

CONTINUING DISCLOSURE
ANNUAL REPORT
FISCAL YEAR 2017-2018

\$10,000,000
POWAY UNIFIED SCHOOL DISTRICT
IMPROVEMENT AREA A OF
COMMUNITY FACILITIES DISTRICT No. 15
SPECIAL TAX BONDS
SERIES 2014

January 31, 2019

Public Finance
Public Private Partnerships
Urban Economics

Newport Beach
Riverside
San Francisco
San Jose
Dallas

**CONTINUING DISCLOSURE
ANNUAL REPORT
FISCAL YEAR 2017-2018**

**\$10,000,000
POWAY UNIFIED SCHOOL DISTRICT
IMPROVEMENT AREA A OF
COMMUNITY FACILITIES DISTRICT No. 15
SPECIAL TAX BONDS
SERIES 2014**

PREPARED FOR:

**POWAY UNIFIED SCHOOL DISTRICT
15250 Avenue of Science
San Diego, CA 92128**

PREPARED BY:

**DAVID TAUSSIG & ASSOCIATES, INC.
5000 Birch Street, Suite 6000
Newport Beach, CA 92660**

January 31, 2019

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INTRODUCTION

This Continuing Disclosure Annual Report (“Annual Report”) has been prepared pursuant to Sections 3 and 4 of the Continuing Disclosure Agreement (the “Disclosure Agreement”) executed in connection with the issuance of the \$10,000,000 Improvement Area A of Community Facilities District No. 15 (the “Community Facilities District”) of the Poway Unified School District (the “School District”) Special Tax Bonds, Series 2014 (the “2014 Bonds”). Unless otherwise defined above, all capitalized terms used herein shall have the meanings set forth in the Disclosure Agreement.

The Authority has agreed under Sections 3 and 4 Disclosure Agreement and pursuant to Rule 15c2-12 of the Securities and Exchange Commission to submit certain annual financial information and operating data via the Electronic Municipal Market Access (“EMMA”) system of the Municipal Securities Rulemaking Board (“MSRB”). The information contained in this Annual Report is for the Fiscal Year ending June 30, 2018 (i.e., Fiscal Year 2017-2018), unless otherwise indicated.

CONTENTS OF ANNUAL REPORT

This Annual Report contains the information requested in Section 4 of the Disclosure Agreement.

- A. Audited Financial Statements of the School District prepared in accordance with generally accepted accounting principles as promulgated to apply to government entities from time to time by the Governmental Accounting Standards Board. If audited financial statements are not available, at the time required for filing, unaudited financial statements shall be submitted with the Annual Report, and audited financial statements shall be submitted once available.**

The School District’s audited financial statements for Fiscal Year 2017-2018 will be filed separately via EMMA and are hereby incorporated by reference.

- B. The following information regarding the 2014 Bonds and any parity bonds or refunding bonds issued by the Community Facilities District for Improvement Area A:**

- i) Principal amount of 2014 Bonds and any parity bonds or refunding bonds outstanding as of a date within 60 days preceding the date of the Annual Report;

The principal amount of 2014 Bonds outstanding as of January 1, 2019 was \$9,750,000.

- ii) Balance in the 2014 Bond Service Fund as of a date within 60 days preceding the date of the Annual Report;

Please refer to Table 1 below for the balance in each fund and account established under the Bond Indenture, as well as the Custodial Account established prior to the issuance of the 2014 Bonds.

Table 1
Fund and Account Balances as of January 1, 2019

Fund/Account Name	Balance
Special Tax Fund	\$372,330
Bond Fund	\$0
Interest Account	\$5
Principal Account	\$0
Reserve Fund	\$834,049
Improvement Fund	\$6
Administrative Expense Fund	\$17,912
Redemption Fund	\$203
Custodial Account	\$4,113

- iii) Balance in the Reserve Fund and statement of Reserve Requirement as of a date within 60 days preceding the date of the Annual Report;

The Reserve Requirement as of January 1, 2019 was \$830,427. The balance in the Reserve Fund as of January 1, 2019 was \$834,049.

