

Municipal Secondary Market Disclosure Information Cover Sheet

This cover sheet should be sent with all submissions made to the Municipal Securities Rulemaking Board, Nationally Recognized Municipal Securities Information Repositories, and any applicable State Information Depository, whether the filing is voluntary or made pursuant to Securities and Exchange Commission rule 15c2-12 or any analogous state statute.

See www.sec.gov/info/municipal/nrmsir.htm for list of current NRMSIRs and SIDs

IF THIS FILING RELATES TO A SINGLE BOND ISSUE:

Provide name of bond issue exactly as it appears on the cover of the Official Statement
(please include name of state where issuer is located):

\$21,335,000
Poway Unified School District
Public Financing Authority
(San Diego County, California)
2003 Revenue Bonds

Provide nine-digit CUSIP* numbers if available, to which the information relates:

73885NAA4	73885NAB2	73885NAC0	73885NAD8
73885NAE6	73885NAF3	73885NAG1	73885NAH9
73885NAJ5	73885NAK2	73885NAL0	73885NAM8
73885NAN6	73885NAP1	73885NAQ9	73885NAR7
73885NAS5	73885NAT3	73885NAU0	73885NAV8
73885NAW6	73885NAX4		

IF THIS FILING RELATES TO ALL SECURITIES ISSUED BY THE ISSUER OR ALL SECURITIES OF A SPECIFIC CREDIT OR ISSUED UNDER A SINGLE INDENTURE:

Issuer's Name (please include name of state where Issuer is located): Poway Unified School District, California

Other Obligated Person's Name (if any): N/A
(Exactly as it appears on the Official Statement Cover)

Provide six-digit CUSIP* number(s), if available, of Issuer: 73885N

*(Contact CUSIP's Municipal Disclosure Assistance Line at 212.438.6518 for assistance with obtaining the proper CUSIP numbers.)

TYPE OF FILING:

Electronic (number of pages attached): 56

Paper (number of pages attached):

If information is also available on the Internet, give URL:

WHAT TYPE OF INFORMATION ARE YOU PROVIDING? (Check all that apply)

A. Financial Information and Operating Data pursuant to Rule 15c2-12

(Financial information and operating data should not be filed with the MSRB.)

- Annual
 Semi-annual
 Quarterly

Fiscal Period Covered: July 1, 2004 – June 30, 2005

B. Audited Financial Statements or CAFR pursuant to Rule 15c2-12

Fiscal Period Covered: July 1, 2004 – June 30, 2005

(For a copy of the School District's Audited Financial Statements, please refer to the Annual Continuing Disclosure Report for Series 1998 Bonds of CFD No. 1 of the School District.)

C. Notice of a Material Event pursuant to Rule 15c2-12 (Check as appropriate)

- | | |
|--|--|
| 1. <input type="checkbox"/> Principal and interest payment delinquencies | 6. <input type="checkbox"/> Adverse tax opinions or events affecting the tax-exempt status of the security |
| 2. <input type="checkbox"/> Non-payment related defaults | 7. <input type="checkbox"/> Modifications to the rights of security holders |
| 3. <input type="checkbox"/> Unscheduled draws on debt service reserves reflecting financial difficulties | 8. <input type="checkbox"/> Bond calls |
| 4. <input type="checkbox"/> Unscheduled draws on credit enhancements reflecting financial difficulties | 9. <input type="checkbox"/> Defeasances |
| 5. <input type="checkbox"/> Substitution of credit or liquidity providers, or their failure to perform | 10. <input type="checkbox"/> Release, substitution, or sale of property securing repayment of the securities |
| | 11. <input type="checkbox"/> Rating changes |

D. Notice of Failure to Provide Annual Financial Information as Required

E. Other Secondary Market Information (Specify):

I hereby represent that I am authorized by the issuer or obligor or its agent to distribute this information publicly:

Issuer/Filer Contact:

Name: John Collins

Title: Deputy Superintendent

Employer: Poway Unified School District

Address: 13626 Twin Peaks Road

City: Poway

State: CA

Zip Code: 92064

Telephone: (858) 748-0010

Fax: (858) 668-2711

Email Address: jcollins@powayusd.com

Issuer Web Site Address: www.powayusd.sdcoe.k12.ca.us

Dissemination Agent Contact, if any:

Name: Benjamin Dolinka

Title: President, School's Division

Employer: David Taussig and Associates, Inc.

Address: 1301 Dove Street, Suite 600

City: Newport Beach State: CA

Zip Code: 92660

Telephone: (949) 955-1500

Fax: (949) 955-1590

Email Address: ben@taussig.com

Relationship to Issuer: Special Tax Consultant

Obligor Contact, if any:

Name _____ Title _____

Employer _____

Address _____ City _____ State _____ Zip Code _____

Telephone _____ Fax _____

Email Address _____ Obligor Web site Address _____

Investor Relations Contact, if any:

Name _____ Title _____

Telephone _____ Email Address _____

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**ANNUAL REPORT
FOR THE
POWAY UNIFIED SCHOOL DISTRICT
PUBLIC FINANCING AUTHORITY**

January 31, 2006

**FISCAL YEAR 2004-05
ANNUAL REPORT**

\$21,335,000

**PUBLIC FINANCING AUTHORITY
OF POWAY UNIFIED SCHOOL DISTRICT
SERIES 2003 REVENUE 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, 2006

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INTRODUCTION

This Annual Report ("Report") has been prepared pursuant to the Continuing Disclosure Agreement ("Disclosure Agreement") executed in connection with the issuance of the 2003 Revenue Bonds ("Bonds") of the Poway Unified School District Public Financing Authority ("Authority") in the amount of \$21,335,000. The Bonds were issued pursuant to an Indenture of Trust ("Indenture") dated February 1, 2003, by and between the Authority and U.S. Bank National Association, as trustee ("Trustee"), to enable the Authority to purchase four (4) series of local obligations, consisting of the (i) 2003 Special Tax Bonds of Community Facilities District ("CFD") No. 2 of Poway Unified School District ("School District"), (ii) 2003 Special Tax Bonds of CFD No. 3 of the School District, (iii) 2003 Special Tax Bonds of CFD No. 5 of the School District and (iv) 2003 Special Tax Bonds of CFD No. 7 of the School District.

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 Series 1998 Special Tax Bonds for CFD No. 1 of the School District issued January 1998 ("Series 1998 Bonds").

II. Principal Amount of Bonds Outstanding

As of January 1, 2006, the outstanding principal amount of the Bonds was \$20,800,000.

III. Bond Service Fund Balance

As of January 1, 2006, the balance in the Bond Service Fund was \$0.00.

IV. Reserve Requirement and Reserve Fund Balance

The Reserve Fund Requirement is an amount equal to the lesser of (i) ten percent (10%) of the original principal amount of the Bonds (ii) one hundred percent (100%) of the maximum annual debt service on the Bonds or (iii) one hundred and twenty-five percent (125%) of the average annual debt service on the Bonds. The Reserve Requirement for the Bonds as of January 1, 2006 was \$1,895,975.00. As per Section 5.07 of the Indenture, the Reserve Requirement for the Bond is funded, (i) 50% by the purchase of a Surety Bond and (ii) 50% by the maintenance of a cash deposit. Therefore, the amount of cash required to be on deposit in the Reserve Fund as of January 1, 2006 was \$934,015.63. The balance in the Reserve Fund as of January 1, 2006 was \$976,382.97; therefore, the Reserve Requirement was satisfied as of that date.

V. Fund and Account Balances

The balance in each fund, account, and subaccount of the Authority as of January 1, 2006, is listed in Table 1 below.

