



# **DESERT SANDS**

## **UNIFIED SCHOOL DISTRICT**

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### **ANNUAL REPORTABLE FEES REPORT AND FIVE-YEAR FINDINGS FOR FISCAL YEAR 2022-2023**

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**THE DESERT SANDS UNIFIED SCHOOL DISTRICT ANNUAL REPORTABLE  
FEES REPORT AND FIVE-YEAR FINDINGS FOR FISCAL YEAR 2022-2023,  
IN COMPLIANCE WITH  
GOVERNMENT CODE SECTIONS 66006(b) AND 66001(d)**

Government Code Sections 66006 and 66001 provide that the Desert Sands Unified School District (“District”) shall make available to the public certain information and adopt prescribed findings relative to school facility fees adopted by the Governing Board 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”), as appropriate. The foregoing fees are collectively also referred to as reportable fees (“Reportable Fees”). The described information and findings contained in this Annual Reportable Fees Report and Five-Year Findings (“Report”) relate to Reportable Fees that the District received, expended or may expend in connection with school facilities (“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 does 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.

**ANNUAL REPORTABLE FEES REPORT**

In accordance with Government Code Section 66006, the District provides the following information for Fiscal Year 2022-2023:

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

The Reportable Fees collected during Fiscal Year 2022-2023 consist of Statutory School Facility Fees. Alternative School Facility Fees were not collected during Fiscal Year 2022-2023. The Reportable Fees were deposited in the “Capital Facilities Fund” (“Fund”), a separate capital facilities account or fund 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 the Fund have been expended as set forth herein solely for the purpose for which the Reportable Fees were originally collected. (Government Code Section 66006(a).)

**B. Reportable Fees Information for the Fund:**

1. Within 180 days after the last day of each fiscal year, the District is required to make available to the public certain information. As set forth below, the District provides the

following information for the Fund for the Fiscal Year 2022-2023. (Government Code Section 66006(b)(1).)

**a. Amount of the 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 Report for New Residential and Commercial/Industrial Development, dated May 18, 2022*, (“2022 FJR”) 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 Facilities needs resulting from additional Development within the District. (Government Code Section 66006(b)(1)(A).) The Board of the District approved the 2022 FJR and the following Statutory School Facility Fee amounts by adopting Resolution No. 35/2021-2022 Resolution Approving Fee Justification Report For New Residential and Commercial/Industrial Development and Authorizing Increase In Statutory Level 1 Developer Fees at the Board’s regular meeting held on June 7, 2022.

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

Level 1 Residential	*\$4.79 per square foot
Level 1 Commercial/Industrial	*\$0.78 per square foot
Level 1 Commercial/Industrial (Self-Storage)	*\$0.22 per square foot

\*Effective 8/6/22, 60 days after Board adoption of Resolution No. 35/2021-2022.

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

	<b>Reportable Fees</b>
Beginning Balance (07/01/2022)	\$16,478,047.01
Amount of Reportable Fees Collected	
<i>Level 1 Residential</i>	<i>\$4,469,568.92</i>
<i>Level 1 Commercial/Industrial</i>	<i>\$282,405.78</i>
<i>Level 1 Self-Storage</i>	<i>\$19,143.96</i>
<b>Total Reportable Fees Collected</b>	<b>\$4,771,118.66</b>
Interest Earned	\$ 516,865.09
Expenditures	< \$ 252,237.04 >
<b>Ending Balance (06/30/2023):</b>	<b>\$21,513,793.75</b>

**c. 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)):**

The foregoing information is set forth below.

<b>Project Description</b>	<b>Project Total</b>	<b>Percentage of Project Total Funded w/ Reportable Fees</b>	<b>Amount Funded with Reportable Fees</b>
<ul style="list-style-type: none"> <li>Legal Fees and other Consultant Services Fees in connection with the adoption of fees, requisite reporting, and required findings and determinations (Ed. Code, § 17620(a)(5))</li> </ul>	\$7,073.50	100%	\$7,073.50
<ul style="list-style-type: none"> <li>Richard R. Oliphant Elementary School Classroom Buildout to accommodate student population increase due to Development and to address ongoing increased demand to facilities and necessary to maintain level of service</li> </ul>	\$166,655.50	100%	\$166,655.50
<ul style="list-style-type: none"> <li>Administrative Services in connection with the collection of fees (Ed. Code, § 17620(a)(5))</li> </ul>	\$78,508.04	100%	\$78,508.04
<b>TOTAL</b>	<b>\$252,237.04</b>		<b>\$252,237.04</b>

**d. 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)):**

Sufficient funds have yet to be collected for the District's current incomplete project(s) that utilize, or may utilize, the fees in the Fund. However, the District may use the ongoing balance in the Fund to provide funding for projects described in its nexus studies, including the construction of new School Facilities, interim student housing until new facilities are available, and additional central administrative facilities and support facilities to house and serve new students from Development. See "Table: DSUSD Public Projects," below, for more details.

**e. Description of Each Interfund Transfer or Loan Made From the Fund (Government Code Section 66006(b)(1)(G)):**

There were no interfund borrowings or loans made in this past fiscal year.

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

No such refunds were made in this past fiscal year, and no refunds are required under applicable law. Likewise, no such allocations were made in this past fiscal year.

2. 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.

