



FISCAL YEAR 2023/24 ANNUAL SB165 COMPLIANCE REPORT

BEAUMONT UNIFIED SCHOOL DISTRICT COMMUNITY FACILITIES DISTRICT NO. 2018-1 IMPROVEMENT AREA 1

November 12, 2024

Prepared For:

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Section 1. PURPOSE AND OVERVIEW

The purpose of this Annual SB165 Compliance Report (“Report”) is to provide the Trustee (“Board”) with an overview of Community Facilities District No. 2018-1 Improvement Area 1 (“CFD No. 2018-1 IA-1”) of the Beaumont 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 FACILITIES DISTRICTS AT BEAUMONT UNIFIED SCHOOL DISTRICT

In 2018, the District utilized the Act to form a Mello-Roos Community Facilities District to provide for the funding of school facilities. This Community Facilities District, Community Facilities District No. 2018-1 (“CFD No. 2018-1”), was formed with three improvement areas, each with the intention to fund school facilities both directly from the levy of special taxes and potentially, in the future, through the use of debt financing. Improvement Area No. 1 remains unchanged, but Improvement Area No. 2 and 3 of CFD No. 2018-1 have been dissolved and a new CFD, Community Facilities District No. 2020-1, overlays the same area. (See Appendix A.) This new CFD and associated new improvement areas will be reported separately once development and the levy of special taxes has occurred.

Section 2. SUMMARY OF FORMATION PROCEEDINGS

Community Facilities District No. 2018-1 IA-1 was formed in August 2018 to finance authorized school facilities.

A. FORMATION PROCEEDING ACTIONS

The following table provides a summary of actions taken by the Board of Trustees of the School District to form Community Facilities District No. 2018-1 IA-1:

TABLE I FORMATION SUMMARY DATA	
Proceedings Item	Date & Resolution No.
Resolution of Intention to Establish	2018-19-04
Date of ROI to Establish	7-24-2018
Resolution of Formation	2018-19-13
Date of Special Election	9-28-2018
County Fund Number	68-9966-FC

B. CFD LOCATION / BOUNDARIES

The CFD is located south of Oak Valley Parkway, west of Potrero Boulevard. Appendix A contains the first page of the originally adopted and recorded boundary map for Community Facilities District No. 2018-1 and applicable County of Riverside Assessor Parcel Maps for CFD No. 2018-1 IA-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 debt, may add additional specifics. The repayment of any issued debt is made from the special taxes levied within CFD No. 2018-1 IA-1.

The Special Tax Report for Community Facilities District No. 2018-1 which covers each improvement area states that the types of facilities (“School Facilities”) permitted to be funded includes, but not by way of limitation, School District facilities consisting of the planning, engineering, design, acquisition, construction, lease, improvement, and/or financing of interim and permanent facilities, including classrooms, multi-purpose facilities, administration and auxiliary space at School District facilities as reasonably determined from time to time by the School District to be necessary to accommodate the student population to be generated as a result of development, including the property within CFD No. 2018-1, during the term of the Special Taxes as follows:

- (a) K-12 school sites and facilities, including lease rental payments therefore related to the acquisition of land, or interests in land required for the construction of such on-site or off-site facilities, including, but not limited to, buildings, appurtenances, athletic fields, playgrounds and recreational facilities and improvements thereto, landscaping, access roadways, drainage, sidewalks and gutters and utility lines, as well as portable or relocatable buildings or interim additions to existing buildings at such School District facilities.
- (b) Modernization, rehabilitation, relocation and expansion of existing School District 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 District facilities.
- (e) The costs attributable to planning, engineering, designing, leasing, financing, acquiring, expanding, relocating, rehabilitating, or constructing (or any combination thereof) of School District 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 School District and/or CFD No. 2018-1), 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 October 2020, Special Tax Bonds were issued. The following table provides issuance information for the CFD No. 2018-1 IA-1 2020 Special Tax Revenue Bonds:

TABLE II DEBT-ISSUANCE INFORMATION	
Description of Information	2020 Special Tax Revenue Bonds
Dated Date	10/22/2020
Final Maturity Date	09/01/2050
Issue Amount for CFD No. 2018-1 IA-1	\$4,905,000
Interest Rate Range	3.00% to 4.00%
Calculated Yield	3.04%
Payment Dates	March & September 1

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, 2024, \$4,860,000 of principal remains outstanding.