TABLE 1

**FUND AND ACCOUNT BALANCES
OF THE AUTHORITY (AS OF 01/01/06)**

Fund and Account	Balance
Revenue Fund ¹	\$20,800,000.12
Bond Interest Account	\$43.46
Bond Principal Account	\$0.00
Redemption Fund	\$0.00
Reserve Fund ²	\$976,382.97
Administrative Expense Fund	\$2.04
School Facilities Account	\$9.86
Residual Account	\$0.00
Purchase Account	\$0.00
Rebate Fund	\$0.00
Costs of Issuance Fund	\$0.00
¹ The balance represents the holding of funds for local obligations for the payment of debt service for CFD Nos. 2, 3, 5, and 7. ² The reserve requirement for the Bond is satisfied 50% by the purchase of a Surety Bond and 50% by a cash deposit.	

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**ANNUAL REPORT FOR
COMMUNITY FACILITIES DISTRICT NO. 2
OF
POWAY UNIFIED SCHOOL DISTRICT**

January 31, 2006

**FISCAL YEAR 2004-05
ANNUAL REPORT**

\$12,635,000
COMMUNITY FACILITIES DISTRICT NO. 2 OF
POWAY UNIFIED SCHOOL DISTRICT
2003 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, 2006

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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. 2 of the Poway Unified School District ("School District") in the amount of \$12,635,000. 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. 2 and U.S. Bank National Association, as fiscal agent ("Fiscal 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. 3, (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

For a copy of the School District's annual audited financial statements, please refer to the Continuing Disclosure Annual Report for the Series 1998 Special Tax Bonds for CFD No. 1 of the School District issued January 1998 ("Series 1998 Bonds").

II. Principal Amount of Bonds Outstanding

As of January 1, 2006, the outstanding principal amount of the Bonds was \$12,320,000.

III. Bond Service Fund Balance

As of January 1, 2006, the balance in the Bond Service Fund was \$0.00.

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 Reserve Fund and statement of the Reserve Requirement, please refer to the Continuing Disclosure Annual Report for the 2003 Revenue Bonds of the Authority issued March 20, 2003.

V. Fund and Account Balances

The balance of each fund and account of CFD No. 2 as of January 1, 2006, is listed in Table 1.

TABLE 1**FUND AND ACCOUNT BALANCES (AS OF 1/01/06)**

Funds and Account	Balance
Administrative Expense Fund	\$84,293.47
Bond Service Fund	\$0.00
Redemption Fund	\$0.00
Interest Account	\$0.00
Principal Account	\$0.00
CFD No. 2 School Facilities Fund	\$27.39
Surplus Special Tax Fund	\$0.00
Cost of Issuance Fund	\$0.00
Special Tax Fund	\$717,032.88

VI. Assessed Value and Value-to-Lien of Parcels within CFD No. 2

Table 2 shows the assessed values, direct and overlapping debt, and value-to-lien ratio for all parcels within CFD No. 2. Due to an error of the County of San Diego, two (2) parcels that fall within the boundaries of CFD No. 2 are being levied against to satisfy the Poway School Facilities Improvement District 2002-1 debt obligation.

TABLE 2

ASSESSED VALUE-TO-LIEN

Land Use Class	Land Use	Assessed Value ¹	Total Direct and Overlapping Debt ²	Assessed Value-to-Lien Ratio
1	Detached Unit	\$321,056,419	\$12,430,299.81	25.83:1
2	Attached Unit	\$0	\$0.00	NA
3	Senior Citizen Housing Unit	\$0	\$0.00	NA
NA	Undeveloped Property	\$22,123,357	\$7,600.54	2,910.76:1
NA	Exempt Property ³	\$16,008,183	\$5,499.65	2,910.76:1
Total⁴	NA	\$359,187,959	\$12,443,400.00	28.87:1

¹ Total assessed value reported on the County of San Diego Fiscal Year 2005-06 equalized tax roll.
² Source: Detailed Direct and Overlapping Debt Report, National Tax Data, Inc. dated December 15, 2005 (attached as Exhibit A).
³ This property has been exempted from the CFD No. 2 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.

VII. Fiscal Year 2004-05 Special Tax Levy and Delinquencies

There were eight (8) parcels delinquent in paying their Fiscal Year 2004-05 Special Taxes in an amount of \$9,644.80. The total Special Taxes levied by CFD No. 2 for Fiscal Year 2004-05 was \$843,194.08. Therefore, the delinquency rate within CFD No. 2 for Fiscal Year 2004-05 was 1.14%.

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 2004-05 did not exceed five percent (5.00%), CFD No. 2 has not initiated any foreclosure proceedings to date.

IX. Major Taxpayers

"Major Taxpayers" are those property owners responsible for more than five percent (5.00%) of the Special Tax levy for a given Fiscal Year. Based on the County of San Diego (the "County") Fiscal Year 2005-06 equalized tax roll, there are no Major Taxpayers in CFD No. 2 for Fiscal Year 2005-06.

X. Special Tax Delinquency History of CFD No. 2

Table 3 shows the Special Tax delinquency history of CFD No. 2 for Fiscal Year 2004-05 and prior Fiscal Years.

TABLE 3

**COMMUNITY FACILITIES DISTRICT NO. 2
SPECIAL TAX DELINQUENCY HISTORY**

Fiscal Year	Parcels Delinquent	Aggregate Special Tax Levy	Fiscal Year Amount Delinquent¹	Fiscal Year Delinquency Rate	Remaining Parcels Delinquent	Remaining Amount Delinquent as of 10/11/05	Remaining Delinquency Rate as of 10/11/05
2000-01	NA	NA	NA	NA	NA	NA	NA
2001-02	3	\$229,030.20	\$2,726.55	1.19%	0	\$0.00	0.00%
2002-03	7	\$767,572.56	\$9,270.20	1.21%	0	\$0.00	0.00%
2003-04	6	\$826,662.42	\$7,564.56	0.92%	0	\$0.00	0.00%
2004-05	8	\$843,194.08	\$9,644.80	1.14%	2	\$3,857.92	0.46%

¹ Source: County of San Diego. Reflects Fiscal Year delinquencies on or about June 30th of the indicated Fiscal Year.

XI. 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.

XII. 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.

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EXHIBIT A

**DETAILED DIRECT AND OVERLAPPING
DEBT REPORT**

POWAY UNIFIED SCHOOL DISTRICT
Community Facilities District No. 2
Special Tax Bonds

Detailed Direct and Overlapping Debt

Report Date: 12/15/2005

Report Time: 12:00:00 PM

I. Assessed Value

2005-2006 Secured Roll Assessed Value

\$359,187,959

II. Secured Property Taxes

Description on Tax Bill	Type	Total Parcels	Total Levy	% Applicable	Parcels	Levy
Basic Levy	PROP13	917,031	\$2,959,910,664.51	0.11897%	480	\$3,521,498.41
Voter Approved Debt	VOTER	906,545	\$195,933,669.33	0.02094%	480	\$41,020.65
City of San Diego Penasquitos East Maintenance District	LMD	9,981	\$195,408.22	1.80354%	48	\$3,524.26
City of San Diego Torrey Highlands Maintenance District	LMD	1,689	\$335,550.36	36.69505%	350	\$123,130.36
County of San Diego Mosquito / Disease Control	VECTOR	904,648	\$7,312,817.72	0.05491%	479	\$4,015.50
County of San Diego Vector Control, Zone B	VECTOR	405,036	\$908,491.68	0.15916%	482	\$1,446.00
Metropolitan Water District of Southern California Standby Charge	STANDBY	338,933	\$4,206,542.70	0.19750%	480	\$8,308.08
Nuisance Abatement Cost Recovery	ABATE	3	\$4,786.80	37.10203%	1	\$1,776.00
Nuisance Abatement General Fund	ABATE	3	\$4,279.68	31.35515%	1	\$1,341.90
Poway Unified School District CFD No. 2	CFD	524	\$860,058.34	100.00000%	437	\$860,058.34
Poway Unified School District SFID No. 2002-1 Debt Service	GOB	40,975	\$6,719,811.95	0.01104%	2	\$741.94
San Diego County Water Authority Standby Charge	STANDBY	346,167	\$3,697,096.38	0.19467%	480	\$7,197.30
2005-2006 TOTAL PROPERTY TAX LIABILITY						\$4,574,058.74
TOTAL PROPERTY TAX LIABILITY AS A PERCENTAGE OF 2005-2006 ASSESSED VALUATION						1.27%

