

**FISCAL YEAR 2006-07
ADMINISTRATION REPORT
FOR
IMPROVEMENT AREA D
OF
COMMUNITY FACILITIES DISTRICT No. 10
OF
POWAY UNIFIED SCHOOL DISTRICT**

June 26, 2006

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ADMINISTRATION REPORT
FOR
IMPROVEMENT AREA D
OF
COMMUNITY FACILITIES DISTRICT No. 10**

PREPARED FOR

POWAY UNIFIED SCHOOL DISTRICT
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June 26, 2006

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INTRODUCTION

This Administration Report ("Report") provides an analysis of the financial and administrative obligations of Improvement Area ("IA") D of Community Facilities District ("CFD") No. 10 of the Poway Unified School District ("District") resulting from the sale of the IA D 2002 Special Tax Bonds ("IA D Bonds") issued in October of 2002 in the amount of \$5,125,000. All capitalized terms herein are used as defined in the Rate and Method of Apportionment ("RMA") and the Bond Indenture ("Indenture") between Zions First National Bank, N.A. ("Fiscal Agent") and the District for IA D of CFD No. 10.

The IA D Bonds are secured and repaid through the annual levy and collection of Special Taxes from all property subject to the Annual Special Tax within IA D of CFD No. 10. In calculating the Annual Special Tax Requirement for Fiscal Year 2006-07, the Report describes (i) the remaining financial obligations of IA D of CFD No. 10 for Fiscal Year 2005-06, (ii) the financial obligations of IA D of CFD No. 10 for Fiscal Year 2006-07, and (iii) the amount of new development which has occurred within the boundaries of IA D of CFD No. 10.

The Report is organized into the following sections:

Section I

Section I provides a description of the Annual Special Tax levy for Fiscal Year 2005-06.

Section II

Section II examines the financial activity in the funds, accounts and subaccount established pursuant to the Indenture. A Fiscal Year summary is provided which lists all disbursements, Annual Special Tax receipts, and interest earnings.

Section III

Section III calculates the Annual Special Tax Requirement based on the financial obligations of IA D of CFD No. 10 for Fiscal Year 2006-07.

Section IV

Section IV provides (i) a description of the Special Tax classifications and (ii) an update of the development which has occurred in IA D of CFD No. 10.

Section V

Section V describes the Annual Special Tax rates and reviews the methodology used to apportion the Annual Special Tax Requirement between Developed Property and Undeveloped Property and lists the Annual Special Tax rates for Fiscal Year 2006-07.

I. ANNUAL SPECIAL TAX LEVY FOR FISCAL YEAR 2005-06

The aggregate Annual Special Tax levy for Fiscal Year 2005-06 equaled \$351,979.56. Special Taxes were only levied on Developed Property. A summary of the levy for Fiscal Year 2005-06 is shown in Table 1.

TABLE 1

**ANNUAL SPECIAL TAX RATES AND LEVY
OF FISCAL YEAR 2005-06**

Land Use	Building Square Feet	Number of Units/Acres	Annual Special Tax Rate	Total Special Taxes
Detached/Attached Units	≤ 2,700	34	\$2,272.14	\$77,252.76
Detached/Attached Units	2,701 – 3,100	72	\$2,475.86	\$178,261.92
Detached/Attached Units	> 3,100	36	\$2,679.58	\$96,464.88
Undeveloped Property	NA	0	\$0.00	\$0.00
Total	NA	NA	NA	\$351,979.56

David Taussig & Associates, Inc. ("DTA") has received delinquency information from the County of San Diego ("County") for the first installment of Fiscal Year 2005-06. The Annual Special Tax delinquencies for the first installment equaled \$8,665.51 resulting in a delinquency rate of 2.46 percent. DTA has concluded that IA D of CFD No. 10 will be able to meet its remaining obligations for Fiscal Year 2005-06.

II. FUNDS AND ACCOUNTS

The Indenture established nine (9) funds for IA D of CFD No. 10. They are the Administrative Expense Fund, Bond Fund, Cost of Issuance Fund, Improvement Fund, Rebate Fund, Reserve Fund, Redemption Fund, Letter of Credit Fund, and Special Tax Fund. Within the Bond Fund, an Interest Account and a Principal Account were created. Additionally, within the Interest Account, a Capitalized Interest Subaccount was created.

All receipts from the collection of Annual Special Taxes for IA D of CFD No. 10 are deposited in the Special Tax Fund, which is administered by the Fiscal Agent. Pursuant to the Indenture, the Fiscal Agent transfers the Annual Special Tax receipts to the funds in the amount and priority set forth below.

