

Annual Report

Poway Unified School District
Community Facilities District No. 10

January 31, 2011

Prepared For:

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Exhibits

Exhibit A: Report to the California Debt and Investment Advisory Commission

Introduction

This Annual Report ("Report") has been prepared pursuant to the Continuing Disclosure Agreement ("Disclosure Agreement") executed in connection with the issuance of the 2007 Special Tax Bonds ("Bonds") by Community Facilities District ("CFD") No. 10 of the Poway Unified School District ("School District") in the amount of \$38,230,000. The Bonds were issued under the Mello-Roos Community Facilities Act of 1982, as amended ("Act"), and pursuant to a Bond Indenture dated April 1, 2007 by and between the School District on behalf of CFD No. 10 and Zions First National Bank, as trustee ("Trustee"). Dolinka Group, LLC has been retained by the School District to act as dissemination agent ("Dissemination Agent"). The Bonds were issued to (i) pay interest on the Bonds through September 15, 2007 and (ii) pay the cost of issuing the Bonds. The Bonds, along with the (i) 2007 Special Tax Bonds of CFD No. 2 of the School District, (ii) 2007 Special Tax Bonds of CFD No. 4 of the School District, (iii) 2007 Special Tax Bonds of Improvement Area ("IA") B of CFD No. 8 of the School District, (iv) 2007 Special Tax Bonds of CFD No. 9 of the School District, and (v) 2007 Special Tax Bonds of CFD No. 12 (each a series of "Local Obligations") were purchased by the Poway Unified School District Financing Authority ("Authority"). The Special Tax Bonds were purchased through funds generated from the issuance of the 2007 Revenue Bonds of the Authority on June 20, 2007. All capitalized terms not defined herein shall have the meaning ascribed to them in the Disclosure Agreement.

I. Audited Financial Statements

A copy of the School District's annual audited financial statements for Fiscal Year 2009/2010 is available online at <http://emma.msrb.org/>.

II. Principal Amount of Bonds Outstanding

As of January 1, 2011 the outstanding principal amount of the Bonds was \$37,960,000.

III. Fund and Account Balances

The balance of each fund and account of CFD No. 10 as of January 1, 2010, is listed in the table below.

Fund and Account Balances

Funds and Accounts	Amount
Administrative Expense Fund	\$8,675.74
Bond Interest Account	\$0.00
Bond Principal Account	\$0.00
Special Tax Fund	\$444,302.79
Total	\$452,978.53

IV. Reserve Requirement and Reserve Fund Balance

A proportionate share of the proceeds from the sale of the Bonds was deposited into the Authority Reserve Fund to satisfy the Reserve Requirement. For more information regarding the balance in the Authority Reserve Fund and statement of the Reserve Requirement, please refer to the Continuing Disclosure Annual Report for the 2007 Revenue Bonds of the Authority, dated January 31, 2011.

V. Assessed Values and Value-to-Lien Ratios

The assessed values and value-to-lien ratios for all parcels within CFD No. 10 are shown in the tables below.

Assessed Values and Value-to-Lien Ratios

Zone 1

Land Use	Total Assessed Value ^[1]	2007 Special Tax Bonds	
		Principal Amount Outstanding	Value-to-Lien Ratio for CFD
Detached	\$567,245,779.00	\$31,148,822.64	18.21:1
Attached	\$28,120,422.00	\$1,238,433.08	22.71:1
Prepaid	\$25,828,178.00	\$0.00	0.00:1
Commercial	\$145,504,502.00	\$0.00	0.00:1
Undeveloped	\$5,126,470.00	\$0.00	0.00:1
Subtotal for Taxable Parcels ^[3]	\$771,825,351.00	\$32,387,255.72	23.83:1
Exempt	\$38,613,757.00	\$0.00	0.00:1
Total ^[2]	\$810,439,108.00	\$32,387,255.72	25.02:1

[1] Total Assessed Value as reported on the Fiscal Year 2010/2011 equalized tax roll of the County of San Diego.
 [2] Totals may not sum due to rounding.