- iv) While there are funds in the Improvement Fund and each account or subaccount thereof, the balance in the Improvement Fund as of a date within 60 days preceding the date of the Annual Report, and of any other fund or account not referenced in clauses i), ii), iii) or iv) hereof;

The balance in the Improvement Fund as of January 1, 2019 was \$6. Please refer to Table 1 above for the balance of any other fund or account held under the terms of the Bond Indenture, as well as the Custodial Account established prior to the issuance of the 2014 Bonds.

- v) A table summarizing assessed value-to-lien ratios for the property in Improvement Area A by the Rate and Method of Apportionment of Special Taxes land use categories. The assessed values in such table will be determined by reference to the value of the parcels within Improvement Area A on which the Special Taxes are levied, as shown on the assessment roll of the San Diego County Assessor last equalized prior to the September 2 next preceding the Annual Report Date. The lien values in such table will include all 2014 Bonds and any bonds and refunding bonds with respect to Improvement Area A and all other debt secured by a tax or assessments levied on parcels within Improvement Area A and estimated debt service on the 2014 Bonds and any refunding bonds of the Community Facilities District for the related bond year;

Please refer to “Estimated Assessed Value-to-Lien Ratios” in Exhibit A attached and “Debt Service Schedule” in Exhibit B attached.

- vi) An update of Table 2 showing amounts for the current Fiscal Year's Special Tax levy and information regarding the annual Special Taxes levied in Improvement Area A, whether in the case of Developed Property the amounts are the maximum available levy under the Rate and Method of Apportionment of Special Tax with respect to Improvement Area A, amount collected, delinquent amounts and percent delinquent for the most recent Fiscal Year;

Please refer to "Fiscal Year 2018-2019 Special Tax Levy" in Exhibit C attached.

Please refer to "Special Tax Delinquencies" in Exhibit D attached. For Fiscal Year 2017-2018, the Special Tax was levied at 100% of the Assigned Special Tax rates for Developed Property.¹

- vii) Status of foreclosure proceedings of parcels within Improvement Area A and summary of results of foreclosure sales, if available;

The Community Facilities District, on behalf of Improvement Area A, does not have any active foreclosure proceedings and is not currently required to commence foreclosure proceedings upon delinquent properties based on the current level of delinquencies.

- viii) A land ownership summary listing property owners, if any, in Improvement Area A responsible for more than 5% of the Special Tax levy as shown on the assessment roll of the San Diego County Assessor last equalized prior to the September 30 next preceding the Annual Report Date, a summary of the Special Taxes levied on the property within Improvement Area A owned by such property owners, and the assessed value of such property, as shown on such assessment roll;

There are no property owners responsible for more than 5% of the Fiscal Year 2018-2019 Special Tax levy.

- ix) Concerning delinquent parcels as of the immediately preceding August 15;
- a) Number of parcels in Improvement Area A delinquent in payment of Special Tax,
 - b) Total of such delinquency and percentage of delinquency in relation to total Special Tax levy, and
 - c) Status of the actions taken by the Community Facilities District related to any foreclosure proceedings upon delinquent properties within Improvement Area A;
 - d) Identity of any delinquent taxpayer obligated for greater than 5% of the annual Special Tax levy as of the immediately preceding August 15, plus:
 - e) Assessed value of applicable properties, and
 - f) Summary of results of foreclosure sales, if available;

Please refer to "Special Tax Delinquencies" in Exhibit D attached.

The Community Facilities District, on behalf of Improvement Area A, does not have any active foreclosure proceedings and is not currently required to commence foreclosure proceedings upon delinquent properties based on the current level of delinquencies.

¹ Technically, the Rate and Method of Apportionment of Special Tax states that the Maximum Special Tax for each parcel of Developed Property shall be the greater of (i) the Assigned Special Tax or (ii) the Backup Special Tax. In this Annual Report, all discussion of Maximum Special Tax rates for each parcel of Developed Property shall focus on the Assigned Special Tax.

