



Annual and Five-Year Reportable Fees Report

Fiscal Year Ending June 30, 2022

Manteca Unified School District

In Compliance with Government Code Sections 66006 and 66001

2021/2022



A division of California Financial Services

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I. Introduction

Government Code Sections 66006 and 66001 provide that the Manteca Unified School District (“District”) shall make available to the public certain information and adopt prescribed findings relative to school facility fees adopted pursuant to Education Code Section 17620 and Government Code Sections 65995 (“Level 1 Fees” and “Commercial/Industrial Fees” collectively, “Statutory School Facility Fees”) and Government Code Sections 65995.5, 65995.6 and 65995.7 (“Level 2 Fees” and “Level 3 Fees” collectively, “Alternative School Facility Fees”). The foregoing fees are collectively also referred to herein as “Reportable Fees”.

The described information and findings contained in this Annual and Five-Year Reportable Fees Report (“Report”) relate to Reportable Fees that the District received, expended or may expend in connection with school facilities in order to accommodate additional students from new and other residential development as well as commercial and industrial construction (collectively referred to as “Development”) if funded or partially funded with Reportable Fees. The Reportable Fees only include money in possession of the District and do not include letters of credit, bonds, or other instruments to secure payment of Reportable Fees at a future date. The Reportable Fees have not been levied, collected, or imposed for general revenue purposes.

The District will review the Report at the next regularly scheduled public meeting (“Meeting”) not less than 15 days after the Report is made available to the public. Notice of the time and place of the Meeting, including the address where the Report may be reviewed, will be mailed at least 15 days prior to the Meeting, to any interested party who filed a written request with the District for mailed notice of the Meeting. Any written request for mailed notices shall be valid for one year from the date on which it is filed unless a renewal request is filed. Renewal requests for mailed notices shall be filed on or before April 1 of each year. The legislative body may establish a reasonable annual charge for sending notices based on the estimated cost of providing the service.

II. Annual Report

In accordance with Government Code Section 66006, the District provides the following information for Fiscal Year 2021/2022:

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

The Reportable Fees consist of Statutory School Facility Fees and Alternative School Facility Fees. The Reportable Fees were deposited in the Capital Facilities Fund (“Fund 25”), a separate capital facilities account or fund in a manner to avoid any commingling of the Reportable Fees with other revenues and funds of the District, except for temporary investments. As this Report provides, the Reportable Fees and any interest income earned by moneys in Fund 25 have been expended as set forth herein solely for the purpose for which the Reportable Fees were originally collected. (Government Code Section 66006(a))

In addition to the collection of Reportable Fees the District has entered into a series of agreements with property owners and formed Mello-Roos Community Facilities Districts (“CFDs”) for the purpose of mitigating the impact of certain development on the District’s facilities. Each of these agreements and CFDs require the District to expend the funds received according to prescribed limitations which may include both the type and location of future facilities. Though some of the CFD revenue is currently deposited in the District’s Fund 25 alongside Reportable Fees (“Non-Reportable Mitigation Fees”), as you will see below, the District is not required and does not provide the reporting for such funds that is required for Reportable Fees.

B. Reportable Fee Information for the Fund

I. Amount of Reportable Fees

The Reportable Fees were authorized to be levied on Development by the Board of Education (“Board”) of the District at the time the Reportable Fees were adopted. As shown in the District’s Fee Justification Study (“FJS”) and School Facilities Needs Analysis (“SFNA”), the Reportable Fees only partially mitigate the impacts to the District caused by Development because the Reportable Fee amounts do not adequately fund the District’s school facility

needs resulting from additional Development within the District. (Government Code Section 66006(b)(1)(A))

Statutory School Facility Fees (Government Code Section 66006(b)(1)(B))

Fee Type	Effective Dates	Development Classification	Fee per Sq. Ft.
Level I Fee	July 1, 2021 to June 30, 2022	Residential	\$4.08
Level I Fee	July 1, 2021 to June 30, 2022	Senior/Age Restricted Housing	\$0.66
Level I Fee	July 1, 2021 to June 30, 2022	Self Storage	\$0.28
Level I Fee	July 1, 2021 to June 30, 2022	All Other Commercial/Industrial	\$0.66

Alternative School Facilities Fees (Government Code Section 65995)

Fee Type	Effective Dates	Development Classification	Fee per Sq. Ft.
Level II Fee	July 1, 2021 to July 27, 2021	Residential	\$4.45
Level II Fee	July 28, 2021 to June 30, 2022	Residential	\$4.57

II. Beginning and Ending Balance, Reportable Fees Collected, Interest Earned and Expenditures of the Fund (Government Code Section 66006(b)(1)(C) and (D))