1. **Administrative Expense Fund** – an amount equal to the Administrative Expense Requirement of IA D of CFD No. 10 for that Fiscal Year;
2. **Bond Fund** – an amount taking into account any amounts then on deposit sufficient to meet the principal, premium, if any, and interest due on the next interest payment date;
3. **Reserve Fund** – any amount, taking into account any amounts then on deposit, that may be necessary to replenish this fund to the Reserve Requirement;
4. **Rebate Fund** – an amount, requested in writing by the District, to be used to pay rebate to the United States government; and
5. **Administrative Expense Fund** – any additional amount needed to defray the costs of administering IA D of CFD No. 10 in excess of the Administrative Expense Requirement.

Any monies remaining in the Special Tax Fund after each of the above transfer are made shall remain on deposit in the Special Tax Fund. However, after such time as the levy of Special Taxes on Developed Property exceeds the Annual Special Tax Requirement, then excess monies shall be paid to the District to be used for school facilities.

The Reserve Requirement is an amount equal to the lesser of (i) ten percent (10%) of the original proceeds of the IA D Bonds, (ii) Maximum Annual Debt Service on the IA D Bonds, or (iii) one hundred twenty-five percent (125%) of the average annual debt service on the IA D Bonds. As of the date of the Report, the Reserve Requirement was \$495,932.41.

A. Sources and Uses of Funds

Sources of funds for IA D of CFD No. 10 during the period of July 1, 2005, to May 1, 2006, totaled \$242,466.54. Of this amount, Special Tax Receipts totaled \$219,772.50 and interest earnings totaled \$22,694.04. Table 2 shows that interest earnings for each fund, account and subaccount for the period stated above.

TABLE 2
INTEREST EARNINGS
JULY 1, 2005 - MAY 1, 2006

Funds, Accounts and Subaccount	Earnings
Special Tax Fund	\$2,886.57
Reserve Fund	\$18,549.53
Bond Fund	\$0.00
Cost of Issuance Fund	\$0.00
Improvement Fund	\$184.45
Redemption Fund	\$0.00
Rebate Fund	\$0.00
Administrative Expense Fund	\$1,073.49
Letter of Credit Fund	\$0.00
Interest Account	\$0.00
Principal Account	\$0.00
Capitalized Interest Subaccount	\$0.00
Total	\$22,694.04

Total uses of funds during the period of July 1, 2005, to May 1, 2006, was \$311,943.05. Of this amount, \$283,051.25 in interest was paid to bondholders, \$15,000.00 was used to pay principal of the IA D Bonds, and \$13,891.80 was paid for the legal, consulting, and professional services fees.

A detailed analysis of all transactions within the funds, accounts and subaccount for this period is included as Exhibit A.

B. Account Balances

The balances as of May 1, 2006, in the funds, accounts and subaccount established pursuant to the Indenture are shown in Table 3.

TABLE 3

**FUND, ACCOUNT AND SUBACCOUNT BALANCES
AS OF MAY 1, 2006**

Funds, Accounts and Subaccount	Balance
Special Tax Fund	\$89,959.32
Reserve Fund	\$501,143.79
Bond Fund	\$0.00
Cost of Issuance Fund	\$0.00
Improvement Fund	\$9,678.03
Redemption Fund	\$0.00
Rebate Fund	\$0.00
Administrative Expense Fund	\$45,349.87
Letter of Credit Fund	\$0.00
Interest Account	\$0.00
Principal Account	\$0.00
Capitalized Interest Subaccount	\$0.00
<i>Total</i>	<i>\$646,131.01</i>

III. ANNUAL SPECIAL TAX REQUIREMENT FOR FISCAL YEAR 2006-07

The Annual Special Tax Requirement of IA D of CFD No. 10 for Fiscal Year 2006-07 is equal to \$359,018.84. This amount represents (i) interest payments due to bondholders in Calendar Year 2007 and (ii) anticipated Administrative Expenses for Fiscal Year 2006-07. Table 4 shows the calculation of the Annual Special Tax Requirement of IA D of CFD No. 10 for Fiscal Year 2006-07.

TABLE 4

**ANNUAL SPECIAL TAX REQUIREMENT
FOR FISCAL YEAR 2006-07**

FY 2005-06 Current and Projected Funds		\$215,913.98
Balance of Special Tax Fund Balance (as of 5/01/06)	\$89,959.32	
Projected Special Tax Receipts	\$125,954.66	
FY 2005-06 Remaining Obligations		\$215,913.98
Interest Due September 1, 2006	\$141,422.50	
Principal Due September 1, 2006	\$20,000.00	
Direct Construction Funding	\$54,491.48	
<i>Projected Surplus/(Draw on Reserve Fund)</i>		<i>\$0.00</i>
FY 2006-07 Obligations		\$359,018.84
Interest Payment Due March 1, 2007	\$141,102.50	
Interest Payment Due September 1, 2007	\$141,102.50	
Principal Payment Due September 1, 2007	\$25,000.00	
Administrative Expense Budget for Fiscal Year 2006-07	\$16,236.48	
Direct Construction Funding	\$35,577.36	
<i>Annual Special Tax Requirements for FY 2006-07</i>		<i>\$359,018.84</i>

IV. SPECIAL TAX CLASSIFICATIONS AND DEVELOPMENT UPDATE

IA D of CFD No. 10 encompasses approximately 78.36 gross acres of land located within the City of San Diego ("City"). At build-out, IA D of CFD No. 10 is expected to be developed with 142 Units.