Section 4. DEVELOPMENT AND FISCAL STATUS

A. CURRENT DEVELOPMENT STATUS

CFD No. 2018-1 IA-1 is not fully developed. As of May 1, 2024, 322 building permits have been issued and therefore classified as Developed Property. The total projected number of dwelling units at build out for CFD 2018-1 IA-1 is 330 dwelling units. Since formation, no parcels have prepaid their 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 2023/24. 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 IA-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 Beaumont Unified School District CFD No. 2018-1 IA-1 2020 Special Tax Bonds issued in October 2020 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 <http://www.specialdistricttransparency.com/busd/>.

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

Secondary Market Reporting Requirements are applicable to certain debt issues dated after July 3, 1995. The Beaumont Unified School District CFD No. 2018-1 IA-1 2020 Special Tax Bonds issued in October 2020 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). SDFAs are the direct contact to comply with all requests for this notice as well as general questions regarding CFD No. 2018-1 IA-1.

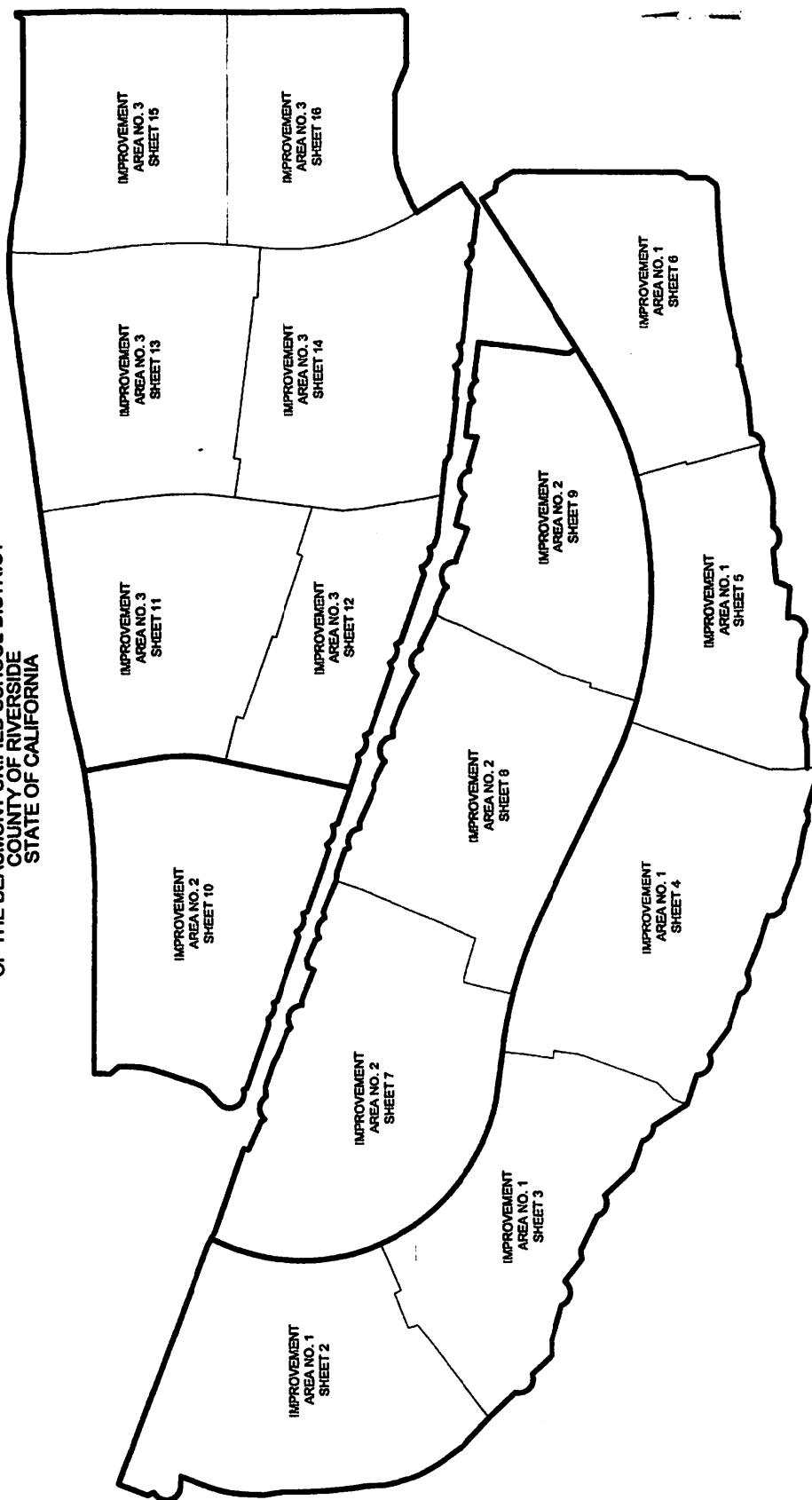
Section 6. APPENDICES

- Appendix A CFD Location / Boundaries**
- Appendix B Fiscal Year 2023/24 Revenues and Expenditures**
- Appendix C School Facilities Construction and Funding Status**