III. Land Secured Bond Indebtedness

Outstanding Direct and Overlapping Bonded Debt	Type	Issued	Outstanding	% Applicable	Parcels	Amount
Poway Unified School District CFD No. 2	CFD	\$12,635,000	\$12,320,000	100.00000%	524	\$12,320,000
TOTAL LAND SECURED BOND INDEBTEDNESS (1)						\$12,320,000
TOTAL OUTSTANDING LAND SECURED BOND INDEBTEDNESS (1)						\$12,320,000

IV. General Obligation Bond Indebtedness

Outstanding Direct and Overlapping Bonded Debt	Type	Issued	Outstanding	% Applicable	Parcels	Amount
City of San Diego Public Safety Communication System Debt Service	GOB	\$25,500,000	\$11,520,000	0.24453%	524	\$28,170
Metropolitan Water District of Southern California Debt Service	GOB	\$850,000,000	\$419,390,000	0.02187%	524	\$91,721
Poway Unified School District SFID No. 2002-1 Debt Service	GOB	\$75,000,000	\$64,165,000	0.00547%	2	\$3,510
TOTAL GENERAL OBLIGATION BOND INDEBTEDNESS (1)						\$123,400
TOTAL OUTSTANDING GENERAL OBLIGATION BOND INDEBTEDNESS (1)						\$123,400

TOTAL OF ALL OUTSTANDING AND OVERLAPPING BONDED DEBT	\$12,443,400
VALUE TO ALL OUTSTANDING DIRECT AND OVERLAPPING BONDED DEBT	28.87:1

(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/MARKS ROOS
YEARLY STATUS FISCAL REPORT
FOR LOCAL OBLIGATORS**

California Debt and Investment Advisory Commission
915 Capitol Mall, room 400, Sacramento, CA 95814
P.O. Box 942809, Sacramento, CA 94209-001
(916) 653-3269 FAX (916) 654-7440

For Office Use Only	
CDIAC #	_____
Fiscal Year	_____

I. General Information

This issue is subject of the Mello-Roos Fiscal Status Reporting Requirements only Yes No
 This issue is subject to the Marks-Roos Yearly Fiscal Status Reporting Requirements for local obligation/loan issues only Yes No
 This issue is subject to both Marks/Mello-Roos Yearly Fiscal Status Reporting Requirements Yes

A. Issuer Poway Unified School District
 B. Community Facilities District Number (Mello-Roos only) Community Facilities District No. 2
 C. Name/Title/Series of Bond Issue Series 2003 Public Financing Authority Local Obligation
 D. Indicate Credit Rating Rating Agency Moody's, S&P Rating Aaa, AAA Not Rated _____
 E. Date of Bond Issue March 20, 2003
 F. Original Principal Amount of Bonds \$ 12,635,000.00
 G. Reserve Fund Minimum Balance Required Yes Amount \$ _____ No
 Percent of Authority Reserve Fund (Marks-Roos only) Yes % of Reserve Fund 59.00%
 H. Name of Authority that purchased debt (Marks-Roos only) Poway Unified School District Public Financing Authority
 Was this a Senior/Subordinate Authority Bond? Yes No (If yes, list Senior and Subordinate below)

(Senior Authority bond issue)

(Subordinate Authority bond issue)

I. Date of Authority Bond(s) Issuance March 20, 2003 (Marks-Roos only)

II. FUND BALANCE FISCAL STATUS

Balances Reported as of fiscal year ending June 30, 2005 (Year)
 A. Principal Amount of bonds Outstanding \$ 12,485,000.00
 B. Bond Reserve Fund \$ 0.00
 C. Capitalized Interest Fund \$ 0.00
 D. Construction Fund(s) (Mello-Roos only) \$ 573.81

III. ASSESSED VALUE OF ALL PARCELS IN CFD SUBJECT TO SPECIAL TAX (Mello-Roos only)

A. Assessed Value Reported as of: Fiscal Year 2005-2006 (Date) (Check one)
 (Most recent tax roll) From 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 \$ 359,187,959.00

IV. TAX COLLECTION INFORMATION

Reported as of fiscal year ending of: June 30, 2005 (Year)
 A. Total Amount of Taxes Due \$ 843,194.08
 B. Total Amount of Unpaid Taxes \$ 9,644.80
 C. Taxes are Paid Under the County's Teeter Plan Yes No

V. DELINQUENT REPORTING INFORMATION

Delinquent Parcel Information Reported as of the current Tax Roll of June 30, 2005 (Date)
 A. Total Number of Delinquent Parcels 8
 B. Total Amount of Taxes Due on Delinquent Parcels \$ 9,644.80
 C. Percent of Delinquency Rate 1.14%
 (Percent)

**STATE OF CALIFORNIA
YEARLY STATUS FISCAL REPORT**

(Continued)

VI. FORECLOSURE INFORMATION FOR FISCAL YEAR *(Mello-Roos only)*

(Aggregate totals, if foreclosure commenced on the same date)

<i>Date Foreclosure Commenced</i>	<i>Total Number of Foreclosure Parcels</i>	<i>Total Amount of Tax Due on Foreclosure Parcels</i>
NA	NA	\$ NA
		\$
		\$
		\$
		\$
		\$
		\$

(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: President, Schools Division
 Firm/Agency: David Taussig & Associates, Inc.
 Address: 1301 Dove Street, Suite 600
 City/State/Zip: Newport Beach, CA 92660
 Phone No.: (949) 955-1500 Date of Report: October 28, 2005

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 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.

**ANNUAL REPORT FOR
COMMUNITY FACILITIES DISTRICT NO. 3
OF
POWAY UNIFIED SCHOOL DISTRICT**

January 31, 2006

**FISCAL YEAR 2004-05
ANNUAL REPORT**

\$5,485,000
COMMUNITY FACILITIES DISTRICT NO. 3 OF
POWAY UNIFIED SCHOOL DISTRICT
2003 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, 2006

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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. 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 U.S. Bank National Association, as fiscal agent ("Fiscal 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

For a copy of the School District's annual audited financial statements, please refer to the Continuing Disclosure Annual Report for the Series 1998 Special Tax Bonds for CFD No. 1 of the School District issued January 1998 ("Series 1998 Bonds").

II. Principal Amount of Bonds Outstanding

As of January 1, 2006, the outstanding principal amount of the Bonds was \$5,340,000.

III. Bond Service Fund Balance

As of January 1, 2006, the balance in the Bond Service Fund was \$0.00.

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 Reserve Fund and statement of the Reserve Requirement, please refer to the Continuing Disclosure Annual Report for the 2003 Revenue Bonds of the Authority issued March 20, 2003.

V. Fund and Account Balances

The balance of each fund and account of CFD No. 3 as of January 1, 2006, is listed in Table 1.