A. Special Tax Classifications

Each Fiscal Year, the District calculates the Annual Special Taxes to be levied against Taxable Property within IA D of CFD No. 10. The RMA defines two (2) categories of Taxable Property, "Developed Property" and "Undeveloped Property." Developed Property is in turn divided into three (3) tax classes which vary with Unit size. The Developed Property classifications are shown in Table 5.

TABLE 5

**SPECIAL TAX CLASSIFICATIONS
OF DEVELOPED PROPERTY**

Land Use	Building Square Footage
Attached/Detached Unit	≤ 2,700
Attached/Detached Unit	2,701 – 3,100
Attached/Detached Unit	> 3,100

Developed Property is distinguished from Undeveloped Property by the issuance of a building permit. Specifically, Developed Property means, for any Fiscal Year, all Assessor's Parcels in IA D of CFD No. 10 for which a building permit has been issued as of May 1 of the previous Fiscal Year, provided that such Assessor's Parcels were created on or before January 1 of the prior Fiscal Year and that such Assessor's Parcels are associated with a Lot. For example, all Assessor's Parcels in IA D of CFD No. 10 for which a building permit was issued as of May 1, 2006, will be classified as Developed Property in Fiscal Year 2006-07.

B. Development Update

As of May 1, 2005, the City had issued building permits for 142 Units. Accordingly, IA D of CFD No. 10 was built-out as of Fiscal Year 2004-05. Table 6 lists the status of Developed Property in IA D of CFD No. 10 by Special Tax class for Fiscal Years 2004-05 through 2006-07.

TABLE 6

STATUS OF DEVELOPED PROPERTY

Land Use	Building Square Footage	Fiscal Year 2004-05	Fiscal Year 2005-06	Fiscal Year 2006-07
Attached/Detached Unit	≤ 2,700	27 Units	34 Units	34 Units
Attached/Detached Unit	2,701 – 3,100	59 Units	72 Units	72 Units
Attached/Detached Unit	> 3,100	29 Units	36 Units	36 Units
<i>Total</i>	<i>NA</i>	<i>115 Units</i>	<i>142 Units</i>	<i>142 Units</i>

V. METHOD OF APPORTIONMENT

Section F of the RMA describes the steps in which Annual Special Taxes shall be levied each Fiscal Year in order to satisfy the Annual Special Tax Requirement.

The first step states that the Annual Special Tax shall be levied against each parcel of Developed Property at the Assigned Annual Special Tax rate applicable to such Assessor's Parcel. If the Special Taxes raised pursuant to the first step are less than the Annual Special Tax Requirement, then the second step is applied. The second step states that the Annual Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property up to the Assigned Annual Special Tax rate applicable to such Assessor's Parcel. If the Annual Special Taxes raised pursuant to the first two steps are less than the Annual Special Tax Requirement, then the third step is applied. This step states that the Annual Special Tax on each Assessor's Parcel of Developed Property whose Maximum Special Tax is the Backup Annual Special Tax shall be increased Proportionately from the Assigned Annual Special Tax Rate up to the Backup Annual Special Tax rate in order to satisfy the Annual Special Tax Requirement.

Application of the first step yields sufficient Special Taxes to satisfy the Annual Special Tax Requirement for Fiscal Year 2006-07. The Annual Special Tax rates of IA D of CFD No. 10 for Fiscal Year 2006-07 are shown in Table 7. The Annual Special Tax roll, which lists the actual Annual Special Tax levied against each Assessor's Parcel, is included as Exhibit B.

TABLE 7

**ANNUAL SPECIAL TAX RATES
FOR FISCAL YEAR 2006-07**

Land Use	Building Square Footage	Special Tax Rate
Detached/Attached Unit	≤ 2,700	\$2,317.58 per Unit
Detached/Attached Unit	2,701 – 3,100	\$2,525.38 per Unit
Detached/Attached Unit	> 3,100	\$2,733.16 per Unit
Undeveloped Property	NA	\$0.00 per Acre