Appendix A: CFD Location / Boundaries

copy

PROPOSED BOUNDARY MAP OF COMMUNITY FACILITIES DISTRICT NO. 2018-1 OF THE BEAUMONT UNIFIED SCHOOL DISTRICT COUNTY OF RIVERSIDE 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 TRUSTEES OF THE BEAUMONT UNIFIED SCHOOL DISTRICT AT A REGULAR MEETING THEREOF, HELD ON THE 21st DAY OF JULY, 2018, BY ITS RESOLUTION NO. 2018-18-03.

Lucia Sosa
CLERK OF THE BOARD OF TRUSTEES
BEAUMONT UNIFIED SCHOOL DISTRICT
STATE OF CALIFORNIA

FILED THIS 21st DAY OF August 2018, AT THE HOUR OF 1:38 O'CLOCK P.M. IN BOOK 82 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGES 14-12 AND AS INSTRUMENT NO. 2018-0311337 IN THE OFFICES OF THE COUNTY RECORDER OF RIVERSIDE COUNTY, STATE OF CALIFORNIA.

FEE: \$ 45.00
Paul Ardeno

Lucia Sosa
CLERK OF THE BOARD OF TRUSTEES
BEAUMONT UNIFIED SCHOOL DISTRICT
STATE OF CALIFORNIA

Ulana
COUNTY RECORDER OF THE COUNTY OF RIVERSIDE

SDFA
SPECIAL DISTRICT FINANCING & ADMINISTRATION

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

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

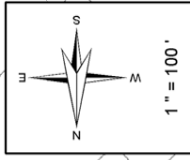
SHEET	1 OF 18
DATE	JULY 2018
JOB NO.	BUSD2018-1

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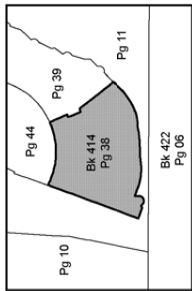
TRA 002-008

SEC. 6 T.3S, R.1W
CITY OF BEAUMONT

THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE DATA SHOWN. ASSESSOR'S PARCEL MAY NOT COMPLY WITH LOCAL LOT-SPLIT OR BUILDING SITE ORDINANCES.



