

## **Annual Report**

Poway Unified School District  
Community Facilities District No. 3

January 31, 2010

**Prepared For:**

Poway Unified School District  
13626 Twin Peaks Road  
Poway, CA 92064-3098  
T 858.748.0010

**Prepared By:**

Dolinka Group, LLC  
20 Pacifica, Suite 900  
Irvine, CA 92618  
T 949.250.8300  
F 949.250.8301

## Table of Contents

<u>Section</u>	<u>Page</u>
Introduction -----	1
I. Audited Financial Statements -----	1
II. Principal Amount of Bonds Outstanding -----	1
III. Fund and Account Balances -----	1
IV. Reserve Requirement-----	2
V. Assessed Value and Value-to-Lien-----	2
VI. Special Tax Delinquencies-----	3
VII. Major Taxpayers-----	3
VIII. Report to the California Debt and Investment Advisory Commission -----	3
IX. Changes to the Rate and Method of Apportionment-----	3

### Exhibits

**Exhibit A:** Detailed Direct and Overlapping Debt Report

**Exhibit B:** Report to the California Debt and Investment Advisory Commission

---

## Introduction

---

This Annual Report ("Report") has been prepared pursuant to the Continuing Disclosure Agreement ("Agreement") executed in connection with the issuance of the 2003 Special Tax Bonds ("Bonds") by Community Facilities District ("CFD") No. 3 of the Poway Unified School District ("School District") in the amount of \$5,485,000.00. The Bonds were issued under the Mello-Roos Community Facilities Act of 1982, as amended ("Act"), and pursuant to a Bond Indenture dated February 1, 2003 by and between CFD No. 3 and Zions First National Bank, successor to U.S. Bank National Association, as fiscal agent ("Fiscal Agent"). Dolinka Group, LLC has been retained by the School District to act as dissemination agent ("Dissemination Agent"). The Bonds were issued to (i) finance the acquisition and construction of certain school facilities, (ii) pay interest on the Bonds through September 1, 2003 and (iii) pay the cost of issuing the Bonds. The Bonds, along with the (i) 2003 Special Tax Bonds of CFD No. 2, (ii) 2003 Special Tax Bonds of CFD No. 5 and (iii) 2003 Special Tax Bonds of CFD No. 7 (each a series of "Local Obligations") were purchased by the Poway Unified School District Public Financing Authority ("Authority"). The Local Obligations were purchased through funds generated from the issuance of the 2003 Revenue Bonds of the Authority on March 20, 2003.

### I. Audited Financial Statements

A copy of the School District's annual audited financial statements for Fiscal Year 2008/2009 is available online at <http://emma.msrb.org/>.

### II. Principal Amount of Bonds Outstanding

As of January 1, 2010, the outstanding principal amount of the Bonds was \$4,950,000.00.

### III. Fund and Account Balances

The balance of each fund and account of CFD No. 3 as of January 1, 2010 is listed in the table below.

**Fund and Account Balances (As of 1/01/10)**

<b>Funds and Accounts</b>	<b>Amount</b>
Administrative Expense Fund	\$51,463.73
Interest Account	\$0.00
Principal Account	\$0.00
Special Tax Fund	\$468,682.03
<b>Total</b>	<b>\$520,145.76</b>

#### IV. Reserve Requirement

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 Reserve Fund and statement of the Reserve Requirement, please refer to the Continuing Disclosure Annual Report for the 2003 Revenue Bonds of the Authority, dated January 31, 2010.

#### V. Assessed Value and Value-to-Lien

The table below shows the assessed values, direct and overlapping debt, and value-to-lien ratio for all parcels within CFD No. 3.

**Assessed Value to Lien**

Land Use	Total Assessed Value <sup>[1]</sup>	2003 Revenue Bonds		Other <sup>[2]</sup>		Total Lien	Value-to-Lien Ratio
		Principal Amount Outstanding	Value-to-Lien Ratio for CFD	Overlapping Debt	General Obligation Debt		
Tax Class 1 N/A	\$36,166,163.00	\$1,117,483.56	32.36:1	\$301,708.39	\$313,621.70	\$1,732,813.66	20.87:1
Tax Class 1 pp	\$102,810,821.00	\$2,142,140.83	47.99:1	\$952,452.10	\$891,543.42	\$3,986,136.35	25.79:1
Tax Class 2 N/A	\$69,374,396.00	\$1,690,375.61	41.04:1	\$833,281.51	\$601,593.16	\$3,125,250.28	22.20:1
<b>Subtotal for Taxable Parcels <sup>[3]</sup></b>	<b>\$208,351,380.00</b>	<b>\$4,950,000.00</b>	<b>42.09:1</b>	<b>\$2,087,442.00</b>	<b>\$1,806,758.28</b>	<b>\$8,844,200.28</b>	<b>23.56:1</b>
Tax Class E Exempt	\$1,236.00	\$0.00	0.00:1	\$0.00	\$10.72	\$10.72	0.00:1
<b>Total <sup>[3]</sup></b>	<b>\$208,352,616.00</b>	<b>\$4,950,000.00</b>	<b>42.09:1</b>	<b>\$2,087,442.00</b>	<b>\$1,806,769.00</b>	<b>\$8,844,211.00</b>	<b>23.56:1</b>