Zone 2

Land Use	Total Assessed Value ^[1]	2007 Special Tax Bonds	
		Principal Amount Outstanding	Value-to-Lien Ratio for CFD
Attached	\$107,747,548.00	\$5,572,744.28	19.33:1
Prepaid	\$8,606,324.00	\$0.00	0.00:1
Commercial	\$42,548,238.00	\$0.00	0.00:1
Subtotal for Taxable Parcels ^[3]	\$158,902,110.00	\$5,572,744.28	28.51:1
Exempt	\$0.00	\$0.00	0.00:1
Total ^[2]	\$158,902,110.00	\$5,572,744.28	28.51:1

[1] Total Assessed Value as reported on the Fiscal Year 2010/2011 equalized tax roll of the County of San Diego.
 [2] Totals may not sum due to rounding.

VI. Special Tax Delinquencies

The Special Tax delinquencies for Fiscal Year 2009/2010 and prior Fiscal Years within CFD No. 10 are shown in the table below.

Historical Special Tax Delinquencies

Fiscal Year	Subject Fiscal Year ^[1]				June 30, 2010	
	Aggregate Special Tax	Parcels Delinquent	Fiscal Year Amount Delinquent	Fiscal Year Delinquency Rate	Remaining Amount Delinquent	Remaining Delinquency Rate
2005/2006	\$2,149,423.78	31	\$101,894.11	4.74 %	\$2,112.21	0.10 %
2006/2007	\$2,201,151.06	46	\$59,805.08	2.72 %	\$6,250.20	0.28 %
2007/2008	\$2,101,425.88	62	\$81,383.03	3.87 %	\$10,263.46	0.49 %
2008/2009	\$2,210,240.72	71	\$102,342.70	4.63 %	\$14,310.98	0.65 %
2009/2010	\$2,254,452.16	43	\$66,791.43	2.96 %	\$66,791.43	2.96 %

[1] Delinquencies as of June 30th.

Since the overall delinquency rate for Fiscal Year 2009/2010 did not exceed five percent (5.00%), no parcel was delinquent in an amount greater than \$5,000.00 and no single owner of multiple parcels had a combined delinquency amount greater than \$10,000.00, foreclosure proceedings were not initiated.

VII. Major Taxpayers

"Major Taxpayers" are those property owners responsible for more than five percent (5.00%) of the Special Tax levy for Fiscal Year 2010/2011. There are no property owners responsible for more than five percent (5.00%) of the Special Taxes levied in Fiscal Year 2010/2011.

VIII. Report to the California Debt and Investment Advisory Commission

A copy of the report prepared and filed with the California Debt and Investment Advisory Commission pursuant to Section 53359.5(b) of the Act for Fiscal Year 2009/2010 is included as Exhibit A.

IX. Changes to Rate and Method of Apportionment

No changes have been made to the Rate and Method of Apportionment since the date of the Official Statement.

X. Bond Authorization Information and Use of Bond Proceeds

The information required under Section 4 (b) (ix) of the Disclosure Agreement is listed in the table below.

Bond Authorization and Uses Capacity

Bond Issuance	Issuance Date	Use of Proceeds	Amount
Original Bond Authorization			\$45,000,000.00
2007 Special Tax Bonds	June 20, 2007	Construction of High School seats at Del Norte High School	\$38,230,000.00
Remaining Bond Authorization			\$6,770,000.00

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Exhibit A

**Report to the California Debt and Investment
Advisory Commission**

**STATE OF CALIFORNIA
MELLO-ROOS COMMUNITY FACILITIES DISTRICT (CFD)**

YEARLY FISCAL STATUS REPORT
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	
CDIAC #	2007-0893
Fiscal Year	_____

