

Annual Report

Poway Unified School District
Community Facilities District No. 10

January 31, 2009

Prepared For:

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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 2007 Special Tax Bonds ("Bonds") by Community Facilities District ("CFD") No. 10 of the Poway Unified School District ("School District") in the amount of \$38,230,000. The Bonds were issued under the Mello-Roos Community Facilities Act of 1982, as amended ("Act"), and pursuant to a 2007 Revenue Bond Indenture dated April 1, 2007 by and between Poway Unified School District Public Financing Authority ("Authority") and Zions First National Bank, as trustee ("Trustee"). Dolinka Group, LLC has been retained by the School District to act as dissemination agent ("Dissemination Agent"). The Bonds were issued to (i) pay interest on the Bonds through September 15, 2007 and (ii) pay the cost of issuing the Bonds. The Bonds, along with the (i) 2007 Special Tax Bonds of CFD No. 2 of the School District, (ii) 2007 Special Tax Bonds of CFD No. 4 of the School District, (iii) 2007 Special Tax Bonds of Improvement Area ("IA") B of CFD No. 8 of the School District, (iv) 2007 Special Tax Bonds of CFD No. 9 of the School District, and (v) 2007 Special Tax Bonds of CFD No. 12 (each a "Series of Special Tax Bonds") were purchased by the Authority. The Special Tax Bonds were purchased through funds generated from the issuance of the 2007 Revenue Bonds of the Authority on June 20, 2007.

I. Audited Financial Statements

A copy of the School District's annual audited financial statements for Fiscal Year 2007/2008 is available online at www.disclosureusa.org.

II. Principal Amount of Bonds Outstanding

As of January 1, 2009, the outstanding principal amount of the Bonds was \$38,181,000.00.

III. Bond Service Fund Balance

The Bond Fund is a composite of the Principal Account, Interest Account and the Capitalized Interest Subaccount; as of January 1, 2009, the balances within these accounts totaled \$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 2007 Revenue Bonds of the Authority issued June 20, 2007.

V. Fund and Account Balances

The balance of each fund and account of CFD No. 10 as of January 1, 2009, is listed in Table 1.

**Table 1
Fund and Account Balances (As of 1/01/09)**

Funds and Account	Balance
Special Tax Fund	\$502,967.33
Bond Service Fund	\$0.00
Bond Interest Account	\$0.00
Bond Principal Account	\$0.00
Capitalized Interest Subaccount	\$0.00
Administrative Expense Fund	\$27,040.94
Purchase Transfer Account	\$0.00

VI. Assessed Value and Value-to-Lien of Parcels within CFD No. 10

Table 2 shows the assessed values, direct and overlapping debt, and value-to-lien ratio for all parcels within CFD No. 10.

Table 2
Assessed Value to Lien

Land Use	Total Assessed Value ^[1]	CFD Bonds		Other		Total Burden	Value-to-Lien Ratio
		Principal Amount Outstanding	Value-to-Lien Ratio for CFD	Overlapping Debt ^[2]	General Obligation Debt ^[2]		
Single Family Attached Zone 1	\$34,238,086.00	\$1,280,536.26	26.74:1	\$1,431,655.55	\$64,355.10	\$2,776,546.91	12.33:1
Single Family Detached Zone 1	\$594,508,050.00	\$31,138,291.72	19.09:1	\$21,698,901.35	\$1,117,457.99	\$53,954,651.06	11.02:1
Single Family Attached Zone 2	\$129,425,927.00	\$5,762,172.02	22.46:1	\$5,645,000.00	\$243,273.47	\$11,650,445.49	11.11:1
Single Family Detached Zone 2	\$0.00	\$0.00	0.00:1	\$0.00	\$0.00	\$0.00	0.00:1
Tax Class P PREPAID	\$33,960,498.00	\$0.00	0.00:1	\$544,443.10	\$63,833.33	\$608,276.44	55.83:1
Tax Class U UNDEV	\$192,986,714.00	\$0.00	0.00:1	\$0.00	\$362,744.53	\$362,744.53	0.00:1
Subtotal for Taxable Parcels ^[3]	\$985,119,275.00	\$38,181,000.00	25.80:1	\$29,320,000.00	\$1,851,664.42	\$69,352,664.42	14.20:1
Tax Class E EXEMPT	\$37,955,555.00	\$0.00	0.00:1	\$0.00	\$71,342.58	\$71,342.58	0.00:1
Total ^[3]	\$1,023,074,830.00	\$38,181,000.00	26.80:1	\$29,320,000.00	\$1,923,007.00	\$69,424,007.00	14.74:1

[1] Total Assessed Value as reported on the Fiscal Year 2008/2009 equalized tax roll of the County.
 [2] Source: Detailed Direct and Overlapping Debt Report, National Tax Data, Inc. (attached as Exhibit A).
 [3] Totals may not sum due to rounding.