There is no delinquent taxpayer obligated for greater than 5% of the Fiscal Year 2017-2018 Special Tax levy.

- x) A copy of any report for or concerning the Community Facilities District and Improvement Area A as of the immediately preceding October 31, as required under State law;

Please refer to “California Debt and Investment Advisory Commission Fiscal Status Report” in Exhibit E attached.

- xi) Any changes to the Rate and Method of Apportionment of Special Tax for the Community Facilities District or Improvement Area A approved or submitted to the qualified electors of the Community Facilities District and Improvement Area A for approval prior to the filing of the Annual Report.

There have been no changes made to the Rate and Method of Apportionment of Special Tax approved or submitted to the qualified electors of the Community Facilities District and Improvement Area A for approval.

EXHIBIT A

Estimated Assessed Value-to-Lien Ratios

**POWAY UNIFIED SCHOOL DISTRICT
IMPROVEMENT AREA A OF CFD NO. 15
SPECIAL TAX BONDS, SERIES 2014
ESTIMATED ASSESSED VALUE-TO-LIEN RATIOS**

Tax Class / (Land Use) [1]	Number of Units/Acres	Poway USD CFD No. 15, IA A FY 2018-2019 Levy	Poway USD CFD No. 15, IA A Bonds Outstanding [2]	Poway USD CFD No. 15 Bonds Outstanding [2]	Palomar Health Bonds Outstanding [2]	Palomar Community College District Bonds Outstanding [2]	Metropolitan Water District Bonds Outstanding [2]	PACE Programs Bonds Outstanding [3]	Total Direct and Overlapping Debt [4]	Assessed Value [5]	Estimated Assessed Value-to-Lien Ratio [6]
Tax Class 3 (Detached 1,751 - 1,950)	21	\$49,419	\$809,746	\$808,700	\$82,180	\$82,263	\$251	\$0	\$1,783,139	\$15,539,485	8.71
Tax Class 5 (Detached 2,151 - 2,350)	18	\$49,200	\$806,160	\$798,978	\$78,459	\$78,536	\$239	\$0	\$1,762,373	\$14,813,142	8.41
Tax Class 6 (Detached 2,351 - 2,550)	39	\$114,318	\$1,873,130	\$1,847,611	\$179,125	\$179,304	\$546	\$0	\$4,079,716	\$33,831,158	8.29
Tax Class 7 (Detached 2,551 - 2,750)	32	\$101,463	\$1,662,493	\$1,631,858	\$162,369	\$162,530	\$495	\$27,426	\$3,647,171	\$30,600,219	8.39
Tax Class 8 (Detached 2,751 - 2,950)	37	\$121,555	\$1,991,698	\$1,951,481	\$170,196	\$170,364	\$519	\$8,048	\$4,292,306	\$32,151,502	7.49
Tax Class 9 (Detached 2,951 - 3,150)	17	\$58,859	\$964,413	\$943,536	\$89,451	\$89,539	\$273	\$0	\$2,087,212	\$16,868,668	8.08
Tax Class 19 (Attached 1,501 - 1,650)	27	\$58,057	\$951,277	\$952,255	\$83,685	\$83,768	\$255	\$0	\$2,071,240	\$15,863,739	7.66
Tax Class 20 (Attached 1,651 - 1,800)	2	\$4,524	\$74,133	\$73,984	\$6,124	\$6,131	\$19	\$0	\$160,391	\$1,163,134	7.25
Tax Class 21 (Attached > 1,800)	16	\$37,653	\$616,949	\$614,320	\$55,817	\$55,871	\$170	\$0	\$1,343,128	\$10,543,604	7.85
Total	209	\$595,049	\$9,750,000	\$9,622,723	\$907,405	\$908,306	\$2,766	\$35,474	\$21,226,674	\$171,374,651	8.07

[1] Classification pursuant to the Rate and Method of Apportionment of Special Tax.