TABLE 1

FUND AND ACCOUNT BALANCES (AS OF 1/01/06)

Funds and Accounts	Balance
Administrative Expense Fund	\$23,384.11
Bond Service Fund	\$0.00
Redemption Fund	\$0.00
Interest Account	\$0.00
Principal Account	\$0.00
CFD No. 3 School Facilities Fund	\$0.00
Surplus Special Tax Fund	\$0.00
Costs of Issuance Fund	\$0.00
Special Tax Fund	\$309,696.72

VI. Assessed Value and Value-to-Lien of Parcels within CFD No. 3

Table 2 shows the assessed values, direct and overlapping debt, and value-to-lien ratio for all parcels within CFD No. 3.

TABLE 2

ASSESSED VALUE-TO-LIEN

Land Use Class	Land Use	Assessed Value¹	Total Direct and Overlapping Debt²	Assessed Value-to-Lien Ratio
1	Detached Unit	\$32,990,470	\$2,182,625.60	15.12:1
2	Attached Unit	\$94,726,562	\$5,116,475.95	18.51:1
3	Senior Citizen Housing Unit	\$67,922,920	\$3,835,292.16	17.71:1
4	Commercial Development	\$0	\$0.00	NA
NA	Undeveloped Property ³	\$0	\$0.00	NA
NA	Exempt Property ⁴	\$1,144	\$33.88	33.76:1
Total⁵	NA	\$195,641,096	\$11,134,427.57	17.57:1

¹ Total assessed value reported on the County of San Diego Fiscal Year 2005-06 equalized tax roll.
² Source: Detailed Direct and Overlapping Debt Report, National Tax Data, Inc. dated December 15, 2005 (attached as Exhibit A).
³ There were no Special Taxes Levied on Undeveloped Property within CFD No. 3 for Fiscal Year 2004-05.
⁴ Exempt Property is exempt from the CFD No. 3 Special Tax, however, may be subject to ad valorem taxes.
⁵ 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 errors.

VII. Fiscal Year 2004-05 Special Tax Levy and Delinquencies

There were five (5) parcels delinquent in paying their Fiscal Year 2004-05 Special Taxes in an amount of \$2,120.20. The total Special Taxes levied by CFD No. 3 in Fiscal Year 2004-05 was \$358,653.40. Therefore, the delinquency rate within CFD No. 3 for Fiscal Year 2004-05 was 0.59%.

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 2004-05 did not exceed five percent (5.00%), CFD No. 3 has not initiated any foreclosure proceedings to date.

IX. Major Taxpayers

"Major Taxpayers" are those property owners responsible for more than five percent (5.00%) of the Special Tax levy in a given Fiscal Year. Based on the County of San Diego ("County") Fiscal Year 2005-06 equalized tax roll, there are no Major Taxpayers in CFD No. 3 for Fiscal Year 2005-06.

X. Special Tax Delinquency History of CFD No. 3

Table 3 shows the Special Tax delinquency history of CFD No. 3 for Fiscal Year 2004-05 and prior Fiscal Years.

TABLE 3

**COMMUNITY FACILITIES DISTRICT NO. 3
SPECIAL TAX DELINQUENCY HISTORY**

Fiscal Year	Parcels Delinquent	Aggregate Special Tax Levy	Fiscal Year Amount Delinquent¹	Fiscal Year Delinquency Rate	Remaining Parcels Delinquent	Remaining Amount Delinquent as of 10/11/05	Remaining Delinquency Rate as of 10/11/05
2000-01	5	\$72,006.11	\$3,113.95	4.32%	0	\$0.00	0.00%
2001-02	5	\$294,926.72	\$2,580.90	0.88%	0	\$0.00	0.00%
2002-03	4	\$344,729.30	\$2,332.71	0.68%	0	\$0.00	0.00%
2003-04	2	\$351,621.02	\$963.18	0.27%	0	\$0.00	0.00%
2004-05	5	\$358,653.40	\$2,120.20	0.59%	4	\$1,792.72	0.50%

¹ Source: County of San Diego. Reflects Fiscal Year delinquencies on or about June 30th of the indicated Fiscal Year.

XI. 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.

XII. 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.

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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: 12/15/2005

Report Time: 12:00:00 PM

I. Assessed Value

2005-2006 Secured Roll Assessed Value

\$195,641,096

II. Secured Property Taxes

Description on Tax Bill	Type	Total Parcels	Total Levy	% Applicable	Parcels	Levy
Basic Levy	PROPI3	917,031	\$2,959,910,664.51	0.06484%	399	\$1,919,070.62
Voter Approved Debt	VOTER	906,545	\$195,933,669.33	0.00509%	399	\$9,975.22
County of San Diego AD No. 97-1 (4-S Ranch)	1915	437	\$1,639,090.94	41.65927%	390	\$682,833.32
County of San Diego Mosquito / Disease Control	VECTOR	904,648	\$7,312,817.72	0.04294%	400	\$3,139.76
County of San Diego Service Area No. 17 (Emergency Medical)	CSA	47,459	\$1,110,778.36	0.82977%	399	\$9,216.90
County of San Diego Service Area No. 83 (Park Maintenance)	OPENSACE	2,481	\$228,467.40	15.13319%	378	\$34,574.40
County of San Diego Street Lighting, Zone A	LLD	89,529	\$568,554.48	0.37231%	399	\$2,116.80
County of San Diego Vector Control, Zone B	VECTOR	405,036	\$908,491.68	0.10039%	400	\$912.00
Metropolitan Water District of Southern California Standby Charge	STANDBY	22,613	\$421,342.96	1.08902%	399	\$4,588.50
Olivenhain Municipal Water District AD No. 96-1	1915	20,870	\$1,528,213.82	1.25326%	399	\$19,152.48
Olivenhain Municipal Water District Sewer Charge	SEWER	2,900	\$1,597,405.18	10.44475%	399	\$166,845.00
Palomar Pomerado Health Debt Service	GOB	178,332	\$8,814,005.21	0.38647%	399	\$34,063.56
Poway Unified School District CFD No. 3	CFD	444	\$365,826.00	100.00000%	399	\$365,826.00
Rancho Santa Fe Fire Protection District Special Tax	FIRE	9,768	\$207,302.50	2.43002%	400	\$5,037.50
San Diego County Water Authority Standby Charge	STANDBY	22,653	\$360,058.46	1.10815%	399	\$3,990.00

2005-2006 TOTAL PROPERTY TAX LIABILITY

\$3,261,342.06

TOTAL PROPERTY TAX LIABILITY AS A PERCENTAGE OF 2005-2006 ASSESSED VALUATION

1.67%

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	\$12,500,000	41.65927%	390	\$5,207,408.75
Olivenhain Municipal Water District AD No. 96-1	1915	\$22,530,000	\$19,335,000	1.25326%	399	\$242,317.82
Poway Unified School District CFD No. 3	CFD	\$5,485,000	\$5,340,000	100.00000%	444	\$5,340,000

TOTAL LAND SECURED BOND INDEBTEDNESS (1)

\$10,789,727

TOTAL OUTSTANDING LAND SECURED BOND INDEBTEDNESS (1)

\$10,789,727

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	GOB	\$850,000,000	\$419,390,000	0.01191%	444	\$49,949
Palomar Pomerado Health Debt Service	GOB	\$80,000,000	\$80,000,000	0.36844%	444	\$294,752

TOTAL GENERAL OBLIGATION BOND INDEBTEDNESS (1)

\$344,701

TOTAL OUTSTANDING GENERAL OBLIGATION BOND INDEBTEDNESS (1)

\$344,701

TOTAL OF ALL OUTSTANDING AND OVERLAPPING BONDED DEBT	\$11,134,428
VALUE TO ALL OUTSTANDING DIRECT AND OVERLAPPING BONDED DEBT	17.57:1