VII. Fiscal Year 2007/2008 Special Tax Levy and Delinquencies

There were sixty-two (62) parcels delinquent in paying their Fiscal Year 2007/2008 Special Taxes in an amount of \$81,383.03. The total Special Taxes levied by CFD No. 10 for Fiscal Year 2007/2008 was \$2,101,425.88. Therefore, the delinquency rate within CFD No. 10 for Fiscal Year 2007/2008 was 3.56%.

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 2007/2008 did not exceed five percent (5.00%), CFD No. 10 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 2008/2009 equalized tax roll, there are no Major Taxpayers in CFD No. 10 for Fiscal Year 2008/2009.

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 Rate and Method of Apportionment

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

XII. Bond Authorization Information

As of the date of this report the maximum authorized District Bond amount for of CFD No. 10 is \$45,000,000. CFD No. 10 has issued \$38,230,000 in Bonds with the 2007 Authority on June 20, 2007.

Bonds issued by CFD No. 10 are intended to provide for the acquisition, planning, construction, and/or financing of any real or tangible property with an estimated useful life of five (5) years or longer, and which is necessary to meet the increased demands placed upon the District as a result of development occurring in CFD No. 10. The school facilities described below are all facilities which the School Board creating CFD No. 10 is authorized to acquire, plan, and/or finance.

- Elementary School – site purchase, facility construction (including appurtenant improvements, such as landscaping, access roadways, drainage, sidewalks and gutters, and utility lines), furnishings, computers, and related equipment.
- Middle School – site purchase, facility construction (including appurtenant improvements, such as landscaping, access roadways, drainage, sidewalks and gutters, and utility lines), furnishings, computers, and related equipment.
- High School – site purchase, facility construction (including appurtenant improvements, such as landscaping, access roadways, drainage, sidewalks and gutters, and utility lines), furnishings, computers, and related equipment.
- Central Support and Administrative Facilities – site purchase, facility construction (including appurtenant improvements, such as landscaping, access roadways, drainage, sidewalks and gutters, and utility lines), furnishings, computers, and related equipment.
- Interim Housing – purchase and/or lease of portable/relocatables.
- Incidental Expense – costs of engineering, design, planning, materials testing, coordination, construction staking and construction, together with expenses related to the issuance and sale of any debt as defined in Section 53317(d) of the Act, including underwriters' discount, appraisals, market studies, reserve fund, capitalized interest, bond counsel, special tax consultant, bond and official statement printing, administrative expenses of the District, CFD No. 10 and bond trustee or fiscal agent related to CFD No. 10 and any such debt and all other incidental expense.

For a summary of the accruals and expenditures of Bond Proceeds, please refer to the Annual Report of the Poway 2007 Public Financing Authority.

Exhibit A

Detailed Direct and Overlapping Debt Report

**POWAY UNIFIED SCHOOL DISTRICT
Community Facilities District No. 10
Special Tax Bonds**

Detailed Direct and Overlapping Debt

**Report Date: 11/01/2008
Report Time: 12:00:00 PM**

I. Assessed Value

2008-2009 Secured Roll Assessed Value

\$1,023,074,830

II. Secured Property Taxes

Description on Tax Bill	Type	Total Parcels	Total Levy	% Applicable	Parcels	Levy
Basic Levy	PROPI 3	957,523	\$3,813,203,012	0.26135%	1,322	\$9,965,754.22
City of San Diego Penasquitos East Maintenance District	LMD	10,156	\$203,391	0.00750%	1	\$15.26
City of San Diego Torrey Highlands Maintenance District	LMD	1,695	\$346,441	61.16577%	1,256	\$211,903.32
County of San Diego Vector Control, Zone A	VECTOR	530,324	\$1,486,679	0.26697%	1,323	\$3,969.00
County of San Diego Vector Control, Zone B	VECTOR	358,847	\$748,016	0.00030%	1	\$2.28
County of San Diego Vector Disease Control	VECTOR	943,568	\$5,256,250	0.14053%	1,324	\$7,386.80
Metropolitan Water District of Southern California Standby Charge	STANDBY	353,385	\$4,356,825	0.36268%	1,327	\$15,801.48
Poway Unified School District CFD No. 10	CFD	1,411	\$2,210,241	100.00000%	1,215	\$2,210,240.72
Poway Unified School District CFD No. 10, Impv Area A	CFD	391	\$847,113	100.00000%	391	\$847,112.90
Poway Unified School District CFD No. 10, Impv Area B	CFD	235	\$515,595	100.00000%	235	\$515,595.42
Poway Unified School District CFD No. 10, Impv Area C	CFD	191	\$268,673	100.00000%	191	\$268,672.64
Poway Unified School District CFD No. 10, Impv Area D	CFD	142	\$373,523	100.00000%	142	\$373,523.16
Poway Unified School District CFD No. 10, Impv Area E	CFD	275	\$437,011	100.00000%	275	\$437,011.04
San Diego County Water Authority Standby Charge	STANDBY	361,328	\$3,834,233	0.35798%	1,327	\$13,725.70
Voter Approved Debt	VOTER	957,329	\$250,644,468	0.09383%	1,322	\$235,179.88
2008-2009 TOTAL PROPERTY TAX LIABILITY						\$15,105,893.82
TOTAL PROPERTY TAX LIABILITY AS A PERCENTAGE OF 2008-2009 ASSESSED VALUATION						1.48%

