

EXHIBIT- A



To be presented to the Board of Education of the Rialto Unified School District on December 18, 2024, at 7:00 p.m
182 E. Walnut Avenue, Rialto, CA 92376

ANNUAL DEVELOPER FEE REPORT

2023-2024

FIVE-YEAR DEVELOPER FEE REPORT

2018-2019 ~ 2022-2023

2023-2024



RIALTO

UNIFIED SCHOOL DISTRICT
BRIDGING FUTURES THROUGH INNOVATION

Section I- Developer Fee Overview

In California, school districts are authorized to levy developer fees on new residential and commercial construction projects to fund the construction or reconstruction of school facilities. This authority is granted by Section 17620 of the California Education Code, which allows school districts to impose fees, charges, dedications, or other requirements on construction within their boundaries. Additionally, Government Code Section 65995 sets limitations and guidelines for these fees, ensuring they are used appropriately to address the impact of new development on local schools.

Government Code Sections 66006 and 66001 required Rialto Unified School District make available to the public certain information and adopt described findings relative to statutory school facility fees collected pursuant to Education Code Sections 17620 et. seq. and Government Code Sections 65995 et. seq. ("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").

These assertions are made through the Annual and Five Year Developer Reportable Fees Report relate to Reportable Fees that the district received, expended or may expend in connection with school facilities to accommodate additional students from new and other residential development as well as commercial and industrial construction 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.

Government Code Section 66006

This statute mandates that, within 180 days after the end of each fiscal year, the District must prepare an annual report detailing:

- A brief description of the type of fee in the account or fund.
- The amount of the fee.
- The beginning and ending balance of the account or fund.
- The amount of the fees collected and the interest earned.

- An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement; include the total percentage of the cost of the public improvement that was funded with fees.

- 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, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete.

- A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned 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 fund will receive on the loan.

- The amount of refunds made pursuant to subdivision (e) of Section 66001 and any allocations pursuant to subdivision (f) of Section 66001.

Government Code Section 66001(d)

Under California Government Code Section 66001(d), Districts that collect development fees are required to make specific findings every five years concerning any unexpended funds. These findings ensure transparency and proper utilization of the collected fees. The requirements are as follows:

- Clearly state the purpose for which the fee was collected.
- Show a reasonable relationship between the fee and the purpose for which it was charged.
- Identify all sources and amounts of funding anticipated to complete financing of the incomplete improvements for which the fee was collected.
- Provide approximate dates when the anticipated funding is expected to be deposited into the appropriate account or fund.

Section II- Annual Reporting Requirement FY 2023-2024

A brief description of the type of fee in the account:

The Reportable Fees consist of Statutory School Facility Fees and if applicable, Alternative School Facility Fees. The Reportable Fees were deposited in the Capital Facilities Fund (or Fund 25), a separate capital facilities account to avoid any commingling of the Reportable Fees with other revenues and funds of the District. As this Report provides, the Reportable Fees and any interest income earned by monies in the Fund have been expended as set forth herein solely for the purpose for which the Reportable Fees were originally collected. (Government Code Section 66000(a).)

The amount of the Reportable Fees:

The Reportable Fees were authorized to be levied by the Board of Education of the District at the time the Reportable Fee was adopted, as determined by the District's Fee Justification Study.

The District's fees are \$4.79 per square foot of accessible space of residential construction; and \$0.78 per square foot of covered and enclosed space of commercial/Industrial construction; but subject to the District's determination that a particular project is exempt for all or part of these fees.

Effective June 10, 2024, school fees as authorized by Education Code 17620 were increased to \$5.17 per square foot for residential construction/reconstruction and \$0.84 per square foot for commercial/industrial construction for all unified school districts.

Payments required by conditions of legislative land use approvals, mitigation measures of environmental impact reports, mitigation measures of mitigated negative declarations, or mitigation agreements, collectively referred to herein as Mitigation Payments.