- Legend**
- Lot Lines
 - Right-Of-Way
 - Old Lot Lines
 - Reference R.O.W
 - Other Easements
 - Lease Area
 - Subdivision To Mark



Apr 2015

Map Reference *
MB 443/95 - 99 TRACT MAP NO 27971-1

jasantos

ASSESSOR'S MAP BK 414 PG. 38
Riverside County, Calif.

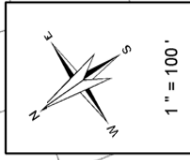


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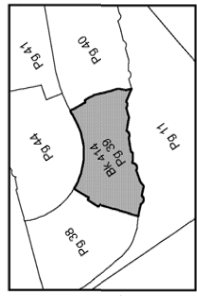
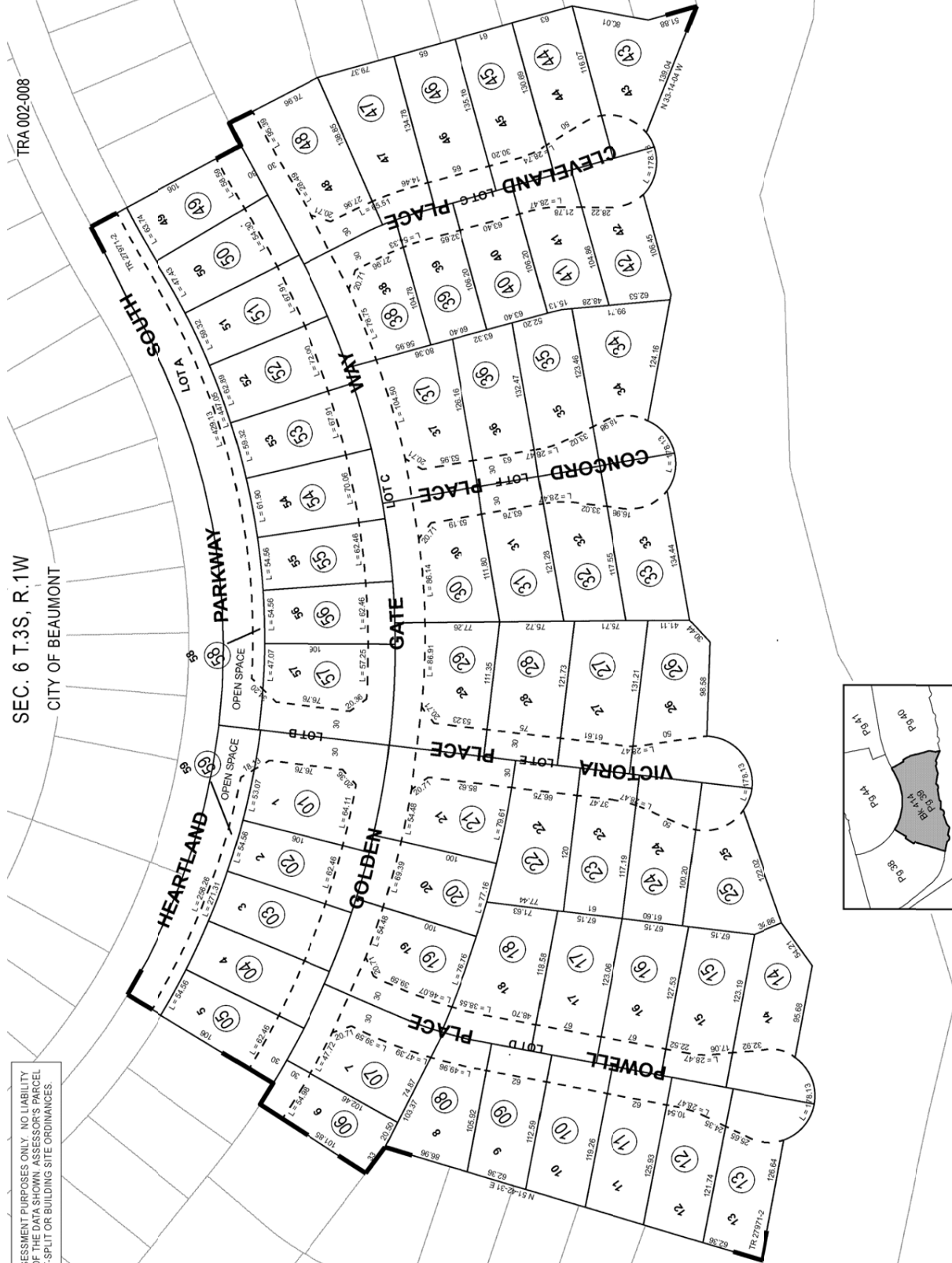
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SEC. 6 T.3S, R.1W
CITY OF BEAUMONT