I. GENERAL INFORMATION

A. Issuer	Poway Unified School District CFD No 10
B. Community Facilities District Number/Name	Torrey Highlands - Subarea IV, Zones 1 & 2
C. Name/Title/Series of Bond Issue	2007 Special District Bonds
D. Date of Bond Issue	05-31-2007
E. Original Principal Amount of Bonds	\$ 38,230,000.00
F. Reserve Fund Minimum Balance Required	\$ 0.00

II. FUND BALANCE FISCAL STATUS

Balances Reported as of:	June 30 2010 _____ (Year)
A. Principal Amount of Bonds Outstanding	\$ 38,092,000.00
B. Bond Reserve Fund	\$ 0.00
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 Value Reported as of: 07-01-2010 _____ (Date)	(Check One)
	<input checked="" type="checkbox"/> From Equalized Tax Roll
	<input type="checkbox"/> From Appraisal of Property <i>(Use only in first year or before annual tax roll billing commences)</i>
B. Total Assessed Value of All Parcels	\$ 930,727,461.00

IV. TAX COLLECTION INFORMATION

A. Total Amount of Special Taxes Due	\$ 2,254,452.16
B. Total Amount of Unpaid Special Taxes	\$ 66,791.43
C. The Taxes are Paid Under the County's Teeter Plan.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

V. DELINQUENT REPORTING INFORMATION

Delinquent Parcel Information Reported as of Equalized Tax Roll of:	06-30-2010 _____ (Date)
A. Total Number of Delinquent Parcels:	48
B. Total Amount of Taxes Due on Delinquent Parcels:	\$ 99,728.28

VI. FORECLOSURE INFORMATION FOR FISCAL YEAR

(Aggregate totals, if foreclosure commenced on same date)

Date Foreclosure Commenced	Total Number of Foreclosure Parcels	Total Amount of Tax Due on Foreclosure Parcels

**STATE OF CALIFORNIA
MARKS-ROOS YEARLY FISCAL STATUS REPORT
FOR LOCAL OBLIGORS**

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. Local Obligor Issuer Poway Unified School District CFD No 10

B. Name/Title/Series of Bond Issue 2007 Special District Bonds

C. Date of Bond Issue 05-31-2007

D. Original Principal Amount of Bonds 38,230,000.00

E. Reserve Fund Minimum Balance Required Yes No Amount 0.00

Part of Authority Reserve Fund (*Marks-Roos only*) Yes No % of Reserve Fund 54.66

II. FUND BALANCE FISCAL STATUS

Balances Reported as of: June 30, 2010 (Year)

A. Principal Amount of Bonds Outstanding 38,092,000.00

B. Bond Reserve Fund 0.00

C. Capitalized Interest Fund 0.00

III. DELINQUENT REPORTING INFORMATION

Delinquent Taxes Yes No

Delinquent Parcel Information Reported as of Equalized Tax Roll of: 6/30/2010 (Date)

A. Delinquency Rate 2.96 (Percent)

B. The Taxes are Paid Under the County Teeter Plan: Yes No

C. Taxes Due 2,254,452.16

D. Taxes Unpaid 66,791.43

IV. ISSUE RETIRED

This issue is retired and not longer subject to the Yearly Fiscal Status filing requirements. (*Indicate reason for retirement.*)

A. Matured Yes No

B. Refunded Entirely Yes No If yes, indicate final maturity date: _____

If yes, state refunding bond title: _____ and issue date: _____

C. Other: _____

V. NAME OF PARTY COMPLETING THIS FORM

Name Benjamin Dolinka

Title President

Firm/Agency Dolinka Group, LLC

Address 20 Pacifica, Suite 900

City Irvine State CA Zip Code 92618

Phone Number (949) 250-8300 Email dginfo@dolinkagroup.com Date of Report 10/28/2010

Section 6599.1 of the California Government Code requires that all issuers selling Mark-Roos bonds, which is part of the Mark-Roos Local Bond Pooling Act of 1985, after January 1, 1996 are required to report specific information to the Commission by October 30th of the current year and each year thereafter