(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/MARKS ROOS
YEARLY STATUS FISCAL REPORT
FOR LOCAL OBLIGATORS**

California Debt and Investment Advisory Commission
915 Capitol Mall, room 400, Sacramento, CA 95814
P.O. Box 942809, Sacramento, CA 94209-001
(916) 653-3269 FAX (916) 654-7440

For Office Use Only	
CDIAC #	_____
Fiscal Year	_____

I. General Information

This issue is subject of the Mello-Roos Fiscal Status Reporting Requirements only Yes No
 This issue is subject to the Marks-Roos Yearly Fiscal Status Reporting Requirements for local obligation/loan issues only Yes No
 This issue is subject to both Marks/Mello-Roos Yearly Fiscal Status Reporting Requirements Yes

A. Issuer Poway Unified School District
 B. Community Facilities District Number (Mello-Roos only) Community Facilities District No. 3
 C. Name/Title/Series of Bond Issue Series 2003 Public Financing Authority Local Obligation
 D. Indicate Credit Rating Rating Agency Moody's, S&P Rating Aaa, AAA Not Rated _____
 E. Date of Bond Issue March 20, 2003
 F. Original Principal Amount of Bonds \$ 5,485,000.00
 G. Reserve Fund Minimum Balance Required Yes Amount \$ _____ No
 Percent of Authority Reserve Fund (Marks-Roos only) Yes % of Reserve Fund 26.00%
 H. Name of Authority that purchased debt (Marks-Roos only) Poway Unified School District Public Financing Authority
 Was this a Senior/Subordinate Authority Bond? Yes No (If yes, list Senior and Subordinate below)

(Senior Authority bond issue)

(Subordinate Authority bond issue)

I. Date of Authority Bond(s) Issuance March 20, 2003 (Marks-Roos only)

II. FUND BALANCE FISCAL STATUS

Balances Reported as of fiscal year ending June 30, 2005 (Year)
 A. Principal Amount of bonds Outstanding \$ 5,415,000.00
 B. Bond Reserve Fund \$ 0.00
 C. Capitalized Interest Fund \$ 0.00
 D. Construction Fund(s) (Mello-Roos only) \$ 0.00

III. ASSESSED VALUE OF ALL PARCELS IN CFD SUBJECT TO SPECIAL TAX (Mello-Roos only)

A. Assessed Value Reported as of: Fiscal Year 2005-2006 (Date) (Check one)
 (Most recent tax roll) From 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 \$ 195,641,096.00

IV. TAX COLLECTION INFORMATION

Reported as of fiscal year ending of: June 30, 2005 (Year)
 A. Total Amount of Taxes Due \$ 358,653.40
 B. Total Amount of Unpaid Taxes \$ 2,120.20
 C. Taxes are Paid Under the County's Teeter Plan Yes No

V. DELINQUENT REPORTING INFORMATION

Delinquent Parcel Information Reported as of the current Tax Roll of June 30, 2005 (Date)
 A. Total Number of Delinquent Parcels 5
 B. Total Amount of Taxes Due on Delinquent Parcels \$ 2,120.20
 C. Percent of Delinquency Rate 0.59%
 (Percent)

**STATE OF CALIFORNIA
YEARLY STATUS FISCAL REPORT**

(Continued)

VI. FORECLOSURE INFORMATION FOR FISCAL YEAR *(Mello-Roos only)*

(Aggregate totals, if foreclosure commenced on the same date)

<i>Date Foreclosure Commenced</i>	Total Number of Foreclosure Parcels	Total Amount of Tax Due on Foreclosure Parcels
NA	NA	\$ NA
		\$
		\$
		\$
		\$
		\$
		\$

(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: President, Schools Division
 Firm/Agency: David Taussig & Associates, Inc.
 Address: 1301 Dove Street, Suite 600
 City/State/Zip: Newport Beach, CA 92660
 Phone No.: (949) 955-1500 Date of Report: October 28, 2005

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 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.

**ANNUAL REPORT FOR
COMMUNITY FACILITIES DISTRICT No. 5
OF
POWAY UNIFIED SCHOOL DISTRICT**

January 31, 2006

**FISCAL YEAR 2004-05
ANNUAL REPORT**

\$1,670,000
COMMUNITY FACILITIES DISTRICT NO. 5 OF
POWAY UNIFIED SCHOOL DISTRICT
2003 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, 2006

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V. Fund and Account Balances	1
VI. Assessed Value and Value-to-Lien of Parcels within CFD No. 5	2
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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. 5 of the Poway Unified School District ("School District") in the amount of \$1,670,000. 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. 5 and U.S. Bank National Association, as fiscal agent ("Fiscal 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, (iv) 2003 Special Tax Bonds of CFD No. 3 and (v) 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

For a copy of the School District's annual audited financial statements, please refer to the Continuing Disclosure Annual Report for the Series 1998 Special Tax Bonds for CFD No. 1 of the School District issued January 1998 ("Series 1998 Bonds").

II. Principal Amount of Bonds Outstanding

As of January 1, 2006, the outstanding principal amount of the Bonds was \$1,625,000.

III. Bond Service Fund Balance

As of January 1, 2006, the balance in the Bond Service Fund was \$0.00.

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 Reserve Fund and statement of the Reserve Requirement, please refer to the Continuing Disclosure Annual Report for the 2003 Revenue Bonds of the Authority issued March 20, 2003.

V. Fund and Account Balances

The balance of each fund and account of CFD No. 5 as of January 1, 2006, is listed in Table 1.

TABLE 1

FUND AND ACCOUNT BALANCES (AS OF 01/01/06)

Funds and Accounts	Balances
Administrative Expense Fund	\$28,460.21
Bond Service Fund	\$0.00
Redemption Fund	\$0.00
Interest Account	\$0.00
Principal Account	\$0.00
CFD No. 3 School Facilities Fund	\$0.00
Surplus Special Tax Fund	\$0.00
Cost of Issuance Fund	\$0.00
Special Tax Fund	\$92,911.79

VI. Assessed Value and Value-to-Lien of Parcels within CFD No. 5

Table 2 shows the assessed values, direct and overlapping debt, and value-to-lien ratio for all parcels within CFD No. 5. Due to the error of the County of San Diego, one (1) parcel falling within the boundaries of CFD No. 5 are being levied against to satisfy the debt obligation of the Poway School Facilities Improvement District No. 2002-1.

TABLE 2

ASSESSED VALUE-TO-LIEN

Land Use Class	Assessed Value¹	Total Direct and Overlapping Debt²	Assessed Value-to-Lien Ratio
Developed Property	\$151,048,517	\$7,550,758.00	20.00:1
Exempt Property ³	\$0	\$0.00	N/A
Total⁴	\$151,048,517	\$7,550,758.00	20.00:1

¹ Total assessed value reported on the County of San Diego Fiscal Year 2005-06 equalized tax roll.

² Source: Detailed Direct and Overlapping Debt Report, National Tax Data, Inc. dated December 15, 2005 (attached as Exhibit A).

³ This property has been exempted from the CFD No. 5 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.

VII. Fiscal Year 2004-05 Special Tax Levy and Delinquencies

There were three (3) parcels delinquent in paying their Fiscal Year 2004-05 Special Taxes in an amount of \$1,663.04. The Special taxes levied by CFD No. 5 for Fiscal Year 2004-05 was \$125,040.80. Therefore, the delinquency rate within CFD No. 5 in Fiscal Year 2004-05 was 1.33%.

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 2004-05 did not exceed five percent (5.00%), CFD No. 5 has not initiated any foreclosure proceedings to date.