[2] As of September 2, 2018. Allocated based on Fiscal Year 2018-2019 levy.

[3] A total of two property owners are participating in the CA HERO PACE program as of June 30, 2018. DTA is not aware of any property owners within Improvement Area A of CFD No. 15 that are participating in any other active PACE programs.

[4] For purposes of this analysis, includes land secured and general obligation bond indebtedness for property subject to the Special Tax only.

[5] Fiscal Year 2018-2019 assessed value information as of January 1, 2018 provided by the San Diego County Assessor. Assessed value is calculated as the sum of land value and improvement value.

[6] Calculated by dividing the Assessed Value column by the Total Direct and Overlapping Debt column.

EXHIBIT B

Debt Service Schedule

DEBT SERVICE SCHEDULE
CALIFORNIA OFFICE - LOS ANGELES
 Effective: 03/08/2018

Issuer: POWAY USD CFD 15 IMP AREA		4334		
Pay#	Date	Interest	Principal	Balance
8	03/01/2018	206,971.89	0.00	9,835,000.00
9	09/01/2018	206,971.89	85,000.00 C/M	9,750,000.00
10	03/01/2019	206,046.89	0.00	9,750,000.00
11	09/01/2019	206,046.89	100,000.00 C/M	9,650,000.00
12	03/01/2020	204,721.89	0.00	9,650,000.00
13	09/01/2020	204,721.89	110,000.00 C/M	9,540,000.00
14	03/01/2021	203,271.89	0.00	9,540,000.00
15	09/01/2021	203,271.89	130,000.00 C/M	9,410,000.00
16	03/01/2022	201,409.39	0.00	9,410,000.00
17	09/01/2022	201,409.39	140,000.00 C/M	9,270,000.00
18	03/01/2023	199,259.39	0.00	9,270,000.00
19	09/01/2023	199,259.39	160,000.00 C/M	9,110,000.00
20	03/01/2024	196,628.14	0.00	9,110,000.00
21	09/01/2024	196,628.14	170,000.00	8,940,000.00
22	03/01/2025	193,653.14	0.00	8,940,000.00
23	09/01/2025	193,653.14	190,000.00 C/M	8,750,000.00
24	03/01/2026	190,215.64	0.00	8,750,000.00
25	09/01/2026	190,215.64	205,000.00 C/M	8,545,000.00
26	03/01/2027	186,515.64	0.00	8,545,000.00
27	09/01/2027	186,515.64	230,000.00 C/M	8,315,000.00
28	03/01/2028	181,993.76	0.00	8,315,000.00
29	09/01/2028	181,993.76	250,000.00 C/M	8,065,000.00
30	03/01/2029	176,943.76	0.00	8,065,000.00
31	09/01/2029	176,943.76	270,000.00 C/M	7,795,000.00
32	03/01/2030	171,781.26	0.00	7,795,000.00
33	09/01/2030	171,781.26	295,000.00 C/M	7,500,000.00
34	03/01/2031	165,825.01	0.00	7,500,000.00
35	09/01/2031	165,825.01	320,000.00 C/M	7,180,000.00
36	03/01/2032	159,362.51	0.00	7,180,000.00
37	09/01/2032	159,362.51	345,000.00 C/M	6,835,000.00
38	03/01/2033	152,393.76	0.00	6,835,000.00
39	09/01/2033	152,393.76	375,000.00 C/M	6,460,000.00
40	03/01/2034	144,621.88	0.00	6,460,000.00
41	09/01/2034	144,621.88	405,000.00 C/M	6,055,000.00
42	03/01/2035	135,803.13	0.00	6,055,000.00
43	09/01/2035	135,803.13	430,000.00 C	5,625,000.00
44	03/01/2036	126,315.63	0.00	5,625,000.00
45	09/01/2036	126,315.63	465,000.00 C	5,160,000.00
46	03/01/2037	116,056.25	0.00	5,160,000.00
47	09/01/2037	116,056.25	505,000.00 C	4,655,000.00
48	03/01/2038	104,909.38	0.00	4,655,000.00
49	09/01/2038	104,909.38	540,000.00 C/M	4,115,000.00
50	03/01/2039	92,990.63	0.00	4,115,000.00
51	09/01/2039	92,990.63	575,000.00 C	3,540,000.00
52	03/01/2040	79,996.88	0.00	3,540,000.00
53	09/01/2040	79,996.88	615,000.00 C	2,925,000.00
54	03/01/2041	66,100.00	0.00	2,925,000.00
55	09/01/2041	66,100.00	660,000.00 C	2,265,000.00
56	03/01/2042	51,184.38	0.00	2,265,000.00
57	09/01/2042	51,184.38	705,000.00 C	1,560,000.00
58	03/01/2043	35,253.13	0.00	1,560,000.00
59	09/01/2043	35,253.13	755,000.00 C	805,000.00
60	03/01/2044	18,190.63	0.00	805,000.00
61	09/01/2044	18,190.63	805,000.00	0.00
Total		7,936,831.76	9,835,000.00	