[1] Total Assessed Value as reported on the Fiscal Year 2009/2010 equalized tax roll of the County of San Diego.

[2] Source: Detailed Direct and Overlapping Debt Report, National Tax Data, Inc. (attached as exhibit A).

[3] Totals may not sum due to rounding.

## VI. Special Tax Delinquencies

The Special Tax delinquencies for Fiscal Year 2008/2009 and prior Fiscal Years within CFD No. 3 are shown in the table below.

Fiscal Year	Subject Fiscal Year <sup>[1]</sup>				June 30, 2009	
	Aggregate Special Tax	Parcels Delinquent	Fiscal Year Amount Delinquent	Fiscal Year Delinquency Rate	Remaining Amount Delinquent	Remaining Delinquency Rate
2005/2006	\$365,826.00	4	\$1,634.12	0.45 %	\$0.00	0.00 %
2006/2007	\$373,141.28	7	\$4,532.87	1.21 %	\$0.00	0.00 %
2007/2008	\$380,603.24	15	\$10,315.33	2.71 %	\$1,901.06	0.50 %
2008/2009	\$388,039.16	15	\$12,060.03	3.11 %	\$12,060.03	3.11 %

[1] Delinquencies as of June 30<sup>th</sup>.

Since the overall delinquency rate for Fiscal Year 2008/2009 did not exceed five percent (5.00%), 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. There are no Major Taxpayers for Fiscal Year 2009/2010.

## 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 is included as Exhibit B.

## 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.

S:\Clients\Poway Unified SD\SADM\CFDs\CFD No.  
3\FY0809\Reports\ContDisc\Poway\_3\_Cont\_disclosure\_authority\_CFD3\_0910\_FN.docx

**Exhibit A**

**Detailed Direct and Overlapping Debt Report**

**POWAY UNIFIED SCHOOL DISTRICT**  
**Community Facilities District No. 3**  
**Special Tax Bonds**

**Detailed Direct and Overlapping Debt**

**Report Date: 12/14/2009**

**Report Time: 12:00:00 PM**

**I. Assessed Value**

**2009-2010 Secured Roll Assessed Value**

**\$208,352,616**

**II. Secured Property Taxes**

Description on Tax Bill	Type	Total Parcels	Total Levy	% Applicable	Parcels	Levy
Basic Levy	PROP13	959,714	\$3,705,485,109	0.05561%	399	\$2,060,623.80
Voter Approved Debt	VOTER	959,505	\$295,475,096	0.00901%	399	\$26,619.46
County of San Diego AD No. 97-1 (4-S Ranch)	1915	441	\$2,165,950	31.35856%	390	\$679,210.78
County of San Diego Service Area No. 17 (Emergency Medical)	CSA	50,090	\$1,348,426	0.77289%	399	\$10,421.88
County of San Diego Service Area No. 83 (Park Maintenance)	OPENSOURCE	4,920	\$487,185	7.79472%	378	\$37,974.72
County of San Diego Street Lighting, Zone A	LLMD	95,887	\$725,097	0.33775%	399	\$2,449.02
County of San Diego Vector Control, Zone B	VECTOR	359,611	\$749,706	0.12165%	400	\$912.00
County of San Diego Vector Disease Control	VECTOR	945,654	\$5,286,916	0.04116%	400	\$2,175.94
Metropolitan Water District of Southern California Standby Charge	STANDBY	24,743	\$422,104	1.08705%	399	\$4,588.50
Olivenhain Municipal Water District AD No. 96-1	1915	23,020	\$1,439,545	1.24221%	399	\$17,882.14
Olivenhain Municipal Water District Sewer Charge	SEWER	4,418	\$3,719,362	6.89594%	399	\$256,485.00
Palomar Pomerado Health GOB 2004	GOB	188,707	\$10,611,456	0.34469%	399	\$36,576.20
Poway Unified School District CFD No. 3	CFD	445	\$395,975	100.00000%	399	\$395,975.26
Rancho Santa Fe Fire Protection District Special Tax	FIRE	12,282	\$243,533	2.06851%	400	\$5,037.50
San Diego County Water Authority Standby Charge	STANDBY	24,966	\$368,815	1.08184%	399	\$3,990.00
<b>2009-2010 TOTAL PROPERTY TAX LIABILITY</b>						<b>\$3,540,922.20</b>
<b>TOTAL PROPERTY TAX LIABILITY AS A PERCENTAGE OF 2009-2010 ASSESSED VALUATION</b>						<b>1.70%</b>