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- Legend**
- Lot Lines
 - Right-Of-Way
 - Old Lot Lines
 - Reference R.O.W
 - Other Easements
 - Lease Area
 - Subdivision To Mark



Map Reference *
MB 443/100 - 104 TRACT MAP NO 27971-2

Apr 2015



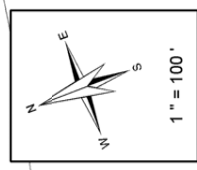
ASSESSOR'S MAP BK 414 PG. 39
Riverside County, Calif. jasantos

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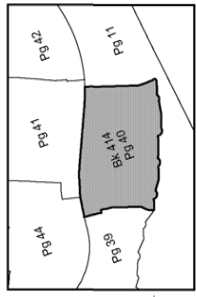
SEC. 6 T.3S, R.1W
CITY OF BEAUMONT

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Legend

- Lot Lines
- Right-Of-Way
- - - Old Lot Lines
- - - Reference R.O.W
- • • Other Easements
- • • Lease Area
- • • Subdivision To Mark



Apr 2015

Map Reference *
MB 444/1 - 5 TRACT MAP NO 27971-3

jasantos

ASSESSOR'S MAP BK 414 PG. 40
Riverside County, Calif.

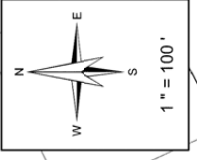


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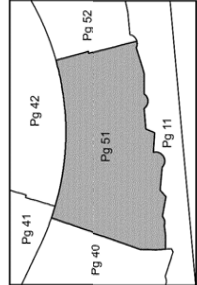
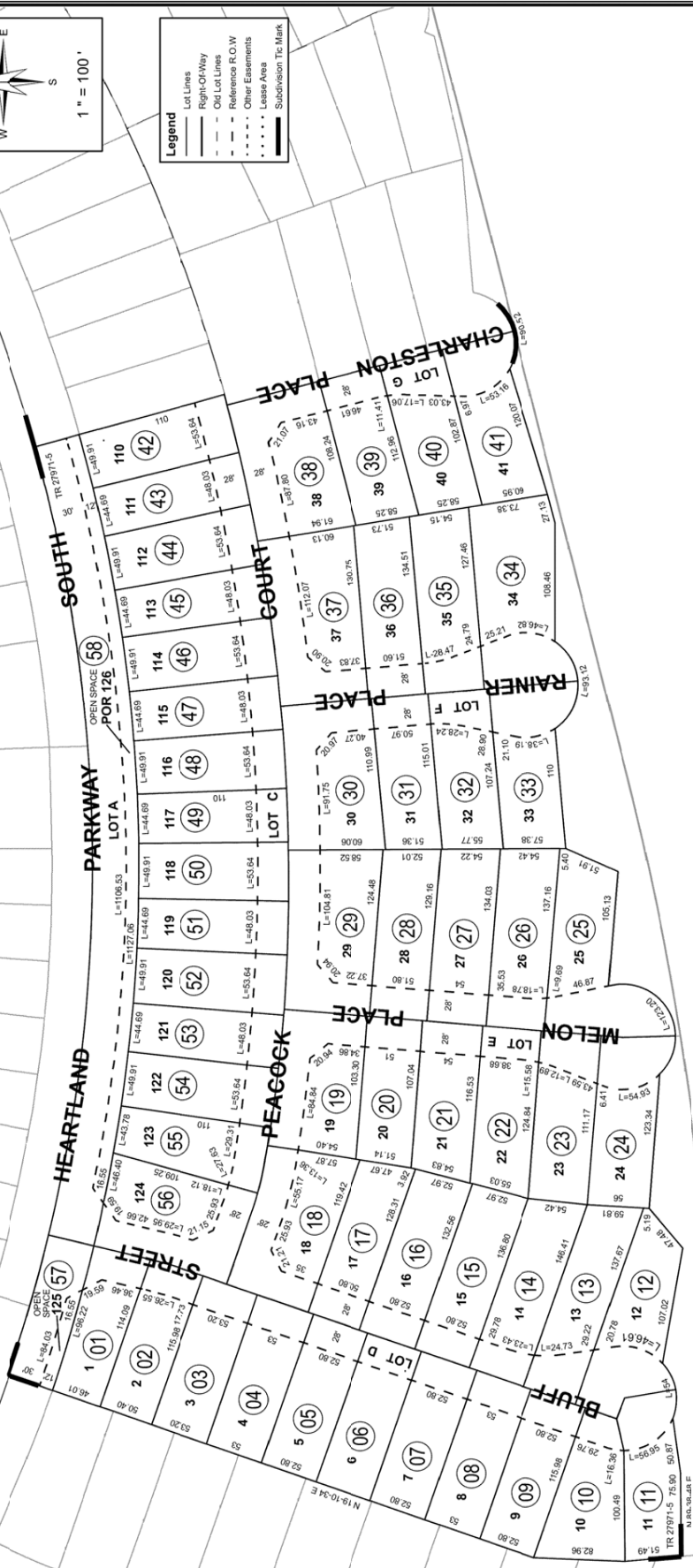
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SEC. 6, 7, T.3S., R.1W.
CITY OF BEAUMONT

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- Legend**
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 - Right-Of-Way
 - Old Lot Lines
 - Reference R.O.W
 - Other Easements
 - Lease Area
 - Subdivision Tie Mark



ASSESSOR'S MAP BK414 PG.51
Riverside County, Calif.