IX. Major Taxpayers

"Major Taxpayers" are those property owners responsible for more than five percent (5.00%) of the Special Tax levy for a given Fiscal Year. Based on the County of San Diego ("County") Fiscal Year 2005-06 equalized tax roll, there are no Major Taxpayers in CFD No. 5 for Fiscal Year 2005-06.

X. Special Tax Delinquency History of CFD No. 5

Table 3 shows the Special Tax delinquency history of CFD No. 5 for Fiscal Year 2004-05 and prior Fiscal Years.

TABLE 3

**COMMUNITY FACILITIES DISTRICT NO. 5
SPECIAL TAX DELINQUENCY HISTORY**

Fiscal Year	Parcels Delinquent	Aggregate Special Tax Levy	Fiscal Year Amount Delinquent¹	Fiscal Year Delinquency Rate	Remaining Parcels Delinquent	Remaining Amount Delinquent as of 10/11/05	Remaining Delinquency Rate as of 10/11/05
2000-01	NA	NA	NA	NA	NA	N/A	N/A
2001-02	4	\$103,711.44	\$1,978.05	1.91%	0	\$0.00	0.00%
2002-03	4	\$120,186.32	\$2,005.86	1.67%	0	\$0.00	0.00%
2003-04	0	\$122,589.56	\$0.00	0.00%	0	\$0.00	0.00%
2004-05	3	\$125,040.80	\$1,663.04	1.33%	2	\$1,247.28	1.00%

¹ Source: County of San Diego. Reflects Fiscal Year delinquencies on or about June 30th of the indicated Fiscal Year.

XI. 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.

XII. 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.

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EXHIBIT A

**DETAILED DIRECT AND OVERLAPPING
DEBT REPORT**

POWAY UNIFIED SCHOOL DISTRICT
Community Facilities District No. 5
Special Tax Bonds

Detailed Direct and Overlapping Debt

Report Date: 12/15/2005
Report Time: 12:00:00 PM

I. Assessed Value

2005-2006 Secured Roll Assessed Value

\$151,048,517

II. Secured Property Taxes

Description on Tax Bill	Type	Total Parcels	Total Levy	% Applicable	Parcels	Levy
Basic Levy	PROP13	917,031	\$2,959,910,664.51	0.05071%	150	\$1,501,035.17
Voter Approved Debt	VOTER	906,545	\$195,933,669.33	0.00398%	150	\$7,804.01
County of San Diego Mosquito / Disease Control	VECTOR	904,648	\$7,312,817.72	0.01752%	150	\$1,281.00
County of San Diego Service Area No. 17 (Emergency Medical)	CSA	47,459	\$1,110,778.36	0.31194%	150	\$3,465.00
County of San Diego Service Area No. 83 (Park Maintenance)	OPENSACE	2,481	\$228,467.40	6.43418%	150	\$14,700.00
County of San Diego Street Lighting, Zone A	LLD	89,529	\$568,554.48	0.14774%	150	\$840.00
County of San Diego Vector Control, Zone B	VECTOR	405,036	\$908,491.68	0.03764%	150	\$342.00
Metropolitan Water District of Southern California Standby Charge	STANDBY	22,613	\$421,342.96	0.40668%	149	\$1,713.50
Olivenhain Municipal Water District AD No. 96-1	1915	20,870	\$1,528,213.82	0.68500%	150	\$10,468.32
Palomar Pomerado Health Debt Service	GOB	178,332	\$8,814,005.21	0.30228%	150	\$26,643.40
Poway Unified School District CFD No. 5	CFD	180	\$127,541.96	100.00000%	150	\$127,541.96
Poway Unified School District SFID No. 2002-1 Debt Service	GOB	40,975	\$6,719,811.95	0.00673%	1	\$452.34
Rancho Santa Fe Community Services District CFD No. 1	CFD	496	\$2,416,108.76	19.08137%	150	\$461,026.54
Rancho Santa Fe Community Services District Sewer	SEWER	500	\$366,709.00	32.72349%	150	\$120,000.00
Rancho Santa Fe Fire Protection District Special Tax	FIRE	9,768	\$207,302.50	0.91051%	150	\$1,887.50
San Diego County Water Authority Standby Charge	STANDBY	22,653	\$360,058.46	0.41660%	150	\$1,500.00
2005-2005 TOTAL PROPERTY TAX LIABILITY						\$2,280,700.74
TOTAL PROPERTY TAX LIABILITY AS A PERCENTAGE OF 2005-2006 ASSESSED VALUATION						1.51%

III. Land Secured Bond Indebtedness

Outstanding Direct and Overlapping Bonded Debt	Type	Issued	Outstanding	% Applicable	Parcels	Amount
Olivenhain Municipal Water District AD No. 96-1	1915	\$22,530,000	\$19,335,000	0.68500%	150	\$132,445
Poway Unified School District CFD No. 5	CFD	\$1,670,000	\$1,625,000	100.00000%	180	\$1,625,000
Rancho Santa Fe Community Services District CFD No. 1	CFD	\$29,025,000	\$28,955,000	19.08137%	150	\$5,525,011
TOTAL LAND SECURED BOND INDEBTEDNESS (1)						\$7,282,455
TOTAL OUTSTANDING LAND SECURED BOND INDEBTEDNESS (1)						\$7,282,455

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	GOB	\$850,000,000	\$419,390,000	0.00920%	180	\$38,584
Palomar Pomerado Health Debt Service	GOB	\$80,000,000	\$80,000,000	0.28446%	180	\$227,568
Poway Unified School District SFID No. 2002-1 Debt Service	GOB	\$75,000,000	\$64,165,000	0.00335%	2	\$2,150
TOTAL GENERAL OBLIGATION BOND INDEBTEDNESS (1)						\$268,301
TOTAL OUTSTANDING GENERAL OBLIGATION BOND INDEBTEDNESS (1)						\$268,301

TOTAL OF ALL OUTSTANDING AND OVERLAPPING BONDED DEBT	\$7,550,757
VALUE TO ALL OUTSTANDING DIRECT AND OVERLAPPING BONDED DEBT	20.00:1

(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/MARKS ROOS
YEARLY STATUS FISCAL REPORT
FOR LOCAL OBLIGATORS**

California Debt and Investment Advisory Commission
915 Capitol Mall, room 400, Sacramento, CA 95814
P.O. Box 942809, Sacramento, CA 94209-001
(916) 653-3269 FAX (916) 654-7440

For Office Use Only	
CDIAC # _____	
Fiscal Year _____	

I. General Information

This issue is subject of the Mello-Roos Fiscal Status Reporting Requirements only Yes No
 This issue is subject to the Marks-Roos Yearly Fiscal Status Reporting Requirements for local obligation/loan issues only Yes No
 This issue is subject to both Marks/Mello-Roos Yearly Fiscal Status Reporting Requirements Yes

A. Issuer	<u>Poway Unified School District</u>		
B. Community Facilities District Number (Mello-Roos only)	<u>Community Facilities District No. 5</u>		
C. Name/Title/Series of Bond Issue	<u>Series 2003 Public Financing Authority Local Obligation</u>		
D. Indicate Credit Rating	Rating Agency	Moody's, S&P	Rating <u>Aaa, AAA</u> Not Rated <input type="checkbox"/>
E. Date of Bond Issue	<u>March 20, 2003</u>		
F. Original Principal Amount of Bonds	<u>\$ 1,670,000.00</u>		
G. Reserve Fund Minimum Balance Required	Yes <input type="checkbox"/>	Amount \$ _____	No <input checked="" type="checkbox"/>
Percent of Authority Reserve Fund (Marks-Roos only)	Yes <input checked="" type="checkbox"/>	% of Reserve Fund <u>8.00%</u>	
H. Name of Authority that purchased debt (Marks-Roos only)	<u>Poway Unified School District Public Financing Authority</u>		
Was this a Senior/Subordinate Authority Bond?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	(If yes, list Senior and Subordinate below)