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EXHIBIT A

**SUMMARY OF TRANSACTIONS WITHIN
THE FUNDS, ACCOUNTS AND SUBACCOUNT
FISCAL YEAR 2005-06**

SOURCES AND USES OF FUNDS

Year to Date as of 4/30/2006

Account Name	SOURCES					USES							Ending Balance
	Beginning Balance	Special Tax Receipts	Investment Earnings	Miscellaneous	Total Sources	Interest Payments	Principal Payments	Acquisition/ Construction Payments	Legal/ Consulting/ Professional Services	Miscellaneous	Total Uses	Transfers	
Administrative Expense Fund 7150802I	\$42,250.06	\$0.00	\$1,073.49	\$0.00	\$1,073.49	\$0.00	\$0.00	\$0.00	(\$13,891.80)	\$0.00	(\$13,891.80)	\$15,918.12	\$45,349.87
Improvement Fund 7150802E	\$2,809.49	\$0.00	\$184.45	\$0.00	\$184.45	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6,684.09	\$9,678.03
Interest Account 7150802B	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$283,051.25)	\$0.00	\$0.00	\$0.00	\$0.00	(\$283,051.25)	\$283,051.25	\$0.00
Letter of Credit Fund 7150802F	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Principal Account 7150802C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$15,000.00)	\$0.00	\$0.00	\$0.00	(\$15,000.00)	\$15,000.00	\$0.00
Reserve Fund 7150802D	\$489,278.35	\$0.00	\$18,549.53	\$0.00	\$18,549.53	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$6,684.09)	\$501,143.79
Special Tax Fund 7150802A	\$181,269.62	\$219,772.50	\$2,886.57	\$0.00	\$222,659.07	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$313,969.37)	\$89,959.32
Totals	\$715,607.52	\$219,772.50	\$22,694.04	\$0.00	\$242,466.54	(\$283,051.25)	(\$15,000.00)	\$0.00	(\$13,891.80)	\$0.00	(\$311,943.05)	\$0.00	\$646,131.01

SOURCES AND USES OF FUNDS

7/1/2005

Account Name	SOURCES				USES							Ending Balance	
	Beginning Balance	Special Tax Receipts	Investment Earnings	Miscellaneous	Total Sources	Interest Payments	Principal Payments	Acquisition/ Construction Payments	Legal/ Consulting/ Professional Services	Miscellaneous	Total Uses		Transfers
Administrative Expense Fund 7150802I	\$42,250.06	\$0.00	\$88.56	\$0.00	\$88.56	\$0.00	\$0.00	\$0.00	(\$2,675.53)	\$0.00	(\$2,675.53)	\$0.00	\$39,663.09
Improvement Fund 7150802E	\$2,809.49	\$0.00	\$5.80	\$0.00	\$5.80	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,815.29
Interest Account 7150802B	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Letter of Credit Fund 7150802F	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Principal Account 7150802C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Reserve Fund 7150802D	\$489,278.35	\$0.00	\$22.69	\$0.00	\$22.69	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$489,301.04
Special Tax Fund 7150802A	\$181,269.62	\$3,541.10	\$370.28	\$0.00	\$3,911.38	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$185,181.00
Totals	\$715,607.52	\$3,541.10	\$487.33	\$0.00	\$4,028.43	\$0.00	\$0.00	\$0.00	(\$2,675.53)	\$0.00	(\$2,675.53)	\$0.00	\$716,960.42

Note:

SOURCES AND USES OF FUNDS

8/1/2005

Account Name	SOURCES				USES							Ending Balance	
	Beginning Balance	Special Tax Receipts	Investment Earnings	Miscellaneous	Total Sources	Interest Payments	Principal Payments	Acquisition/ Construction Payments	Legal/ Consulting/ Professional Services	Miscellaneous	Total Uses		Transfers
Administrative Expense Fund 7150802I	\$39,663.09	\$0.00	\$96.42	\$0.00	\$96.42	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$39,759.51
Improvement Fund 7150802E	\$2,815.29	\$0.00	\$6.56	\$0.00	\$6.56	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,821.85
Interest Account 7150802B	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Letter of Credit Fund 7150802F	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Principal Account 7150802C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Reserve Fund 7150802D	\$489,301.04	\$0.00	\$7,574.68	\$0.00	\$7,574.68	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$496,875.72
Special Tax Fund 7150802A	\$185,181.00	\$0.00	\$426.17	\$0.00	\$426.17	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$185,607.17
Totals	\$716,960.42	\$0.00	\$8,103.83	\$0.00	\$8,103.83	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$725,064.25

Note:

SOURCES AND USES OF FUNDS

9/1/2005

Account Name	SOURCES					USES							Ending Balance
	Beginning Balance	Special Tax Receipts	Investment Earnings	Miscellaneous	Total Sources	Interest Payments	Principal Payments	Acquisition/ Construction Payments	Legal/ Consulting/ Professional Services	Miscellaneous	Total Uses	Transfers	
Administrative Expense Fund 7150802I	\$39,759.51	\$0.00	\$99.96	\$0.00	\$99.96	\$0.00	\$0.00	\$0.00	(\$2,500.00)	\$0.00	(\$2,500.00)	\$0.00	\$37,359.47
Improvement Fund 7150802E	\$2,821.85	\$0.00	\$7.09	\$0.00	\$7.09	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,828.94
Interest Account 7150802B	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$141,628.75)	\$0.00	\$0.00	\$0.00	\$0.00	(\$141,628.75)	\$141,628.75	\$0.00
Letter of Credit Fund 7150802F	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Principal Account 7150802C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$15,000.00)	\$0.00	\$0.00	\$0.00	(\$15,000.00)	\$15,000.00	\$0.00
Reserve Fund 7150802D	\$496,875.72	\$0.00	\$501.78	\$0.00	\$501.78	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$497,377.50
Special Tax Fund 7150802A	\$185,607.17	\$0.00	\$466.64	\$0.00	\$466.64	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$156,628.75)	\$29,445.06
Totals	\$725,064.25	\$0.00	\$1,075.47	\$0.00	\$1,075.47	(\$141,628.75)	(\$15,000.00)	\$0.00	(\$2,500.00)	\$0.00	(\$159,128.75)	\$0.00	\$567,010.97

Note: \$141,628.75 was paid in Interest and \$15,000.00 was paid in Principal for September debt service obligation.

SOURCES AND USES OF FUNDS

10/1/2005

Account Name	SOURCES					USES							Ending Balance
	Beginning Balance	Special Tax Receipts	Investment Earnings	Miscellaneous	Total Sources	Interest Payments	Principal Payments	Acquisition/ Construction Payments	Legal/ Consulting/ Professional Services	Miscellaneous	Total Uses	Transfers	
Administrative Expense Fund 7150802I	\$37,359.47	\$0.00	\$93.68	\$0.00	\$93.68	\$0.00	\$0.00	\$0.00	(\$244.94)	\$0.00	(\$244.94)	\$0.00	\$37,208.21
Improvement Fund 7150802E	\$2,828.94	\$0.00	\$7.08	\$0.00	\$7.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6,684.09	\$9,520.11
Interest Account 7150802B	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Letter of Credit Fund 7150802F	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Principal Account 7150802C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Reserve Fund 7150802D	\$497,377.50	\$0.00	\$636.99	\$0.00	\$636.99	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$6,684.09)	\$491,330.40
Special Tax Fund 7150802A	\$29,445.06	\$0.00	\$73.67	\$0.00	\$73.67	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$29,518.73
Totals	\$567,010.97	\$0.00	\$811.42	\$0.00	\$811.42	\$0.00	\$0.00	\$0.00	(\$244.94)	\$0.00	(\$244.94)	\$0.00	\$567,577.45

Note: Transfer of excess Reserve Requirement into Improvement Fund.

SOURCES AND USES OF FUNDS

11/1/2005

Account Name	SOURCES				USES							Ending Balance	
	Beginning Balance	Special Tax Receipts	Investment Earnings	Miscellaneous	Total Sources	Interest Payments	Principal Payments	Acquisition/ Construction Payments	Legal/ Consulting/ Professional Services	Miscellaneous	Total Uses		Transfers
Administrative Expense Fund 7150802I	\$37,208.21	\$0.00	\$99.70	\$0.00	\$99.70	\$0.00	\$0.00	\$0.00	(\$2,971.90)	\$0.00	(\$2,971.90)	\$0.00	\$34,336.01
Improvement Fund 7150802E	\$9,520.11	\$0.00	\$11.13	\$0.00	\$11.13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$9,531.24
Interest Account 7150802B	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Letter of Credit Fund 7150802F	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Principal Account 7150802C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Reserve Fund 7150802D	\$491,330.40	\$0.00	\$679.79	\$0.00	\$679.79	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$492,010.19
Special Tax Fund 7150802A	\$29,518.73	(\$1,127.99)	\$79.03	\$0.00	(\$1,048.96)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$28,469.77
Totals	\$567,577.45	(\$1,127.99)	\$869.65	\$0.00	(\$258.34)	\$0.00	\$0.00	\$0.00	(\$2,971.90)	\$0.00	(\$2,971.90)	\$0.00	\$564,347.21

Note:

SOURCES AND USES OF FUNDS

12/1/2005

Account Name	SOURCES					USES							Ending Balance
	Beginning Balance	Special Tax Receipts	Investment Earnings	Miscellaneous	Total Sources	Interest Payments	Principal Payments	Acquisition/ Construction Payments	Legal/ Consulting/ Professional Services	Miscellaneous	Total Uses	Transfers	
Administrative Expense Fund 7150802I	\$34,336.01	\$0.00	\$95.73	\$0.00	\$95.73	\$0.00	\$0.00	\$0.00	(\$249.84)	\$0.00	(\$249.84)	\$0.00	\$34,181.90
Improvement Fund 7150802E	\$9,531.24	\$0.00	\$26.35	\$0.00	\$26.35	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$9,557.59
Interest Account 7150802B	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Letter of Credit Fund 7150802F	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Principal Account 7150802C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Reserve Fund 7150802D	\$492,010.19	\$0.00	\$688.96	\$0.00	\$688.96	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$492,699.15
Special Tax Fund 7150802A	\$28,469.77	\$71,392.50	\$79.63	\$0.00	\$71,472.13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$99,941.90
Totals	\$564,347.21	\$71,392.50	\$890.67	\$0.00	\$72,283.17	\$0.00	\$0.00	\$0.00	(\$249.84)	\$0.00	(\$249.84)	\$0.00	\$636,380.54

Note:

SOURCES AND USES OF FUNDS

1/1/2006

Account Name	SOURCES				USES							Ending Balance	
	Beginning Balance	Special Tax Receipts	Investment Earnings	Miscellaneous	Total Sources	Interest Payments	Principal Payments	Acquisition/ Construction Payments	Legal/ Consulting/ Professional Services	Miscellaneous	Total Uses		Transfers
Administrative Expense Fund 7150802I	\$34,181.90	\$0.00	\$100.15	\$0.00	\$100.15	\$0.00	\$0.00	\$0.00	(\$2,000.00)	\$0.00	(\$2,000.00)	\$0.00	\$32,282.05
Improvement Fund 7150802E	\$9,557.59	\$0.00	\$27.86	\$0.00	\$27.86	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$9,585.45
Interest Account 7150802B	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Letter of Credit Fund 7150802F	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Principal Account 7150802C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Reserve Fund 7150802D	\$492,699.15	\$0.00	\$728.41	\$0.00	\$728.41	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$493,427.56
Special Tax Fund 7150802A	\$99,941.90	\$109,549.00	\$191.04	\$0.00	\$109,740.04	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$209,681.94
Totals	\$636,380.54	\$109,549.00	\$1,047.46	\$0.00	\$110,596.46	\$0.00	\$0.00	\$0.00	(\$2,000.00)	\$0.00	(\$2,000.00)	\$0.00	\$744,977.00

Note:

SOURCES AND USES OF FUNDS

2/1/2006

Account Name	SOURCES				USES							Ending Balance	
	Beginning Balance	Special Tax Receipts	Investment Earnings	Miscellaneous	Total Sources	Interest Payments	Principal Payments	Acquisition/ Construction Payments	Legal/ Consulting/ Professional Services	Miscellaneous	Total Uses		Transfers
Administrative Expense Fund 7150802I	\$32,282.05	\$0.00	\$105.72	\$0.00	\$105.72	\$0.00	\$0.00	\$0.00	(\$2,749.59)	\$0.00	(\$2,749.59)	\$15,918.12	\$45,556.30
Improvement Fund 7150802E	\$9,585.45	\$0.00	\$30.32	\$0.00	\$30.32	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$9,615.77
Interest Account 7150802B	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Letter of Credit Fund 7150802F	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Principal Account 7150802C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Reserve Fund 7150802D	\$493,427.56	\$0.00	\$6,933.39	\$0.00	\$6,933.39	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$500,360.95
Special Tax Fund 7150802A	\$209,681.94	\$3,713.79	\$386.99	\$0.00	\$4,100.78	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$15,918.12)	\$197,864.60
Totals	\$744,977.00	\$3,713.79	\$7,456.42	\$0.00	\$11,170.21	\$0.00	\$0.00	\$0.00	(\$2,749.59)	\$0.00	(\$2,749.59)	\$0.00	\$753,397.62

Note:

SOURCES AND USES OF FUNDS

3/1/2006

Account Name	SOURCES					USES							Ending Balance
	Beginning Balance	Special Tax Receipts	Investment Earnings	Miscellaneous	Total Sources	Interest Payments	Principal Payments	Acquisition/ Construction Payments	Legal/ Consulting/ Professional Services	Miscellaneous	Total Uses	Transfers	
Administrative Expense Fund 7150802I	\$45,556.30	\$0.00	\$137.35	\$0.00	\$137.35	\$0.00	\$0.00	\$0.00	(\$500.00)	\$0.00	(\$500.00)	\$0.00	\$45,193.65
Improvement Fund 7150802E	\$9,615.77	\$0.00	\$29.22	\$0.00	\$29.22	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$9,644.99
Interest Account 7150802B	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$141,422.50)	\$0.00	\$0.00	\$0.00	\$0.00	(\$141,422.50)	\$141,422.50	\$0.00
Letter of Credit Fund 7150802F	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Principal Account 7150802C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Reserve Fund 7150802D	\$500,360.95	\$0.00	\$167.25	\$0.00	\$167.25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$500,528.20
Special Tax Fund 7150802A	\$197,864.60	\$10,005.30	\$598.75	\$0.00	\$10,604.05	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$141,422.50)	\$67,046.15
Totals	\$753,397.62	\$10,005.30	\$932.57	\$0.00	\$10,937.87	(\$141,422.50)	\$0.00	\$0.00	(\$500.00)	\$0.00	(\$141,922.50)	\$0.00	\$622,412.99

Note: \$141,422.50 was paid from the Interest Account for March debt service obligation.

SOURCES AND USES OF FUNDS

4/1/2006

Account Name	SOURCES					USES							Ending Balance
	Beginning Balance	Special Tax Receipts	Investment Earnings	Miscellaneous	Total Sources	Interest Payments	Principal Payments	Acquisition/ Construction Payments	Legal/ Consulting/ Professional Services	Miscellaneous	Total Uses	Transfers	
Administrative Expense Fund 7150802I	\$45,193.65	\$0.00	\$156.22	\$0.00	\$156.22	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$45,349.87
Improvement Fund 7150802E	\$9,644.99	\$0.00	\$33.04	\$0.00	\$33.04	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$9,678.03
Interest Account 7150802B	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Letter of Credit Fund 7150802F	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Principal Account 7150802C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Reserve Fund 7150802D	\$500,528.20	\$0.00	\$615.59	\$0.00	\$615.59	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$501,143.79
Special Tax Fund 7150802A	\$67,046.15	\$22,698.80	\$214.37	\$0.00	\$22,913.17	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$89,959.32
Totals	\$622,412.99	\$22,698.80	\$1,019.22	\$0.00	\$23,718.02	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$646,131.01

Note:

EXHIBIT B

**ANNUAL SPECIAL TAX ROLL
FISCAL YEAR 2006-07**

**POWAY UNIFIED SCHOOL DISTRICT
IMPROVEMENT AREA D OF
COMMUNITY FACILITIES DISTRICT NO. 10
SPECIAL TAX LEVY FOR FISCAL YEAR 2006-07**

ASSESSOR PARCEL NUMBER				SPECIAL TAX
BOOK	PAGE	PARCEL	INT	
306	360	1	00	\$2,525.38
306	360	2	00	\$2,525.38
306	360	3	00	\$2,525.38
306	360	4	00	\$2,733.16
306	360	5	00	\$2,317.58
306	360	6	00	\$2,525.38
306	360	7	00	\$2,525.38
306	360	8	00	\$2,525.38
306	360	9	00	\$2,317.58
306	360	10	00	\$2,525.38
306	360	11	00	\$2,525.38
306	360	12	00	\$2,317.58
306	360	13	00	\$2,525.38
306	360	14	00	\$2,733.16
306	360	15	00	\$2,317.58
306	360	16	00	\$2,733.16
306	360	17	00	\$2,317.58
306	360	18	00	\$2,525.38
306	360	19	00	\$2,317.58
306	360	20	00	\$2,525.38
306	360	21	00	\$2,525.38
306	360	22	00	\$2,317.58
306	360	23	00	\$2,525.38
306	360	24	00	\$2,733.16
306	360	25	00	\$2,525.38
306	360	26	00	\$2,733.16
306	360	27	00	\$2,525.38
306	360	28	00	\$2,525.38
306	360	29	00	\$2,733.16
306	360	30	00	\$2,525.38
306	360	31	00	\$2,525.38
306	360	32	00	\$2,317.58
306	360	33	00	\$2,525.38
306	360	34	00	\$2,733.16
306	360	35	00	\$2,733.16
306	360	36	00	\$2,525.38
306	360	37	00	\$2,525.38

**POWAY UNIFIED SCHOOL DISTRICT
IMPROVEMENT AREA D OF
COMMUNITY FACILITIES DISTRICT NO. 10
SPECIAL TAX LEVY FOR FISCAL YEAR 2006-07**

ASSESSOR PARCEL NUMBER				SPECIAL TAX
BOOK	PAGE	PARCEL	INT	
306	360	38	00	\$2,525.38
306	360	39	00	\$2,317.58
306	360	40	00	\$2,733.16
306	360	41	00	\$2,525.38
306	360	42	00	\$2,733.16
306	360	43	00	\$2,525.38
306	360	44	00	\$2,317.58
306	360	45	00	\$2,733.16
306	360	46	00	\$2,733.16
306	360	47	00	\$2,317.58
306	360	48	00	\$2,733.16
306	360	49	00	\$2,525.38
306	360	50	00	\$2,525.38
306	360	51	00	\$2,733.16
306	360	52	00	\$2,317.58
306	360	53	00	\$2,525.38
306	360	54	00	\$2,733.16
306	360	55	00	\$2,317.58
306	360	56	00	\$2,525.38
306	360	57	00	\$0.00
306	360	58	00	\$0.00
306	360	59	00	\$0.00
306	360	60	00	\$0.00
306	361	1	00	\$2,525.38
306	361	2	00	\$2,317.58
306	361	3	00	\$2,525.38
306	361	4	00	\$2,733.16
306	361	5	00	\$2,525.38
306	361	6	00	\$2,317.58
306	361	7	00	\$2,525.38
306	361	8	00	\$2,317.58
306	361	9	00	\$2,317.58
306	361	10	00	\$2,525.38
306	361	11	00	\$2,525.38
306	361	12	00	\$2,733.16
306	361	13	00	\$2,525.38
306	361	14	00	\$2,525.38