Map Reference *
MB 44858 - 63 TRACT MAP NO. 27971-5

JHernandez

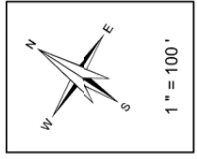
May 2016

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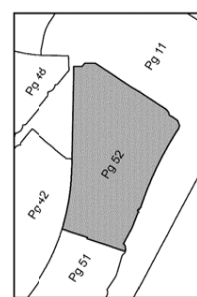
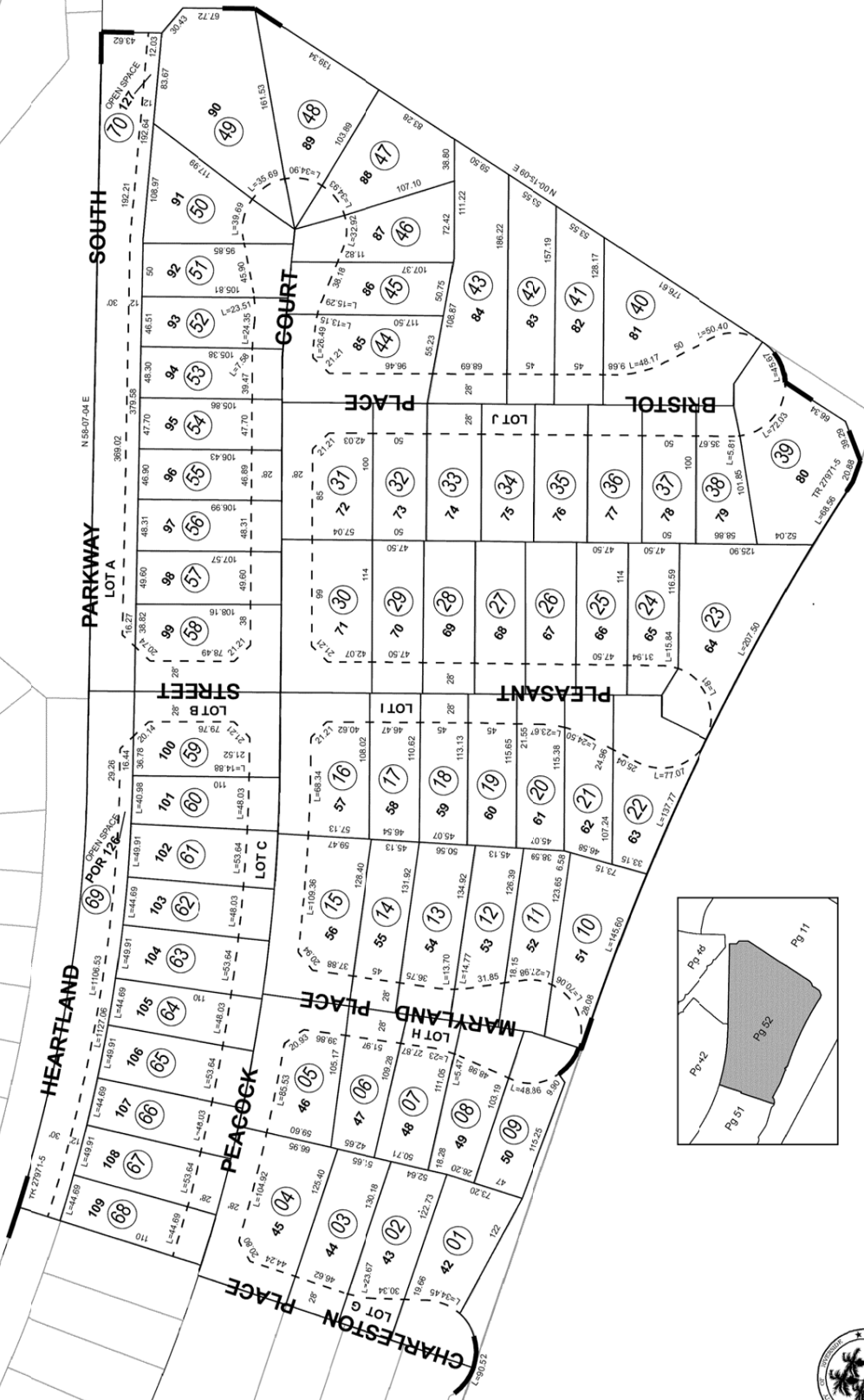
TRA. 002-008

SEC. 6, 7, T.3S., R.1W.
CITY OF BEAUMONT

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 - Old Lot Lines
 - Reference R.O.W
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 - Lease Area
 - Subdivision Tic Mark



Map Reference *
MB 448/58-63 TRACT MAP NO. 27971-5
May 2016



JHernandez
ASSESSOR'S MAP BK414 PG.52
Riverside County, Calif.

Appendix B: Fiscal Year 2023/24 Revenues and Expenditures

Appendix B

Beaumont Unified School District Community Facilities District No. 2018-1 Improvement Area 1 Revenues and Expenditures

	Fiscal Year 2023/24
Beginning Balance (July 1st):	\$595,558.91
Revenue:	
Special Taxes Collected ⁽¹⁾	277,496.97
Mitigation Payments Collected ⁽²⁾	177,076.92
Interest Earnings ⁽³⁾	25.21
Bond Proceeds	0.00
Other	0.00
Total Revenue	\$454,599.10
Expenditures:	
Facilities	26,520.56
Mitigation Payments Refunded ⁽²⁾	177,076.92
Bonded Indebtedness	0.00
Principal	25,000.00
Interest	187,425.00
Administration	0.00
Cost of Collection ⁽⁴⁾	39,866.75
Cost of Issuance	0.00
Other	0.00
Total Expenditures	\$455,889.23
Ending Balance (June 30th):	\$594,268.78