The school facilities fees described in this Report do not include letters of credit, bonds, or other instruments to secure payment of school facilities fees as a future date.

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

Activity for Fiscal Year 2023-2024

Financial Summary:	
Beginning Balance of the Capital Facilities Fund as of 7/1/2023	\$11,530,277.32
Statutory School Fees Collected for Fiscal Year 2023-2024	\$2,054,660.77
Interest Earned on Capital Facilities Fund	\$421,762.17
GASB 31 FMV Adjustment	\$387,801.08
Less Expenditures	\$3,709,547.70
Excess of Expenditures Over Revenues	\$(-845,323.68)
Ending Balance of the Capital Facilities Fund as of 6/30/2024	\$10,684,953.64

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 fees.

Project	Expenses for FY 2023-24	% Project Cost Funded from Developer Fees
<i>Zupanic Virtual Academy Classroom Additions</i>	\$2,603,770.48	100%
<i>Eisenhower Two- 2 Story Classroom Buildings</i>	\$378,574.03	2.38%
<i>Dollahan Kinder Classroom</i>	\$2,500	5%
<i>Milor Modular Classroom Addition</i>	\$594,849.38	100%
<i>Student Demographic Study</i>	\$61,555	100%
<i>Professional Services</i>	\$67,538.81	100%

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, as identified in paragraph (2) subdivision (a) of section 66001, and the public improvement remains incomplete.

All monies in this account are expended for relocatable classrooms throughout the District, new construction, and renovations of existing buildings. The District does not plan projects based on anticipated future fund receipts. Projects are submitted for Board approval only when sufficient reserves are available in the account. The currently funded projects, estimated costs and start dates are as follows:

Project	Estimated Cost Funded from Developer Fees	Start Date
<i>Zupanic Virtual Academy Classroom Additions</i>	\$5,500,000	3/4/24
<i>Eisenhower 2- 2 Story Classroom Buildings</i>	\$5,000,000	7/12/23
<i>Dollahan Kinder Classroom</i>	\$2,500	on hold
<i>Milor Modular Classroom Addition</i>	\$1,082,403.31	6/15/23

Description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be repaid and the rate of interest that the account, or fund will receive the loan.

No interfund transfer

Refunds and Allocations (Government Code Section 66006(b)(1)(H), 66001(f):

Policy Implications: No refund of school facilities fees is required as the District has not collected sufficient funds to complete the financing of necessary public improvements to accommodate students generated from new developments.

No refunds were made during 2023-2024.

Section III- Five-Year Reporting Requirement FY 2018/19~2022/23 & 2023/24

Government Code 66001 (d) requires the District to report findings in each of the following areas with respect to that portion of the account or fund remaining unexpended, whether committed or uncommitted:

Identify the purpose to which the fee is to be put.

The District collects school facilities fees from the owners of residential, commercial, and industrial development projects to mitigate the costs of providing interim and permanent school facilities to students generated from such development projects.

Demonstrate a reasonable relationship between the fee and the purpose for which it is charged.

There is a reasonable relationship between the developer fees and the purposes for which they are charged. Additional students will be generated from new development within the District and the District does not have existing capacity in its school to accommodate these new students. The fees charged on new development will be used to fund school facilities necessary to serve the students generated from new development. The fees do not exceed the costs of providing school facilities for new students. The District Facilities Master Plan completed on May 10, 2023, demonstrated a need for reconstruction and modernization of most of the facilities that were not updated to meet the demand of new students.

Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements as defined in Government Code 66001 paragraph (2) of subdivision (a).

Project	Developer Fees Funding Source	Other Funding Sources	Total Project Cost
Eisenhower High School 2- 2 Story Buildings	\$5,000,000	\$38,894,000	\$43,900,000
Zupanic Virtual Academy	\$5,500,000	None	\$5,500,000

Designate the approximate dates on which the funding referred to in subparagraph (C) is expected to be deposited into the appropriate account or fund.

Funds used for these projects have been received and are in reserves for Fund 25 in the District's county treasury account.