Fund Balance for Fiscal Year 2021/2022

Type of Fee Collected	Reportable Fees	Non-Reportable Mitigation Fees	Fund 25 Total
Beginning Balance as of July 1, 2021 ^[1]	\$28,828,537.73	\$12,286,349.23	\$41,114,886.96
2020/2021 Fair Market Value Adjustment	\$0.00	\$0.00	\$25,500.00
Residential Fees	\$4,403,662.30	\$0.00	\$4,403,662.30
Senior/Age Restricted Fees	\$182,443.80	\$0.00	\$182,443.80
Commercial/Industrial Fees	\$1,177,859.10	\$0.00	\$1,177,859.10
Total Reportable Fee Collection	\$5,763,965.20	\$0.00	\$5,763,965.20
CFD No. 2000-3	\$0.00	\$1,434,881.90	\$1,434,881.90
CFD No. 2018-5	\$0.00	\$2,767,316.46	\$2,767,316.46
CFD No. 2020-6	\$0.00	\$72,117.80	\$72,117.80
Total CFD Fee Collection	\$0.00	\$4,274,316.16	\$4,274,316.16
Interest Earnings ^[2]	\$106,982.08	\$45,587.92	\$152,570.00
Project Expenditure Expenditures	\$8,664,043.23	\$0.00	\$8,664,043.23
Cost of Fee Justification Reports ^[3]	\$7,250.00	\$0.00	\$7,250.00
Administrative Overhead (3% of Collection)	\$174,340.16	\$0.00	\$174,340.16
Other Costs	\$0.00	\$208,612.86	\$208,612.86
Total Expenditures	\$8,845,633.39	\$208,612.86	\$9,054,246.25
Ending Balance as of June 30, 2022	\$25,853,851.62	\$16,397,640.45	\$42,276,992.07
2021/2022 Fair Market Value Adjustment	\$0.00	\$0.00	-\$718,100.00
Ending Balance as of June 30, 2022	\$25,853,851.62	\$16,397,640.45	\$41,558,892.07

[1] Reportable Fees were not accounted for separately from Non-Reportable Mitigation Fees in prior Reports. The balance has been allocated based on a review of collections over the last 10-years. Reportable Fees will be accounted for separately in future Reports. This amount does not include the Fair Value Adjustment shown in the District's Audited Financials.

[2] Interest has been allocated based on the balance and collections for each fee type.

[3] Pursuant to Education Code 17620(a)(5), developer fees collected may also be spent on the following non-facility costs: the cost of conducting a School Facilities Analysis and/or Fee Justification Study; and preparing the Annual and Five-Year Report. In addition, a school district may also retain "an amount not to exceed, in any fiscal year, three percent of the fees collected in that fiscal year...". The three percent amount is for the reimbursement of administrative costs incurred in collecting the fee.

III. Identification of Each District Project on which Reportable Fees Were Expended Including the School Facilities Project (“Project”) Total and Percentage of the Project Cost that was Funded with Reportable Fees (Government Code Section 66006(b)(1)(E))

Reportable Fee Expenditures

Project Description	Expenditure of Reportable Fees	Percentage of Project Total Funded With Reportable Fees ^[1]
Be.Tech High School DSA	\$381,096.15	100.00%
Sequoia ES Resource Center	\$750.00	100.00%
Manteca HS Modernization/Expansion	\$4,873,478.14	40.16%
McParland ES Modernization/Expansion	\$176,068.80	11.66%
Mossdale ES Resource Center ^[2]	-\$1,627.19	-20.58%
Widmer ES Resource Center	\$185,089.86	86.11%
New Haven ES Modernization/Expansion	\$117,071.20	11.89%
Nile Garden ES Modernization/Expansion	\$2,799,060.55	63.88%
Veritas ES Resource Center	\$133,055.72	92.04%
Total	\$8,664,043.23	NA

[1] Reflects Fiscal Year 2021/2022 expenditures only.

[2] Represents a reimbursement for prior expenditures.

IV. When the District Accumulates Sufficient Funds to Complete Project(s) for Which It Previously Identified as Intending to Spend Reportable Fees, the District Needs to Identify the Approximate Date It Will Commence Construction on Such Project(s) (Government code 66006(b)(1)(F))

The District is required to make such identification pursuant to Government Code Section 66001(a)(2). The identification may have been done by reference to a capital improvement plan or general plan or may be made in other public documents that identify the public facilities for which the fee is charged.

The District did not identify any projects in previous reports.

V. Description of Each Interfund Transfer or Loan Made from the Fund (Government Code Section 66006(b)(1)(G)

The District has determined that for Fiscal Year 2021/2022 Reportable Fees and other sources of funding were not transferred or loaned to other funds held with the District.

VI. Refunds and Allocations (Government Code Section 66006(b)(1)(H), 66001(e), (f))

When the District has determined that sufficient funds have been collected to complete financing on incomplete Project(s) and the Project remains incomplete, the District is required to identify the approximate date by which the construction of the Project(s) will commence. If the District fails to timely identify the approximate date by which the construction of the Project(s) will commence, then the District must refund the unexpended portion of the Reportable Fees and any interest accrued thereon to the then current record owner(s).

