

**ANNUAL REPORT
FOR
IMPROVEMENT AREA A OF
COMMUNITY FACILITIES DISTRICT No. 6
SERIES 2002 SPECIAL TAX BONDS
OF
POWAY UNIFIED SCHOOL DISTRICT**

January 31, 2004

**FISCAL YEAR 2002-03
ANNUAL REPORT**

\$18,000,000

**IMPROVEMENT AREA A OF
COMMUNITY FACILITIES DISTRICT NO. 6
OF POWAY UNIFIED SCHOOL DISTRICT
SERIES 2002 SPECIAL TAX BONDS**

Prepared for:

**POWAY UNIFIED SCHOOL DISTRICT
13626 Twin Peaks Road
Poway, California 92064-3098
(858) 748-0010**

Prepared by:

**DAVID TAUSSIG & ASSOCIATES, INC.
1301 Dove Street, Suite 600
Newport Beach, California 92660
(949) 955-1500**

January 31, 2004

Table of Contents

<u>Section</u>	<u>Page</u>
Introduction.....	1
I. Audited Financial Statements	1
II. Principal Amount of Bonds Outstanding.....	1
III. Special Tax Fund and Bond Fund Balances	1
IV. Reserve Fund Balance	1
V. Funds and Accounts Balances	2
VI. Total Assessed Value and Value-to-Lien of all Parcels Within IA A of CFD No. 6	2
VII. Fiscal Year 2002-03 and Prior Fiscal Year's Special Tax Levies and Delinquencies	4
VIII. Foreclosure Proceedings	4
IX. Major Taxpayer Information	4
X. Report to California Debt and Investment Advisory Commission.....	4
XI. Changes to First Amended Rate and Method of Apportionment	5
XII. Status of CFD No. 6 and Other Improvement Areas	5

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 Series 2002 Special Tax Bonds ("Bonds") by Improvement Area ("IA") A of Community Facilities District ("CFD") No. 6 of the Poway Unified School District ("School District") in the amount of \$18,000,000. The Bonds were issued under the Mello-Roos Community Facilities Act of 1982, as amended ("Act"), and pursuant to the Bond Indenture, dated December 1, 2002 by and between the School District on behalf of IA A of CFD No. 6 and State Street Bank and Trust Company of California, N.A. as Fiscal Agent ("Fiscal Agent"). The Bonds were issued to fund (i) the acquisition and construction of certain road, water, sewer, drainage, fire station, park, public library and school facilities ("Infrastructure Improvements"), (ii) a reserve fund for the Bonds, (iii) interest on the Bonds through September 1, 2003, (iv) administrative expenses and (v) the costs of issuing the Bonds.

The following information is provided pursuant to Section 3 and 4 of the Agreement:

I. Audited Financial Statements

For a copy of the School District's annual audited financial statements, please refer to the Continuing Disclosure Annual Report for the Election 2002, Series A, General Obligation Bonds of School Facilities Improvement District ("SFID") No. 2002-1 of the School District issued June 5, 2003.

II. Principal Amount of Bonds Outstanding

As of January 1, 2004, the principal amount of Bonds outstanding was \$18,000,000.

III. Special Tax Fund and Bond Fund Balances

As of January 1, 2004, the balances in the Special Tax Fund and Bond Fund were \$585,310.63 and \$0.00, respectively.

IV. Reserve Fund Balance

The Reserve Requirement for the Bonds is equal to the lesser of (i) ten percent (10%) of the original principal amount of the Bonds, (ii) one hundred percent (100%) of the remaining maximum annual debt service on the Bonds, or (iii) one hundred and twenty-five percent (125%) of the remaining average annual debt service on the Bonds. As January 1, 2004 the Reserve Requirement for the Bonds was \$1,786,134.49. As of January 1, 2004, the balance of the Reserve Fund was \$1,797,044.19; therefore, the Reserve Requirement was satisfied as of this date.

V. Funds and Accounts Balances

The balance of each fund, account, and subaccount of IA A of CFD No. 6 as of January 1, 2004, is listed in Table 1.

TABLE 1**FUNDS AND ACCOUNTS BALANCES (As of 1/01/04)**

Fund, Account, or Subaccount	Balances
Administrative Expense Fund	\$7,458.02
Interest Account	\$0.00
Principal Account	\$0.00
Special Tax Fund	\$585,310.63
Bond Fund	\$0.00
Reserve Fund	\$1,797,044.19
Cost of Issuance Fund	\$97,202.91
Capitalized Interest Subaccount	\$5,374.47
Rebate Fund	\$0.00
Infrastructure Improvement Account	\$32,193.28
School Facilities Account	\$1,747,291.11
Redemption Fund	\$0.00
Letter of Credit Fund	\$0.00
Letter of Credit Account, Fieldstone	\$89,802.29
Letter of Credit Account, Buie	\$58,478.09

VI. Total Assessed Value and Value-to- Lien of all Parcels Within IA A of CFD No. 6

Table 2 shows the total assessed value, total direct and overlapping debt, and total value-to-lien ratio for all parcels within IA A of CFD No. 6 as of January 1, 2004.