EXHIBIT C

Fiscal Year 2018-2019 Special Tax Levy

**POWAY UNIFIED SCHOOL DISTRICT
IMPROVEMENT AREA A OF CFD NO. 15
SPECIAL TAX BONDS, SERIES 2014
FISCAL YEAR 2018-2019 SPECIAL TAX LEVY**

Tax Class [1]	Unit Type [1]	Building Square Footage [1]	FY 2018-2019 Special Tax	Number of Units/Acres	FY 2018-2019 Levy	FY 2018-2019 Levy as Percent of Total
Tax Class 3	Detached	1,751 - 1,950	\$2,353	21	\$49,419	8.31%
Tax Class 5	Detached	2,151 - 2,350	\$2,733	18	\$49,200	8.27%
Tax Class 6	Detached	2,351 - 2,550	\$2,931	39	\$114,318	19.21%
Tax Class 7	Detached	2,551 - 2,750	\$3,171	32	\$101,463	17.05%
Tax Class 8	Detached	2,751 - 2,950	\$3,285	37	\$121,555	20.43%
Tax Class 9	Detached	2,951 - 3,150	\$3,462	17	\$58,859	9.89%
Tax Class 19	Attached	1,501 - 1,650	\$2,150	27	\$58,057	9.76%
Tax Class 20	Attached	1,651 - 1,800	\$2,262	2	\$4,524	0.76%
Tax Class 21	Attached	> 1,800	\$2,353	16	\$37,653	6.33%
Total				209	\$595,049	100.00%

[1] Classification pursuant to the Rate and Method of Apportionment of Special Tax.

EXHIBIT D

Special Tax Delinquencies

**POWAY UNIFIED SCHOOL DISTRICT
IMPROVEMENT AREA A OF CFD NO. 15
SPECIAL TAX BONDS, SERIES 2014
SPECIAL TAX DELINQUENCIES**

Fiscal Year	Total Tax Levy	Number of Delinquent Parcels at FY End [1]	Fiscal Year Amount Collected [1]	Fiscal Year Amount Delinquent [1]	Fiscal Year Delinquency Rate [1]	Number of Delinquent Parcels as of 7/6/2018 [2]	Remaining Delinquency as of 7/6/2018 [2]	Remaining Delinquency Rate as of 7/6/2018 [2]
2016-2017	\$571,943	3	\$566,383	\$5,560	0.97%	2	\$4,151	0.73%
2017-2018	\$583,381	2	\$577,593	\$5,788	0.99%	2	\$5,788	0.99%

[1] Pursuant to Section 4(b)(ix) of the Disclosure Agreement, the table above should reflect delinquencies as of August 15, 2018. The closest data available, as shown above, is as of July 6, 2018 provided by the County of San Diego.