**POWAY UNIFIED SCHOOL DISTRICT
IMPROVEMENT AREA D OF
COMMUNITY FACILITIES DISTRICT NO. 10
SPECIAL TAX LEVY FOR FISCAL YEAR 2006-07**

ASSESSOR PARCEL NUMBER				SPECIAL TAX
BOOK	PAGE	PARCEL	INT	
306	361	15	00	\$2,733.16
306	361	16	00	\$2,525.38
306	361	17	00	\$2,317.58
306	361	18	00	\$2,525.38
306	361	19	00	\$2,317.58
306	361	20	00	\$2,525.38
306	361	21	00	\$2,525.38
306	361	22	00	\$2,525.38
306	361	23	00	\$2,525.38
306	361	24	00	\$2,525.38
306	361	25	00	\$2,317.58
306	361	26	00	\$2,733.16
306	361	27	00	\$2,317.58
306	361	28	00	\$2,317.58
306	361	29	00	\$2,317.58
306	361	30	00	\$2,525.38
306	361	31	00	\$2,525.38
306	361	32	00	\$2,525.38
306	361	33	00	\$2,317.58
306	361	34	00	\$2,733.16
306	361	35	00	\$2,733.16
306	361	36	00	\$2,525.38
306	361	37	00	\$2,317.58
306	361	38	00	\$2,525.38
306	361	39	00	\$2,733.16
306	361	40	00	\$2,317.58
306	361	41	00	\$2,733.16
306	361	42	00	\$2,525.38
306	361	43	00	\$0.00
306	362	1	00	\$2,525.38
306	362	2	00	\$2,525.38
306	362	3	00	\$2,733.16
306	362	4	00	\$2,525.38
306	362	5	00	\$2,733.16
306	362	6	00	\$2,525.38
306	362	7	00	\$2,317.58
306	362	8	00	\$2,525.38

**POWAY UNIFIED SCHOOL DISTRICT
IMPROVEMENT AREA D OF
COMMUNITY FACILITIES DISTRICT NO. 10
SPECIAL TAX LEVY FOR FISCAL YEAR 2006-07**

ASSESSOR PARCEL NUMBER				SPECIAL TAX
BOOK	PAGE	PARCEL	INT	
306	362	9	00	\$2,525.38
306	362	10	00	\$2,317.58
306	362	11	00	\$2,525.38
306	362	12	00	\$2,733.16
306	362	13	00	\$2,525.38
306	362	14	00	\$2,317.58
306	362	15	00	\$2,525.38
306	362	16	00	\$2,733.16
306	362	17	00	\$2,733.16
306	362	18	00	\$2,525.38
306	362	19	00	\$2,525.38
306	362	20	00	\$2,733.16
306	362	21	00	\$2,525.38
306	362	22	00	\$2,317.58
306	362	23	00	\$2,525.38
306	362	24	00	\$2,525.38
306	362	25	00	\$2,733.16
306	362	26	00	\$2,525.38
306	362	27	00	\$2,317.58
306	362	28	00	\$2,525.38
306	362	29	00	\$2,525.38
306	362	30	00	\$2,733.16
306	362	31	00	\$2,317.58
306	362	32	00	\$2,525.38
306	362	33	00	\$2,525.38
306	362	34	00	\$2,733.16
306	362	35	00	\$2,317.58
306	362	36	00	\$2,733.16
306	362	37	00	\$2,525.38
306	362	38	00	\$2,525.38
306	362	39	00	\$2,525.38
306	362	40	00	\$2,733.16
306	362	41	00	\$2,525.38
306	362	42	00	\$2,733.16
306	362	43	00	\$2,317.58
306	362	44	00	\$2,733.16
306	362	45	00	\$0.00

**POWAY UNIFIED SCHOOL DISTRICT
IMPROVEMENT AREA D OF
COMMUNITY FACILITIES DISTRICT NO. 10
SPECIAL TAX LEVY FOR FISCAL YEAR 2006-07**

ASSESSOR PARCEL NUMBER				SPECIAL TAX
BOOK	PAGE	PARCEL	INT	
306	362	46	00	\$0.00
306	362	47	00	\$0.00
306	362	48	00	\$0.00
306	362	49	00	\$0.00
306	362	50	00	\$0.00
306	363	1	00	\$0.00
306	363	2	00	\$0.00
306	51	16	00	\$0.00

MAJOR CONCLUSIONS

NUMBER OF PARCELS WITHIN IA D OF CFD NO. 10	156
NUMBER OF PARCELS TAXED	142
TOTAL TAX LEVY FY 2005-06	\$359,018.84