TABLE 2

ASSESSED VALUE-TO-LIEN

Unit Type/Land Use	Building Square Footage	Fiscal Year 2003-04 Assessed Value¹	Total Direct and Overlapping Debt²	Assessed Value-to-Lien
Detached Unit	≤2,100	\$0.00	\$0.00	NA
Detached Unit	2,101 – 2,400	\$2,313,415.00	\$478,010.50	4.84:1
Detached Unit	2,401 – 2,700	\$0.00	\$0.00	NA
Detached Unit	2,701 – 3,000	\$2,719,731.00	\$657,061.90	4.14:1
Detached Unit	3,001 – 3,300	\$6,084,500.00	\$1,402,543.29	4.34:1
Detached Unit	3,301 – 3,600	\$4,812,915.00	\$1,075,875.24	4.47:1
Detached Unit	3,601 – 3,900	\$7,147,123.00	\$1,686,470.47	4.24:1
Detached Unit	> 3,900	\$7,953,036.00	\$1,838,061.86	4.33:1
Attached Unit	<1,000	\$0.00	\$0.00	NA
Attached Unit	>1,000	\$0.00	\$0.00	NA
Undeveloped Property	NA	\$20,266,009.00	\$12,782,483.00	1.59:1
Exempt Property ³	NA	\$108,316.00	\$38,031.50	2.85:1
Total⁴	NA	\$51,405,045.00	\$19,958,538.16	2.58:1

¹ Total assessed value reported on the County of San Diego Fiscal Year 2003-04 equalized tax roll.
² Source: Detailed Direct and Overlapping Debt Report, National Tax Data, Inc. dated October 30, 2003 (attached as Exhibit A).
³ This property has been exempted from the IA A of CFD No. 6 Special Tax, however, may be subject to ad valorem taxes.
⁴ Numbers may not reflect the total amounts listed on the Detailed Direct and Overlapping Debt Report provided by National Tax Data, Inc. due to rounding.

The Fiscal Year 2003-04 total assessed value amounts above are understated due to the lapse of time occurring between the development of land within IA A of CFD No. 6 and the recording of the assessed value amounts by the County of San Diego Assessor. The aggregate market value of land and existing improvements for the development within IA A of CFD No. 6, as reported in the Appraisal dated October 25, 2002, is \$72,820,000; which translates to value-to-lien ratio of 3.65:1.

VII. Fiscal Year 2002-03 and Prior Fiscal Year's Special Tax Levies and Delinquencies

There were no Special Taxes levied in IA A of CFD No. 6 for Fiscal Year 2002-03 and prior Fiscal Years; therefore, there were no Special Tax delinquencies in Fiscal Year 2002-03.

VIII. Foreclosure Proceedings

Since no parcel is delinquent in the payment of Special Taxes in an amount greater than \$5,000 and the overall delinquency rate for Fiscal Year 2002-03 did not exceed five (5.00%) percent, IA A of CFD No. 6 has not initiated any foreclosure proceedings to date.

IX. Major Taxpayer Information

"Major Taxpayers" are those property owners responsible for more than five (5.00%) percent of the Special Tax levy in a given Fiscal Year. The Major Taxpayer's assessed value and their respective share of the Special Tax obligation for Fiscal Year 2003-04 are shown in Table 3.

TABLE 3

**MAJOR TAXPAYERS
ASSESSED VALUE AND SHARE OF SPECIAL TAX LEVY**

Major Taxpayer	Fiscal Year 2003-04 Assessed Value¹	Percentage of Total Levy
4S Kelwood General Partnership	\$837,987.00	56.41%
Belle Rive Development	\$13,009,066.00	7.59%
Centex Homes	2,849,297.00	6.04%
Fieldstone 4S Area 7, LLC	12,230,335.00	6.07%
K Hovnanian AT 4S, LLC	7,944,760.00	8.97%
Pulte Home, Corp.	\$7,961,646.00	6.59%
Total	\$44,833,091.00	91.69%

¹ Total assessed value reported on the County of San Diego Fiscal Year 2003-04 equalized tax roll.

X. 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.

XI. Changes to the First Amended Rate and Method of Apportionment

No changes have been made to the First Amended Rate and Method of Apportionment for IA A of CFD No. 6 since the date of the Official Statement.

XII. Status of CFD No. 6 and Other Improvement Areas

The following section outlines the status of CFD No. 6 and the IAs formed by the School District to finance infrastructure improvements within CFD No. 6.

CFD No. 6 has been formed and authorized to issue bonds in an aggregate amount of \$130,000,000. On October 10, 2002, CFD No. 6 issued the Series 2002 Special Tax Bonds in the amount of \$25,000,000 to finance the acquisition and construction of elementary school, middle school, high school, interim and central administrative facilities (the "School Facilities") as outlined in the School Impact Mitigation Agreement by and between (i) the School District and 4S Kelwood, (ii) the School District and 4S Ranch Company, a California limited partnership, and (iii) the School District and 4S Ranch Company 600, L.P.

IA B of CFD No. 6 has been formed and authorized to issue bonds in an aggregate amount of \$30,000,000. As of the date of this Report, IA B of CFD No. 6 had not issued any bonds.

IA C of CFD No. 6 has been formed and authorized to issue bonds in an aggregate amount of \$14,000,000. As of the date of this Report, IA C of CFD No. 6 had not issued any bonds.

J:\CLIENTS\POWAY.USD\4s_ranch\Imp_Areas\IA A\Admin\CONTDISC\cont_dis0203.doc

EXHIBIT A

*Detailed Direct and Overlapping
Debt Report*

POWAY UNIFIED SCHOOL DISTRICT
Community Facilities District No. 6
Improvement Area A
Special Tax Bonds

Detailed Direct and Overlapping Debt

Report Date: 10/30/2003

Report Time: 12:00 PM

I. Assessed Value

2003-2004 Secured Roll Assessed Value

\$51,405,045

II. Secured Property Taxes

Description on Tax Bill	Type	Total Parcels	Total Levy	% Applicable	Parcels	Levy Amount
Basic Levy	PROP13	897,544	2,336,426,230.21	0.02200%	477	\$514,050.45
Voter Approved Debt	VOTER	871,101	167,736,789.61	0.00207%	477	\$3,476.49
County of San Diego Mosquito & Rat Control	VECTOR	323,086	684,516.12	0.15888%	477	\$1,087.56
County of San Diego Service Area No. 17 (Emergency Medical)	CSA	46,169	1,005,538.56	0.04913%	23	\$494.04
County of San Diego Street Lighting Zone A	LLD	85,781	241,898.72	0.02377%	23	\$57.50
County of San Diego Zone A (Four S Ranch)	OPENSACE	2,304	193,126.90	22.41609%	475	\$43,291.50
Metropolitan Water District of Southern California Standby Charge	STANDBY	21,330	405,349.16	2.07077%	477	\$8,393.84
Olivenhain Municipal Water District Assessment District No. 96-1	1915	19,645	1,455,632.32	2.96058%	477	\$43,095.10
Olivenhain Municipal Water District Sewer Charge	SEWER	2,286	1,303,127.38	11.97120%	325	\$156,000.00
Olivenhain Municipal Water District Water Standby Charge	STANDBY	195	115,558.00	27.17250%	150	\$31,400.00
Poway Unified School District CFD No. 6	CFD	916	1,704,935.24	5.35611%	43	\$91,318.24
Poway Unified School District CFD No. 6, Impv Area A	CFD	498	1,063,989.46	100.00000%	498	\$1,063,989.46
Rancho Santa Fe Fire Protection District Fire District Special Tax	FIRE	9,161	187,187.50	1.41436%	477	\$2,647.50
San Diego County Water Authority Water Standby Charge	STANDBY	21,408	355,653.26	2.05166%	477	\$7,296.80
2003-2004 TOTAL PROPERTY TAX LIABILITY						\$1,966,598.48
TOTAL PROPERTY TAX LIABILITY AS A PERCENTAGE OF 2003-2004 ASSESSED VALUATION						3.83%

III. Land Secured Bond Indebtedness

Outstanding Direct and Overlapping Bonded Debt	Type	Issued	Outstanding	% Applicable	Parcels	Amount
Olivenhain Municipal Water District Assessment District No. 96-1	1915	22,530,000	20,255,000	2.96058%	477	599,665
Poway Unified School District CFD No. 6	CFD	25,000,000	25,000,000	5.35611%	477	1,339,028
Poway Unified School District CFD No. 6, Impv Area A	CFD	18,000,000	18,000,000	100.00000%	498	18,000,000
TOTAL OUTSTANDING LAND SECURED BOND INDEBTEDNESS (1)						\$19,938,693

IV. General Obligation Bond Indebtedness

Outstanding Direct and Overlapping Bonded Debt	Type	Issued	Outstanding	% Applicable	Parcels	Amount
Metropolitan Water District of Southern California Debt Service	GO	850,000,000	475,265,000	0.00409%	477	\$19,431.44
San Diego County Water Authority Debt Service	GO	30,000,000	1,645,000	0.02523%	477	\$415.04
TOTAL OUTSTANDING GENERAL OBLIGATION BOND INDEBTEDNESS (1)						\$19,846.48