EXHIBIT E

California Debt and Investment Advisory Commission Fiscal Status Report

STATE OF CALIFORNIA

**MELLO-ROOS COMMUNITY FACILITIES DISTRICT (CFD)
YEARLY FISCAL STATUS REPORT**

Submitted:
Monday, October 29, 2018
12:01:10PM
CDIAC #: 2014-1309

California Debt and Investment Advisory Commission
915 Capitol Mall, Room 400, Sacramento, CA 95814
P.O. Box 942809, Sacramento, CA 94209-0001
(916) 653-3269 Fax (916) 654-7440

For Office Use Only
Fiscal Year _____

I. GENERAL INFORMATION

A. Issuer Poway Unified School District CFD No 15

B. Project Name Imp Area A Del Sur East

C. Name/ Title/ Series of Bond Issue 2014 Special Tax Bonds

D. Date of Bond Issue 8/21/2014

E. Original Principal Amount of Bonds \$10,000,000.00

F. Reserve Fund Minimum Balance Required Yes Amount \$822,769.97 No

II. FUND BALANCE FISCAL STATUS

Balances Reported as of: 6/30/2018

A. Principal Amount of Bonds Outstanding \$9,835,000.00

B. Bond Reserve Fund \$825,392.87

C. Capitalized Interest Fund \$0.00

D. Construction Fund(s) \$0.00

III. ASSESSED VALUE OF ALL PARCELS IN CFD SUBJECT TO SPECIAL TAX

A. Assessed or Appraised Value Reported as of: 1/1/2018

From Equalized Tax Roll

From Appraisal of Property
(Use only in first year or before annual tax roll billing commences)

B. Total Assessed Value of All Parcels \$171,374,651.00

IV. TAX COLLECTION INFORMATION

A. Total Amount of Special Taxes Due Annually \$583,381.42

B. Total Amount of Unpaid Special Taxes Annually \$5,788.32

C. Does this agency participate in the County's Teeter Plan? N

V. DELINQUENT REPORTING INFORMATION

Delinquent Parcel Information Reported as of Equalized Tax Roll of: 10/18/2018

A. Total Number of Delinquent Parcels: 2

B. Total Amount of Taxes Due on Delinquent Parcels: \$9,939.35
(Do not include penalties, penalty interest, etc.)

VI. FORECLOSURE INFORMATION FOR FISCAL YEAR

(Aggregate totals, if foreclosure commenced on same date) *(Attach additional sheets if necessary.)*

Date Foreclosure Commenced	Total Number of Foreclosure Parcels	Total Amount of Tax Due on Foreclosure Parcels
		\$0.00
		\$0.00
		\$0.00
		\$0.00
		\$0.00

STATE OF CALIFORNIA

MELLO-ROOS COMMUNITY FACILITIES DISTRICT (CFD)
YEARLY FISCAL STATUS REPORT

Submitted:
Monday, October 29, 2018
12:01:10PM
CDIAC #: 2014-1309

California Debt and Investment Advisory Commission
915 Capitol Mall, Room 400, Sacramento, CA 95814
P.O. Box 942809, Sacramento, CA 94209-0001
(916) 653-3269 Fax (916) 654-7440

For Office Use Only
Fiscal Year _____

VII. ISSUE RETIRED

This issue is retired and no longer subject to the Yearly Fiscal Status report filing requirements.
(Indicate reason for retirement)

Matured Redeemed Entirely Other

If Matured, indicate final maturity date:

If Redeemed Entirely, state refunding bond title & CDIAC #:

and redemption date:

If Other:

and date:

VIII. NAME OF PARTY COMPLETING THIS FORM

Name Nehal Thumar
Title Vice President
Firm/ Agency David Taussig & Associates, Inc.
Address 5000 Birch Street, Suite 6000
City/ State/ Zip Newport Beach, CA 92660
Phone Number (949) 955-1500 Date of Report 10/29/2018
E-Mail nthumar@taussig.com

IX. ADDITIONAL COMMENTS: