.

** The District expended Reportable Fees relative to the preparation and implementation of a mitigation agreement for development within the Rancho Mission Viejo area; however, these Reportable Fees will be reimbursed from the developer per the terms of the mitigation agreement.