TOTAL OF ALL OUTSTANDING AND OVERLAPPING BONDED DEBT	\$19,958,539.46
VALUE TO ALL OUTSTANDING DIRECT AND OVERLAPPING BONDED DEBT	2.58:1

(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 CFD/MARKS-ROOS
LOCAL OBLIGORS
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 # _____
Fiscal Year _____

I. GENERAL INFORMATION

This issue is subject to the Mello-Roos Yearly Fiscal Status Reporting Requirements only

Yes: X No: _____

This issue is subject to the Marks-Roos Yearly Fiscal Status Reporting Requirements for local obligation/loan issues only.

Yes: _____ No: X

This issue is subject to both Marks and Mello-Roos Yearly Fiscal Status Reporting Requirements

Yes: _____

- A. Issuer: Poway Unified School District
- B. Community Facilities District Number/Name: *(Mello-Roos only)*: Improvement Area A of Community Facilities District No. 6
- C. Name/Title/Series of Bond Issue: Improvement Area A 2002 Special Tax Bonds
- D. Indicate Credit Rating: Ratings Agency _____ Rating _____ Not Rated X
- E. Date of Bond Issuance: December 19, 2002
- F. Original Principal Amount of Bonds: \$18,000,000.00
- G. Reserve Fund Minimum Balance Required: Yes: X Amount \$1,739,089.95 No: _____
Percent of Authority *(Marks-Roos only)*: % of Reserve Fund _____
- H. Name of Authority that purchased debt *(Marks-Roos only)*: _____
Was this a Senior/Subordinate Authority Bond? Yes: _____ (If yes, list Senior and Subordinate below) No: _____

(Senior Authority bond issue)

(Subordinate Authority bond issue)

I. Date of Authority Bond(s) Issuance: _____ (Marks-Roos only)

II. FUND BALANCE FISCAL STATUS

- Balances Reported as of fiscal year ending: June 30, 2003 (Year)
- A. Principal Amount of Bonds Outstanding: \$18,000,000.00
- B. Bond Reserve Fund: \$1,774,347.79
- C. Capitalized Interest Fund: \$543,603.45
- D. Construction Fund(s) *(Mello-Roos only)*: \$4,198,165.33

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

- A. Assessed Value Reported as of: October 25, 2002 (DATE) *(Most recent tax roll)*
(Check one)
_____ From Tax Roll
X From Appraisal of Property
(Use only in first year or before annual tax roll billing commences)
- B. Total Assessed Value of All Parcels: \$ 72,820,000.00

IV. TAX COLLECTION INFORMATION

- Reported as of fiscal year ending: June 30, 2003 (Year)
- A. Total Amount of Special Taxes Due: \$0.00 *(fiscal year 2002-2003)*
- B. Total Amount of Unpaid Special Taxes: \$0.00
- C. Taxes are paid under the County's Teeter Plan: Yes: _____ No: X

V. DELINQUENT REPORTING INFORMATION

- Delinquent Parcel Information Reported as of the current Tax Roll of: 09/02/2003 (Date)
- A. Total Number of Delinquent Parcels: 0
- B. Total Amount of Taxes due on Delinquent Parcels: \$0.00
- C. Percent of Delinquency Rate: 0.00%

**STATE OF CALIFORNIA
YEARLY FISCAL STATUS REPORT
(Continued)**

VI. FORECLOSURE INFORMATION FOR FISCAL YEAR *(Mello-Roos only)*
(Aggregate totals, if foreclosure commenced on same date)

Date Foreclosure Commenced	Total Number of Foreclosure Parcels	Total Amount of Tax Due of Foreclosure Parcels
N/A	N/A	N/A

(Attach additional sheets if necessary)

VII. ISSUE RETIRED

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

A. Matured Yes: No: If yes, indicate final maturity date: _____

B. Refunded Entirely Yes: No: If yes, state refunding bond title: _____
and issue date _____

C. Other: _____

VIII. NAME OF PARTY COMPLETING THIS FORM

NAME Benjamin Dolinka

TITLE Vice President

FIRM/AGENCY David Taussig & Associates, Inc.

ADDRESS 1301 Dove Street, Suite 600

CITY/STATE/ZIP Newport Beach, California, 92660

PHONE (949) 955-1500 DATE OF REPORT 09/30/2003

Completion and submittal of this form to the California Debt and Investment Advisory Commission will assure your compliance with California State law. Section 53359.5 of the California Government Code requires that all agencies issuing Mello-Roos Community Facilities bonds after January 1, 1993 to report specific information to the Commission by October 30th of each year.

Section 6599.1 of the California Government Code requires that all issuers selling Marks-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.