(Senior Authority bond issue)

(Subordinate Authority bond issue)

I. Date of Authority Bond(s) Issuance March 20, 2003 (Marks-Roos only)

II. FUND BALANCE FISCAL STATUS

Balances Reported as of fiscal year ending June 30, 2005 (Year)

A. Principal Amount of bonds Outstanding	<u>\$ 1,650,000.00</u>
B. Bond Reserve Fund	<u>\$ 0.00</u>
C. Capitalized Interest Fund	<u>\$ 0.00</u>
D. Construction Fund(s) (Mello-Roos only)	<u>\$ 0.00</u>

III. ASSESSED VALUE OF ALL PARCELS IN CFD SUBJECT TO SPECIAL TAX (Mello-Roos only)

A. Assessed Value Reported as of: Fiscal Year 2005-2006 (Date) (Check one)
 (Most recent tax roll) From 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 \$ 151,048,517.00

IV. TAX COLLECTION INFORMATION

Reported as of fiscal year ending of: June 30, 2005 (Year)

A. Total Amount of Taxes Due	<u>\$ 125,040.80</u>
B. Total Amount of Unpaid Taxes	<u>\$ 1,663.04</u>
C. Taxes are Paid Under the County's Teeter Plan	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

V. DELINQUENT REPORTING INFORMATION

Delinquent Parcel Information Reported as of the current Tax Roll of June 30, 2005 (Date)

A. Total Number of Delinquent Parcels	<u>3</u>
B. Total Amount of Taxes Due on Delinquent Parcels	<u>\$ 1,663.04</u>
C. Percent of Delinquency Rate	<u>1.33%</u> (Percent)

**STATE OF CALIFORNIA
YEARLY STATUS FISCAL REPORT**

(Continued)

VI. FORECLOSURE INFORMATION FOR FISCAL YEAR *(Mello-Roos only)*

(Aggregate totals, if foreclosure commenced on the same date)

<i>Date Foreclosure Commenced</i>	Total Number of Foreclosure Parcels	Total Amount of Tax Due on Foreclosure Parcels
NA	NA	\$ NA
		\$
		\$
		\$
		\$
		\$
		\$

(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: President, Schools Division
 Firm/Agency: David Taussig & Associates, Inc.
 Address: 1301 Dove Street, Suite 600
 City/State/Zip: Newport Beach, CA 92660
 Phone No.: (949) 955-1500 Date of Report: October 28, 2005

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 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.

**ANNUAL REPORT FOR
COMMUNITY FACILITIES DISTRICT NO. 7
OF
POWAY UNIFIED SCHOOL DISTRICT**

January 31, 2006

**FISCAL YEAR 2004-05
ANNUAL REPORT**

\$1,545,000

**COMMUNITY FACILITIES DISTRICT NO. 7 OF
POWAY UNIFIED SCHOOL DISTRICT
2003 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, 2006

TABLE OF CONTENTS

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Introduction.....	1
I. Audited Financial Statements	1
II. Principal Amount of Bonds Outstanding.....	1
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IV. Reserve Requirement and Reserve Fund Balance	1
V. Fund and Account Balances	1
VI. Assessed Value and Value-to-Lien of Parcels within CFD No. 7.....	2
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XI. Report to the California Debt and Investment Advisory Commission.....	4
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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. 7 of the Poway Unified School District ("School District") in the amount of \$1,545,000. 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. 7 and U.S. Bank National Association, as fiscal agent ("Fiscal 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. 3 and (iii) 2003 Special Tax Bonds of CFD No. 5 (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

For a copy of the School District's annual audited financial statements, please refer to the Continuing Disclosure Annual Report for the Series 1998 Special Tax Bonds for CFD No. 1 of the School District issued January 1998 ("Series 1998 Bonds").

II. Principal Amount of Bonds Outstanding

As of January 1, 2006, the outstanding principal amount of the Bonds was \$1,515,000.

III. Bond Service Fund Balance

As of January 1, 2006, the balance in the Bond Service Fund was \$0.00.

IV. Reserve Fund and 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 issued March 20, 2003.

V. Fund and Account Balances

The balance of each fund and account of CFD No. 7 as of January 1, 2006, is listed in Table 1.

TABLE 1

FUND AND ACCOUNT BALANCES (AS OF 1/01/06)

Funds and Accounts	Balances
Administrative Expense Fund	\$44,049.02
Bond Service Fund	\$0.00
Redemption Fund	\$0.00
Interest Account	\$0.00
Principal Account	\$0.00
CFD No. 7 School Facilities Fund	\$0.00
Surplus Special Tax Fund	\$0.00
Costs of Issuance Fund	\$0.00
Special Tax Fund	\$78,829.64

VI. Assessed Value and Value-to-Lien of Parcels within CFD No. 7

Table 2 shows the assessed values, direct and overlapping debt, and value-to-lien ratio for all parcels within CFD No. 7.

TABLE 2

ASSESSED VALUE-TO-LIEN FOR CFD NO. 7

Land Use	Assessed Value¹	Total Direct and Overlapping Debt²	Assessed Value-to-Lien Ratio
Developed Property	\$136,981,594.00	\$5,770,726.00	23.74:1
Undeveloped Property	\$0.00	\$0.00	NA
Exempt Property ³	\$0.00	\$0.00	NA
Total⁴	\$136,981,594.00	\$5,770,726.00	23.74:1

¹ Total assessed value reported on the County of San Diego Fiscal Year 2005-06 equalized tax roll.
² Source: Detailed Direct and Overlapping Debt Report, National Tax Data, Inc. dated December 15, 2005 (attached as Exhibit A).
³ This property has been exempted from the CFD No. 7 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.

VII. Fiscal Year 2004-05 Special Tax Levy and Delinquencies

There were four (4) parcels delinquent in paying their Fiscal Year 2004-05 Special Taxes in an amount of \$2,538.76. The Special Taxes levied by CFD No. 7 for Fiscal Year 2004-05 was \$118,052.34. Therefore, the delinquency rate within CFD No. 7 in Fiscal Year 2004-05 was 2.15%.

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 2004-05 did not exceed five percent (5.00%), CFD No. 7 has not initiated any foreclosure proceedings to date.

IX. Major Taxpayers

"Major Taxpayers" are those property owners responsible for more than five percent (5.00%) of the Special Tax levy in a given Fiscal Year. Based on the County of San Diego ("County") Fiscal Year 2005-06 equalized tax roll, there are no Major Taxpayers in CFD No. 7 for Fiscal Year 2005-06.

X. Special Tax Delinquency History of CFD No. 7

Table 3 shows the Special Tax delinquency history of CFD No. 7 for Fiscal Year 2004-05 and prior Fiscal Years.

TABLE 3

**COMMUNITY FACILITIES DISTRICT NO. 7
SPECIAL TAX DELINQUENCY HISTORY**

Fiscal Year	Parcels Delinquent	Aggregate Special Tax Levy	Fiscal Year Amount Delinquent¹	Fiscal Year Delinquency Rate	Remaining Parcels Delinquent	Remaining Amount Delinquent as of 10/11/05	Remaining Delinquency Rate as of 10/11/05
2000-01	NA	NA	NA	NA	NA	NA	NA
2001-02	2	\$111,242.88	\$1,794.24	1.61%	0	\$0.00	0.00%
2002-03	3	\$113,469.30	\$2,440.20	2.15%	0	\$0.00	0.00%
2003-04	2	\$115,738.50	\$1,866.75	1.61%	2	\$1,866.75	1.61%
2004-05	4	\$118,052.34	\$2,538.76	2.15%	2	\$1,269.38	1.08%

¹ Source: County of San Diego. reflects Fiscal Year delinquencies on or about June 30th of the indicated Fiscal Year.