In Fiscal Year 2021/2022, the District did not make any refunds due to unexpended Reportable Fees.

III. Five Year Report

For the fifth fiscal year following the first deposit into Fund 25, and every five years thereafter, the District is required to make all of the following findings with respect to that portion of the Fund remaining unexpended, whether committed or uncommitted. At the close of the fiscal year 2021/2022, there remained \$25,853,851.62 of Reportable Fees in Fund 25 (Government Code Section 66001(d)):

A. Identification of All Projects for which the Reportable Fees will be expended in the Future

The purpose of the Reportable Fees imposed and collected on Development within the District is to fund additional school facilities required to serve the students of the District generated by Development within the District. Specifically, the Reportable Fees will be used for the construction and/or acquisition of additional school facilities, remodeling existing school facilities to accommodate new growth from new development including, but not limited to, adding additional classrooms, technology and acquiring and installing additional portable classrooms. (Government Code Section 66001(d)(1)(A)). Further information regarding such Project(s) is set forth in the table below.

Current Projects to be Funded by Reportable Fees

Project Description	Total Project Budget			Remaining Cost	
	Total	Portion Funded by Reportable Fees	% Funded by Reportable Fees	Total	To Be Funded by Reportable Fees
McParland ES Modernization/Expansion	\$8,480,848.00	\$1,000,000.00	11.79%	\$1,022,836.90	\$32,502.00
East Union HS Modernization/Expansion	\$17,869,085.00	\$70,764.00	0.40%	\$2,381,719.33	\$0.00
Neil Hafley ES Modernization/Expansion	\$4,347,342.00	\$207,346.00	4.77%	\$158,996.00	\$21,483.00
New Haven ES Modernization/Expansion	\$9,149,571.00	\$1,000,000.00	10.93%	\$331,008.00	\$17,584.00
Nile Garden ES Modernization/Expansion	\$19,692,148.00	\$11,138,375.00	56.56%	\$1,103,559.05	\$693,304.00
Manteca HS Modernization/Expansion	\$42,946,163.00	\$12,151,505.00	28.29%	\$7,321,799.04	\$2,121,497.86
Be. Tech DSA	\$2,823,458.00	\$2,823,458.00	100.00%	\$424,034.00	\$424,034.00
Joseph Widmer ES Resource Center	\$2,577,600.00	\$394,700.00	15.31%	\$2,259,279.95	\$209,610.00
Lathrop ES Resource Center	\$1,063,100.00	\$400,000.00	37.63%	\$274,168.00	\$25,000.00
Mossdale ES Resource Center	\$1,098,250.00	\$400,000.00	36.42%	\$46,051.00	\$7,481.00
Sequoia ES Resource Center	\$686,500.00	\$686,500.00	100.00%	\$632,415.00	\$632,415.00
Veritas ES Resource Center	\$2,605,300.00	\$1,456,300.00	55.90%	\$2,407,477.44	\$1,294,365.28
Woodward ES Resource Center	\$779,300.00	\$520,000.00	66.73%	\$720,489.54	\$520,000.00
Lincoln ES Resource Center	\$1,718,500.00	\$1,718,500.00	100.00%	\$1,601,956.00	\$1,601,956.00
Total	\$115,837,165.00	\$33,967,448.00	NA	\$20,685,789.25	\$7,601,232.14

In addition to the projects listed above, the District is currently in the initial planning stages for projects expanding school capacity within (i) the area of the

District within the City of Lathrop and (ii) the area of the District within the City of Manteca located south of the highway 120 bypass. The total budget for these projects is expected to exceed the unincumbered balance of Reportable Fees requiring the District to identify additional sources of funds.

B. Demonstration of a Reasonable Relationship between the Reportable Fees and the Purposes for Which They are Charged

As shown in the FJS and/or SFNA, there is a roughly proportional, reasonable relationship between the Development upon which the Reportable Fees are charged and the need for additional school facilities by reason of the fact that additional students will be generated by additional Development within the District, and the District does not have student capacity in its existing school facilities to accommodate these new students. Furthermore, the Reportable Fees charged on Development will be used to fund school facilities to serve the students generated from Development. The Reportable Fees do not exceed the costs of providing such school facilities for new students. (Government Code Section (d)(1)(B)).

C. Identification of All Sources and Amounts of Funding Anticipated to Complete Incomplete Projects Identified by the District in Paragraph A Above and Approximate Date Funding Is Expected to Be Deposited. (Government Code Section 66001(d)(1)(C) and (D)):

The District currently has a small amount of Reportable Fees which have not been committed to a specific project. Annually, the District has a demographic/enrollment projection prepared to determine the amount of enrollment growth expected and the location of such growth within the 113 square miles served by the District. Based on this information the District will identify additional projects to accommodate this growth and expects to need a combination of funding sources for their completion, including Reportable Fees, CFD Revenues and State Funding. Once identified these projects will be addressed in future Reports.