**III. Land Secured Bond Indebtedness**

Outstanding Direct and Overlapping Bonded Debt	Type	Issued	Outstanding	% Applicable	Parcels	Amount
County of San Diego AD No. 97-1 (4-S Ranch)	1915	\$21,755,000	\$5,990,000	31.35856%	390	\$1,878,378
Olivenhain Municipal Water District AD No. 96-1	1915	\$22,530,000	\$16,830,000	1.24221%	399	\$209,064
Poway Unified School District CFD No. 3	CFD	\$5,485,000	\$4,950,000	100.00000%	399	\$4,950,000
<b>TOTAL LAND SECURED BOND INDEBTEDNESS (1)</b>						<b>\$7,037,442</b>
<b>TOTAL OUTSTANDING LAND SECURED BOND INDEBTEDNESS (1)</b>						<b>\$7,037,442</b>

**IV. General Obligation Bond Indebtedness**

Outstanding Direct and Overlapping Bonded Debt	Type	Issued	Outstanding	% Applicable	Parcels	Amount
Metropolitan Water District of Southern California GOB 1966	GOB	\$850,000,000	\$293,425,000	0.01001%	399	\$29,374
Palomar Community College District GOB 2006	GOB	\$160,000,000	\$151,750,000	0.23298%	399	\$353,541
Palomar Pomerado Health GOB 2004	GOB	\$431,083,318	\$414,623,319	0.34341%	399	\$1,423,853
<b>TOTAL GENERAL OBLIGATION BOND INDEBTEDNESS (1)</b>						<b>\$1,806,769</b>
<b>TOTAL OUTSTANDING GENERAL OBLIGATION BOND INDEBTEDNESS (1)</b>						<b>\$1,806,769</b>

<b>TOTAL OF ALL OUTSTANDING AND OVERLAPPING BONDED DEBT</b>	<b>\$8,844,210.19</b>
<b>VALUE TO ALL OUTSTANDING DIRECT AND OVERLAPPING BONDED DEBT</b>	<b>23.56:1</b>

(1) Additional bonded indebtedness or available bond authorization may exist but are not shown because a tax was not levied for the referenced fiscal year.

Source: National Tax Data, Inc.

**Exhibit B**

**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 #	2003-0255
Fiscal Year	_____

**I. GENERAL INFORMATION**

A. Issuer	Poway Unified School District CFD No 3
B. Community Facilities District Number/Name	Christopherhill
C. Name/Title/Series of Bond Issue	2003 Special Tax Bonds
D. Date of Bond Issue	03-20-2003
E. Original Principal Amount of Bonds	\$ 5,485,000.00
F. Reserve Fund Minimum Balance Required	\$ 0.00

**II. FUND BALANCE FISCAL STATUS**

Balances Reported as of:	June 30 2009 _____ (Year)
A. Principal Amount of Bonds Outstanding	\$ 5,060,000.00
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: 07-01-2009 (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	\$ 208,351,380.00

**IV. TAX COLLECTION INFORMATION**

A. Total Amount of Special Taxes Due	\$ 388,039.16
B. Total Amount of Unpaid Special Taxes	\$ 12,060.03
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:	06-30-2009 _____ (Date)
A. Total Number of Delinquent Parcels:	15
B. Total Amount of Taxes Due on Delinquent Parcels:	\$ 13,961.09

**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 3

B. Name/Title/Series of Bond Issue 2003 Special Tax Bonds

C. Date of Bond Issue 03-20-2003

D. Original Principal Amount of Bonds 5,485,000.00

E. Reserve Fund Minimum Balance Required  Yes  No Amount 0.00

Part of Authority Reserve Fund (Marks-Roos only)  Yes  No % of Reserve Fund \_\_\_\_\_

**II. FUND BALANCE FISCAL STATUS**

Balances Reported as of: June 30, 2009 (Year)

A. Principal Amount of Bonds Outstanding 5,060,000.00

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: 06/30/2009 (Date)

A. Delinquency Rate 3.11 (Percent)

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

C. Taxes Due 388,039.16

D. Taxes Unpaid 12,060.03

**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 11/2/2009

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