Footnotes:

- (1) Represents the total amount of special taxes along with the payment of delinquent special taxes. 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) As required in the School Facilities Mitigation Agreement between the School District and the developer of the CFD, prior to the issuance of debt, Mitigation Payments are due at the time of issuance of a certificate of compliance. These payments are held as security until the issuance of debt at which time the payments are refunded. These payments were collected in error and subsequently returned to the Developer since Bonds were issued.
- (3) Includes interest earned and accrued interest paid on investments.
- (4) Cost of Collection includes, if applicable: 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 the County of Riverside to place the levy onto the roll as these charges are collected by the County as a reduction in the amount of special taxes received annually.

Appendix B

Beaumont Unified School District
Community Facilities District No. 2018-1 Improvement Area 1
Fiscal Year End Balances by Account

	Fiscal Year 2023/24
Funds Held by District	
Portion of Fund 25	
Formation Deposit	0.00
Mitigation Payment Deposits	0.00
Direct Funding of School Facilities ⁽¹⁾	0.00
Total Portion of Fund 25	\$0.00
Fund 49	
Formation Deposit	0.00
Mitigation Payment Deposits	0.00
Direct Funding of School Facilities ⁽¹⁾	0.00
Total Fund 49	\$0.00
Funds Held by Trustee	
Special Tax Fund	179,998.58
Residual Fund	24,500.63
Principal Account	0.02
Interest Account	17.40
Administrative Expense Fund	17,730.38
Reserve Fund	372,021.66
Acquisition and Construction Fund	0.11
Cost of Issuance Fund	0.00
Direct Funding of School Facilities ⁽¹⁾	0.00
Total Held by Trustee	\$594,268.78
Ending Balance (June 30th)	\$594,268.78

Footnote:

- (1) Direct funding of School Facilities represents special tax funds deposited from the levy of special taxes from prior years in addition to special tax funds in excess of debt service and required administration following the issuance of debt. Use of such funds is described in Appendix C.

Appendix C: School Facilities Construction and Funding Status

Appendix C

Beaumont Unified School District Community Facilities District No. 2018-1 Improvement Area 1 School Facilities Construction and Funding Status

Projects Authorized and Funded through the Issuance of Debt
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Project Funding: Debt Issuance	<u>Fiscal Year 2023/24</u>
Beginning Balance (July 1st)	26,519.79
Revenue (Acquisition and Construction Fund + Net COI)	0.00
Expenditures	(26,520.56)
Other (Interest, Accrued Interest, Etc.)	0.88
Ending Balance (June 30th)	\$0.11

Summary of Projects Authorized and Funded through Debt Issuance

Dated Date of Original Sale	10/22/2020
Principal Amount of Bonds Issued (Par + Net Premium)	5,233,298.30
School Facilities Proceeds	4,363,087.81
Other Entity in Receipt of Proceeds	NA
Use of School Facilities Proceeds	Beaumont HS Expansion
Status of Project	In-Process

Projects Authorized and Funded Directly from Special Taxes

Project Funding: Non-Debt Balances⁽¹⁾	<u>Fiscal Year 2023/24</u>
Beginning Balance (July 1st)	726.76
Expenditures	0.00
Deposits ⁽¹⁾	23,773.03
Other (Interest, Accrued Interest, Etc.)	0.84
Ending Balance (June 30th)	\$24,500.63

Use of Non-Debt Balances - All Years	Beaumont HS Expansion
Status of Project	In-Process

Summary of Projects Authorized and Funded through Fund Balances:

The above identified fund balances will be used to directly or indirectly benefit property within the CFD. These funds have not yet been dedicated but have been found to be needed to mitigate the impact of the development on school facilities. See the May 2024, 2024 Long Range Facilities Master Plan approved May 7, 2024 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.