**END OF ANNUAL REPORTABLE FEES REPORT**

## **FIVE-YEAR FINDINGS**

In accordance with Government Code Section 66001, the District provides the following information for Fiscal Year 2022-2023:

For the fifth fiscal year following the first deposit into the Fund, 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 2022-2023, there remained \$21,513,793.75 in the Fund. (Government Code Section 66001(d)) Due to the complexities of accounting for Reportable Fees, and in the interest of transparency, the District voluntarily prepares five-year findings annually.

### **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 as justified by the nexus studies and fee resolutions and authorized by relevant fee statutes.<sup>1</sup>

Specifically, the Reportable Fees will be used for the new construction and/or acquisition of additional School Facilities and reconstruction of existing School Facilities to accommodate ongoing student population growth from new Development including, but not limited to, construction of new School Facilities, permanent technology affixed and imbedded therein, acquiring and installing additional portable classrooms as interim student housing until new facilities are available, and construction or acquisition of additional central administrative facilities and support facilities. (Government Code Section 66001(d)(1)(A)). Further information regarding such Project(s) is set forth below in “Table: DSUSD Public Projects.”

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<sup>1</sup> In addition to the 2022 FJR and Resolution No. 35/2021-2022, the District’s collected Reportable Fees have been justified and authorized pursuant to the following:

- *Fee Justification Study For New Residential and Commercial/Industrial Development, dated May 17, 2018*, adopted by the Board on June 12, 2018, via Resolution No. 29/2017-2018, Resolution of the Board of Education of the Desert Sands Unified School District Approving an Increase In Statutory School Fees Imposed On New Residential and Commercial/Industrial Construction Pursuant to Education Code Section 17620 and Government Code Section 65995; and
- *Fee Justification Study For New Residential and Commercial/Industrial Development, dated February 27, 2020*, adopted by the Board on March 17, 2020, via Resolution No. 23/2019-2020, Resolution of the Board of Education of the Desert Sands Unified School District Approving an Increase In Statutory School Fees Imposed On New Residential and Commercial/Industrial Construction Pursuant to Education Code Section 17620 and Government Code Section 65995.

The Board adopted fee justification studies, including the 2022 FJR, are collectively referred to as the “nexus studies” and the Board adopted fee resolutions, including Resolution No. 35/2021-2022, are collectively referred to as the “fee resolutions.”

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

As shown in the nexus studies and fee resolutions, there is a roughly proportional, reasonable relationship between the Development upon which the Reportable Fees are charged and the need for additional new School Facilities, interim student housing until new facilities are available, and construction or acquisition of additional central administrative facilities and support facilities, because additional students will be generated by new Development within the District, and the District will not have capacity in its existing School Facilities to accommodate and house these new students. Furthermore, the Reportable Fees charged on Development will be used to fund School Facilities as well as administrative and support facilities which will be used to serve the new students generated from Development. The Reportable Fees do not exceed the costs of providing such School Facilities for new students. (Government Code Section 66001(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):**

See “Table: DSUSD Public Projects”, below.

<b>TABLE: DSUSD PUBLIC PROJECTS</b>			
<b>Project Name</b>	<b>Source of Funds</b>	<b>Amount of Anticipated Funding From Each Source</b>	<b>Project Total</b>
<b>Purchase of portable classrooms at Reagan ES (4 CRs), Shadow Hills HS (6 CRs), and Palm Desert HS (6 CRs)</b>	Statutory School Fees	N/A	\$8,000,000
<i>This project anticipates the need for design, engineering, purchase, and installation of portable classrooms to expand School Facilities at these sites due to insufficient capacity to address student growth in these areas over the next six years. The Facilities Master Plan has identified these sites as next in line necessitating classroom additions.</i>	<p><i>Portion of funds have been received, and continuing collection of fees will be appropriated to supplement this project, as well as legally authorized new construction projects as approved by the Board, recommended by the Facilities Master Plan, and the nexus studies; Appropriation of Fund 25 for this project will be re-examined as the District’s student enrollment (a District of choice) is evaluated each school year.</i></p> <p><i>Total funding amount for this project is being deposited into Fund 25 continually, and is re-examined and earmarked each fiscal year. Deposit into Fund 25 for this project’s purpose will continue until the portable classrooms are purchased and installed by the District or new construction of School Facilities can otherwise be implemented.</i></p>		

<b>TABLE: DSUSD PUBLIC PROJECTS</b>			
<b>Project Name</b>	<b>Source of Funds</b>	<b>Amount of Anticipated Funding From Each Source</b>	<b>Project Total</b>
<b>Richard R. Oliphant Elementary School Classrooms Buildout</b>	Special Reserve Fund for Capital Outlay Projects	\$1,414,791	\$16,940,176
	Statutory School Fees	\$15,525,385	
<p><i>New construction for the first phase of the Oliphant ES was completed in Summer 2018 to address incoming new students from development in that area; This final phase of classrooms buildout is to complete construction of the Oliphant ES to fully address all the students to be generated and enrolled from development in that community.</i></p>	<p><i>Most of the developer fees to fund this project have been received, and continuing collection of fees will be appropriated to fund this project, as well as other legally authorized projects as approved by the Board and authorized by the nexus studies; Appropriation of Fund 25 to fund this project will be re-examined as the District's Special Reserve Fund for Capital Outlay Projects is expended.</i></p> <p><i>Funding amount for this project from developer fees is expected to be fully deposited into Fund 25 within approximately the next one (1) to three (3) years.</i></p>		

**END OF THE FIVE YEAR FINDINGS**