XI. 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.

XII. 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.

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EXHIBIT A

**DETAILED DIRECT AND OVERLAPPING
DEBT REPORT**

POWAY UNIFIED SCHOOL DISTRICT
Community Facilities District No. 7
Special Tax Bonds

Detailed Direct and Overlapping Debt

Report Date: 12/15/2005
Report Time: 12:00:00 PM

I. Assessed Value

2005-2006 Secured Roll Assessed Value **\$136,981,594**

II. Secured Property Taxes

Description on Tax Bill	Type	Total Parcels	Total Levy	% Applicable	Parcels	Levy
Basic Levy	PROP13	917,031	\$2,959,910,664.51	0.04609%	93	\$1,364,355.94
Voter Approved Debt	VOTER	906,545	\$195,933,669.33	0.00811%	93	\$15,893.84
City of San Diego CFD No. 2, Impv Area 3	CFD	93	\$430,411.96	100.00000%	93	\$430,411.96
City of San Diego Torrey Highlands Maintenance District	LMD	1,689	\$335,550.36	1.96559%	93	\$6,595.56
County of San Diego Mosquito / Disease Control	VECTOR	904,648	\$7,312,817.72	0.01089%	93	\$796.72
County of San Diego Vector Control, Zone B	VECTOR	405,036	\$908,491.68	0.03071%	93	\$279.00
Metropolitan Water District of Southern California Standby Charge	STANDBY	338,933	\$4,206,542.70	0.03278%	92	\$1,378.80
Poway Unified School District CFD No. 7	CFD	105	\$120,412.68	100.00000%	93	\$120,412.68
San Diego County Water Authority Standby Charge	STANDBY	346,167	\$3,697,096.38	0.03274%	93	\$1,210.50
2005-2006 TOTAL PROPERTY TAX LIABILITY						\$1,941,335.00
TOTAL PROPERTY TAX LIABILITY AS A PERCENTAGE OF 2005-2006 ASSESSED VALUATION						1.42%

III. Land Secured Bond Indebtedness

Outstanding Direct and Overlapping Bonded Debt	Type	Issued	Outstanding	% Applicable	Parcels	Amount
City of San Diego CFD No. 2, Impv Area 3	CFD	\$4,350,000	\$4,210,000	100.00000%	93	\$4,210,000
Poway Unified School District CFD No. 7	CFD	\$1,545,000	\$1,515,000	100.00000%	105	\$1,515,000
TOTAL LAND SECURED BOND INDEBTEDNESS (1)						\$5,725,000
TOTAL OUTSTANDING LAND SECURED BOND INDEBTEDNESS (1)						\$5,725,000

IV. General Obligation Bond Indebtedness

Outstanding Direct and Overlapping Bonded Debt	Type	Issued	Outstanding	% Applicable	Parcels	Amount
City of San Diego Public Safety Communication System Debt Service	GOB	\$25,500,000	\$11,520,000	0.09326%	105	\$10,743
Metropolitan Water District of Southern California Debt Service	GOB	\$850,000,000	\$419,390,000	0.00834%	105	\$34,983
TOTAL GENERAL OBLIGATION BOND INDEBTEDNESS (1)						\$45,726
TOTAL OUTSTANDING GENERAL OBLIGATION BOND INDEBTEDNESS (1)						\$45,726

TOTAL OF ALL OUTSTANDING AND OVERLAPPING BONDED DEBT	\$5,770,726
VALUE TO ALL OUTSTANDING DIRECT AND OVERLAPPING BONDED DEBT	23.74:1

(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/MARKS ROOS
YEARLY STATUS FISCAL REPORT
FOR LOCAL OBLIGATORS**

California Debt and Investment Advisory Commission
915 Capitol Mall, room 400, Sacramento, CA 95814
P.O. Box 942809, Sacramento, CA 94209-001
(916) 653-3269 FAX (916) 654-7440

For Office Use Only	
CDIAC #	_____
Fiscal Year	_____

I. General Information

This issue is subject of the Mello-Roos Fiscal Status Reporting Requirements only Yes No
 This issue is subject to the Marks-Roos Yearly Fiscal Status Reporting Requirements for local obligation/loan issues only Yes No
 This issue is subject to both Marks/Mello-Roos Yearly Fiscal Status Reporting Requirements Yes

A. Issuer Poway Unified School District
 B. Community Facilities District Number (Mello-Roos only) Community Facilities District No. 7
 C. Name/Title/Series of Bond Issue Series 2003 Public Financing Authority Local Obligation
 D. Indicate Credit Rating Rating Agency Moody's, S&P Rating Aaa, AAA Not Rated _____
 E. Date of Bond Issue March 20, 2003
 F. Original Principal Amount of Bonds \$ 1,545,000.00
 G. Reserve Fund Minimum Balance Required Yes Amount \$ _____ No
 Percent of Authority Reserve Fund (Marks-Roos only) Yes % of Reserve Fund 7.00%
 H. Name of Authority that purchased debt (Marks-Roos only) Poway Unified School District Public Financing Authority
 Was this a Senior/Subordinate Authority Bond? Yes No (If yes, list Senior and Subordinate below)

(Senior Authority bond issue)

(Subordinate Authority bond issue)

I. Date of Authority Bond(s) Issuance March 20, 2003 (Marks-Roos only)

II. FUND BALANCE FISCAL STATUS

Balances Reported as of fiscal year ending June 30, 2005 (Year)
 A. Principal Amount of bonds Outstanding \$ 1,530,000.00
 B. Bond Reserve Fund \$ 0.00
 C. Capitalized Interest Fund \$ 0.00
 D. Construction Fund(s) (Mello-Roos only) \$ 0.00

III. ASSESSED VALUE OF ALL PARCELS IN CFD SUBJECT TO SPECIAL TAX (Mello-Roos only)

A. Assessed Value Reported as of: Fiscal Year 2005-2006 (Date) (Check one)
 (Most recent tax roll) From 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 \$ 136,981,594.00

IV. TAX COLLECTION INFORMATION

Reported as of fiscal year ending of: June 30, 2005 (Year)
 A. Total Amount of Taxes Due \$ 118,052.34
 B. Total Amount of Unpaid Taxes \$ 2,538.76
 C. Taxes are Paid Under the County's Teeter Plan Yes No

V. DELINQUENT REPORTING INFORMATION

Delinquent Parcel Information Reported as of the current Tax Roll of June 30, 2005 (Date)
 A. Total Number of Delinquent Parcels 4
 B. Total Amount of Taxes Due on Delinquent Parcels \$ 5,674.89
 C. Percent of Delinquency Rate 2.15%
 (Percent)

**STATE OF CALIFORNIA
YEARLY STATUS FISCAL REPORT**

(Continued)

VI. FORECLOSURE INFORMATION FOR FISCAL YEAR *(Mello-Roos only)*

(Aggregate totals, if foreclosure commenced on the same date)

<i>Date Foreclosure Commenced</i>	<i>Total Number of Foreclosure Parcels</i>	<i>Total Amount of Tax Due on Foreclosure Parcels</i>
NA	NA	\$ NA
		\$
		\$
		\$
		\$
		\$
		\$

(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: President, Schools Division
 Firm/Agency: David Taussig & Associates, Inc.
 Address: 1301 Dove Street, Suite 600
 City/State/Zip: Newport Beach, CA 92660
 Phone No.: (949) 955-1500 Date of Report: October 28, 2005

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 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.