III. Land Secured Bond Indebtedness

Outstanding Direct and Overlapping Bonded Debt	Type	Issued	Outstanding	% Applicable	Parcels	Amount
Poway Unified School District CFD No. 10	CFD	\$38,230,000	\$38,181,000	100.00000%	1,215	\$38,181,000
Poway Unified School District CFD No. 10, Impv Area A	CFD	\$9,700,000	\$9,485,000	100.00000%	391	\$9,485,000
Poway Unified School District CFD No. 10, Impv Area B	CFD	\$6,345,000	\$6,210,000	100.00000%	235	\$6,210,000
Poway Unified School District CFD No. 10, Impv Area C	CFD	\$3,000,000	\$2,955,000	100.00000%	191	\$2,955,000
Poway Unified School District CFD No. 10, Impv Area D	CFD	\$5,125,000	\$5,025,000	100.00000%	142	\$5,025,000
Poway Unified School District CFD No. 10, Impv Area E	CFD	\$5,750,000	\$5,645,000	100.00000%	275	\$5,645,000
TOTAL LAND SECURED BOND INDEBTEDNESS (1)						\$67,501,000
TOTAL OUTSTANDING LAND SECURED BOND INDEBTEDNESS (1)						\$67,501,000

IV. General Obligation Bond Indebtedness

Outstanding Direct and Overlapping Bonded Debt	Type	Issued	Outstanding	% Applicable	Parcels	Amount
City of San Diego GOB 1978 (Open Space Park Facilities District No. 1)	GOB	\$35,000,000	\$7,010,000	0.56001%	1,215	\$39,257
City of San Diego GOB 1990 (Public Safety Communication System)	GOB	\$25,500,000	\$6,315,000	0.56001%	1,215	\$35,365
Metropolitan Water District of Southern California GOB 1966	GOB	\$850,000,000	\$327,215,000	0.04824%	1,215	\$157,849
Palomar Community College District GOB 2006	GOB	\$160,000,000	\$158,000,000	1.06996%	1,215	\$1,690,537
TOTAL GENERAL OBLIGATION BOND INDEBTEDNESS (1)						\$1,923,007
TOTAL OUTSTANDING GENERAL OBLIGATION BOND INDEBTEDNESS (1)						\$1,923,007

TOTAL OF ALL OUTSTANDING AND OVERLAPPING BONDED DEBT	\$69,424,006.65
VALUE TO ALL OUTSTANDING DIRECT AND OVERLAPPING BONDED DEBT	14.74:1

(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 to 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. 10

C. Name/Title/Series of Bond Issue Series 2007 Public Financing Authority Local Obligation

D. Indicate Credit Rating Rating Agency S&P Rating AA Not Rated _____

E. Date of Bond Issue June 20, 2007

F. Original Principal Amount of Bonds \$38,230,000.00

G. Reserve Fund Minimum Balance Required Yes Amount _____ No
Percent of Authority Reserve Fund (*Marks-Roos only*) Yes % of Reserve Fund _____

H. Name of Authority that purchased debt (*Marks-Roos only*) Poway Unified School District Financing Authority Series 2007
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 June 20, 2007 (*Marks-Roos only*)

II. FUND BALANCE FISCAL STATUS

Balances Reported as of fiscal year ending June 30, 2008 (Year)

A. Principal Amount of bonds Outstanding \$ 38,230,000.00

B. Bond Reserve Fund \$ 0.00

C. Capitalized Interest Fund \$ 0.32

D. Construction Fund(s) (Mello-Roos only) \$ 0.00

III. FUND BALANCE FISCAL STATUS

A. Assessed Value Reported as of: July 1, 2008 (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 \$ 985,119,275.00

IV. TAX COLLECTION INFORMATION

Reported as of fiscal year ending of: June 30, 2008 (Year)

A. Total Amount of Taxes Due \$ 2,101,425.88

B. Total Amount of Unpaid Taxes \$ 81,383.03

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 June 30, 2008 (Date)

A. Total Number of Delinquent Parcels 70

B. Total Amount of Taxes Due on Delinquent Parcels \$ 118,382.84

C. Percent of Delinquency Rate 3.87%
(Percent)

