



COOPERATIVE STRATEGIES

COMPLETE FINANCIAL & DEMOGRAPHIC PLANNING FOR EDUCATION

POWAY UNIFIED SCHOOL DISTRICT

ANNUAL REPORT

OCTOBER 20, 2017

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<u>SECTION</u>	<u>PAGE</u>
I. INTRODUCTION-----	1
II. ANNUAL REPORT-----	2

EXHIBITS

SCHEDULE A:

Reportable Fee Expenditures for Fiscal Year 2016-2017

I. INTRODUCTION

Sections 66001 and 66006 of the Government Code require that Poway Unified School District ("School District") provide to the public information on impact fees received from new residential and commercial/industrial development to mitigate the impact of that new development on the school facilities of the School District. The School District currently collects statutory school fees ("Statutory School Fees") pursuant to Sections 17620 *et seq.* of the Education Code and Sections 65995 *et seq.* of the Government Code, and alternative school facility fees ("Alternative School Fees") collected pursuant to Sections 65995.5, 65995.6, and 65995.7 of the Government Code (collectively, "Reportable Fees").

The School District is required to provide the following information on Reportable Fees for the prior fiscal year:

1. Amounts collected
2. Amount of interest earned
3. Amounts spent on projects to accommodate additional enrollment from new residential and commercial/industrial development

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:

1. The purpose to which unexpended Reportable Fees will be spent
2. The reasonable relationship between the unexpended Reportable Fees and the purpose to which they are to be spent
3. The funding sources and expected funding availability date for school facilities projects for which unexpended Reportable Fees are required

The following Annual Report for the fiscal year ending June 30, 2017 includes the information and proposed findings the School District intends to review and adopt in accordance with Sections 66001 and 66006 of the Government Code.

II. ANNUAL REPORT

In accordance with Government Code Section 66006(b)(1) and (2), the School District hereby presents the following information for fiscal year 2016-2017 (i.e. July 1, 2016 through June 30, 2017) with regard to the annual Reportable Fees:

A. **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 2016-2017 consist of Statutory School Fees and Alternative School Fees. Statutory School Fees are collected by the School District from new residential and commercial/industrial development. Alternative School Fees were collected by the School District from new residential development for the dates they were in effect.

B. **Amount of the Reportable Fees**

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

Statutory School Fees

The Statutory School Fees for the period between July 1, 2016 and June 30, 2017 were established by the Board of Education ("Board") of the School District on March 8, 2016 by Resolution No. 31-2016. This resolution adopted the Statutory School Fees for new residential and commercial/industrial development based on the reports titled "Residential Development School Fee Justification Study" and "Commercial/Industrial Development School Fee Justification Study" (collectively, "Studies"), both dated February 25, 2016.

Alternative School Fees

The Alternative School Fees for residential development between July 1, 2016 and August 23, 2016 were established by the Board on September 16, 2015 by Resolution No. 08-2016. This resolution adopted the Alternative School Fees for new residential development based on the report titled "School Facilities Needs Analysis" ("Analysis"), dated August 13, 2015.

For the period effective August 24, 2016 through June 30, 2017, the Alternative Fees were established by the Board of the School District on August 23, 2016, by Resolution No. 10-2017. This resolution adopted the Alternative School Fees for new residential development based on the Analysis dated July 20, 2016 (collectively, both reports together are referred to as "Analyses").

Table 1 lists the fee amounts and effective dates for the applicable Statutory and Alternative School Fees for fiscal year 2016-2017.

Table 1
Effective Dates for Developer Fee Justification Reports

Item	Effective Dates (for FY 2016-2017)	Fee Amount (Per Square Foot)
Statutory School Fees (Level I)	July 1, 2016 – June 30, 2017	Residential - \$3.48 Commercial/Industrial - \$0.56
Alternative School Fees (Level II)	July 1, 2016 – August 23, 2016	Residential - \$3.68
	August 24, 2016 – June 30, 2017	Residential - \$3.74

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

Table 2 lists the fiscal year 2016-2017 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 (7/01/2016)	\$2,071,225.47
Ending Balance (6/30/2017)	\$2,395,295.45

D. **Amount of the Reportable Fees Collected and Interest Earned**

Table 3 below shows the amount of Reportable Fees collected and interest earned during fiscal year 2016-2017 to accommodate students from additional development.

**Table 3
Amount of Reportable Fees Collected**

Item	Total Revenues
Reportable Fees Collected	\$486,305.60
Interest Earned	\$22,385.00
Total	\$508,690.60

E. **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**

Schedule A to this report identifies the amount of Reportable Fees expended on School Facilities in fiscal year 2016-2017, as well as the percentage of each improvement funded by Reportable Fees.

F. **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 at the close of fiscal year 2016-2017, Reportable Fees and other sources of funding were not sufficient to complete the financing of additional school facilities of the School District.

G. **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**

The School District did not make any interfund transfers in or out of Fund 25 in fiscal year 2016-2017.

H. **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**

No refunds of Reportable Fees were made pursuant to Section 66001(e) of the Government Code in fiscal year 2016-2017.

I. **Summary Table of Fund Balance, Revenues, and Expenditures**

Table 4 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 2016-2017.

Table 4
Fund 25 Activity Summary (FY 2016-2017)

Item	Amount
Beginning Balance (7/1/2016)	\$2,071,225.47
Reportable Fees Collected and Interest Earned	\$508,690.60
Expenditures – Schedule A	(\$184,620.62)
Ending Balance (6/30/2017)	\$2,395,295.45

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SCHEDULE A

**Public Improvements on Which
Reportable Fees Were Expended**

POWAY UNIFIED SCHOOL DISTRICT

PUBLIC IMPROVEMENTS ON WHICH REPORTABLE FEES WERE EXPENDED

FISCAL YEAR 2016-2017

Project	Total Amount Paid from Reportable Fees FY 2016-2017	Percent of Total Cost Funded with Reportable Fees
Relocatable Classroom Rentals for:	\$111,221.12	100%
<i>Stone Ranch Elementary School</i>	-	N/A
<i>Creekside Elementary School</i>	-	N/A
<i>Sunset Hills Elementary School</i>	-	N/A
Restroom Prep and Rental	\$33,801.60	100%
Professional/Consultant Services	\$7,579.95	100%
<i>Best Best & Krieger</i>	\$403.50	100%
<i>Cooperative Strategies, LLC (Developer Fee Studies)</i>	\$7,176.45	100%
Legal Advertising	\$103.07	100%
Administrative Expenses	\$14,031.20	100%
Planning Staff - Salaries and Benefits	\$17,883.68	22.31%
Total Expenditures	\$184,620.62	N/A