

2021 / 2022

# Continuing Disclosure Annual Report

*Fiscal Year Ending June 30, 2022*

*Submitted March 31, 2023*

## Poway Unified School District Public Financing Authority

Special Tax Revenue Refunding Bonds, Series 2022A-1 (CFD No. 4)  
Special Tax Revenue Refunding Bonds, Series 2022A-2 (CFD No. 12)  
Special Tax Revenue Refunding Bonds, Series 2022A-3 (CFD No. 13)



A division of California Financial Services

**\$6,870,000**

**Poway Unified School District Public Financing Authority  
Special Tax Revenue Refunding Bonds  
Series 2022A-1 (Community Facilities District No. 4)**

**MATURITY  
DATE**

**CUSIP\***

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**Term Bonds**

09/01/2042

N/A <sup>[1]</sup>

*[1] Private Placement, therefore there are no CUSIPs associated with this issuance.*

*\*CUSIP® is a registered trademark of the American Bankers Association.*

**\$3,815,000**

**Poway Unified School District Public Financing Authority  
Special Tax Revenue Refunding Bonds  
Series 2022A-2 (Community Facilities District No. 12)**

**MATURITY DATE**

**CUSIP\***

**Term Bonds**

09/01/2042

N/A <sup>[1]</sup>

*[1] Private Placement, therefore there are no CUSIPs associated with this issuance.*

*\*CUSIP® is a registered trademark of the American Bankers Association.*

**\$4,880,000**

**Poway Unified School District Public Financing Authority  
Special Tax Revenue Refunding Bonds  
Series 2022A-3 (Community Facilities District No. 13)**

**MATURITY DATE**

**CUSIP\***

**Term Bonds**

09/01/2042

N/A <sup>[1]</sup>

*[1] Private Placement, therefore there are no CUSIPs associated with this issuance.*

*\*CUSIP® is a registered trademark of the American Bankers Association.*

# List of Participants

## **Issuer**

Poway Unified School District  
Public Financing Authority  
15250 Avenue of Science  
San Diego, CA 92128  
T. (858) 521-2800  
[www.powayusd.com](http://www.powayusd.com)

## **Bond Counsel**

Chapman & Culter LLP  
595 Market Street Suite 2600  
San Francisco, CA 94105

## **Special Tax Administrator**

KeyAnalytics  
555 Corporate Drive, Suite 100  
Ladera Ranch, California 92694  
T. (949) 282-1077

## **Fiscal Agent**

Zions Bancorporation, National Association  
550 South Hope Street, Suite 2875  
Los Angeles, CA 90071

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Exhibit A – Audited Financial Statements for Fiscal Year 2021/2022

Exhibit B – District CFD Rate and Method of Apportionments

Exhibit C – California Debt and Investment Advisory Commission Reports

# I. Introduction

This Annual Report (“Report”) has been prepared pursuant to Section 6.13 of the Indenture of Trust (“Disclosure Covenant”) executed in connection with the issuance of the following debt by the Poway Unified School District Public Financing Authority (“Authority”):

- Special Tax Revenue Refunding Bonds, Series 2022A-1 (Community Facilities District No. 4) of the Authority issued on March 25, 2022, in the par amount of \$6,870,000 (“2022A-1 Bonds”);
- Special Tax Revenue Refunding Bonds, Series 2022A-2 (Community Facilities District No. 12) of the Authority issued on March 25, 2022, in the par amount of \$3,815,000 (“2022A-2 Bonds”); and
- Special Tax Revenue Refunding Bonds, Series 2022A-3 (Community Facilities District No. 13) of the Authority issued on March 25, 2022, in the par amount of \$4,880,000 (“2022A-3 Bonds”, collectively with the 2022A-1 Bonds and 2022A-2 Bonds, “Bonds”).

Under the Disclosure Covenant, the Poway Unified School District (“School District”) has agreed to annually provide certain information related to the security of the Bonds. This Report has been prepared by KeyAnalytics, a division of C. Financial Investments, Inc. (“KeyAnalytics”), at the direction of the School District to provide the required information.

Any information contained herein which involves estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representation of fact. The information set forth herein has been furnished by the School District, or other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Report nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the School District, each respective Community Facilities District, or the Authority since the date hereof.

Capitalized terms used herein which are not otherwise defined shall have the meaning given them in the respective financing documents.

If there are any questions regarding the information provided herein, please contact KeyAnalytics at (949) 282-1077.



## II. Audited Financial Statements

The Authority does not prepare Audited Financial Statements; however, as of the date of this Report, the Board of Education of the Poway Unified School District (the "Board") has approved the final Audited Financial Statements of the School District for the Fiscal Year ending June 30, 2022. The School District's Audited Financial Statements have been attached as Exhibit A.

# III. Special Taxes

The School District has covenanted to annually levy the Special Tax in accordance with the respective Rate and Method of Apportionment (“RMA”) for Community Facilities District (“CFD”) No. 4, CFD No. 12, and CFD No. 13, (collectively, “District CFDs”), attached as Exhibit B, so long as the Bonds are outstanding. The items below summarize information required by the Disclosure Covenant.

## A. Special Tax Collections

Delinquent Special Taxes for the District CFDs, as of September 29, 2022, for Fiscal Year 2021/2022 and prior Fiscal Years are summarized in the tables below. There are no property owners whose delinquent Special Taxes represent more than 10% of the Special Tax levy within a District CFD.

**Special Tax Levies and Collections CFD No. 4**

Fiscal Year	Subject Fiscal Year					September 29, 2022	
	Assigned Special Tax Levy	Parcels Delinquent	Amount Collected	Amount Delinquent	Delinquency Rate	Remaining Amount Delinquent	Remaining Delinquency Rate
2016/2017	\$1,504,562.00	24	\$1,475,038.00	\$29,524.00	1.96%	\$0.00	0.00%
2017/2018	1,565,617.86	8	1,555,285.86	10,332.00	0.66%	0.00	0.00%
2018/2019	1,619,825.00	10	1,608,094.00	11,731.00	0.72%	0.00	0.00%
2019/2020	1,685,471.60	21	1,661,653.60	23,818.00	1.41%	0.00	0.00%
2020/2021	1,726,331.00	30	1,688,868.00	37,463.00	2.17%	0.00	0.00%
2021/2022	1,787,597.84	8	1,773,714.03	13,883.81	0.78%	13,883.81	0.78%

**Special Tax Levies and Collections CFD No. 12**

Fiscal Year	Subject Fiscal Year					September 29, 2022	
	Assigned Special Tax Levy	Parcels Delinquent	Amount Collected	Amount Delinquent	Delinquency Rate	Remaining Amount Delinquent	Remaining Delinquency Rate
2016/2017	\$1,055,568.00	8	\$1,044,539.00	\$11,029.00	1.04%	\$0.00	0.00%
2017/2018	1,222,817.00	3	1,214,599.00	8,218.00	0.67%	0.00	0.00%
2018/2019	1,391,282.92	10	1,375,773.92	15,509.00	1.11%	0.00	0.00%
2019/2020	1,427,534.32	13	1,399,103.32	28,431.00	1.99%	3,759.58	0.26%
2020/2021	1,485,204.00	12	1,458,111.00	27,093.00	1.82%	3,911.46	0.26%
2021/2022	1,541,998.80	4	1,531,569.71	10,429.09	0.68%	10,429.09	0.68%

## Special Tax Levies and Collections CFD No. 13

Fiscal Year	Subject Fiscal Year					September 29, 2022	
	Assigned Special Tax Levy	Parcels Delinquent	Amount Collected	Amount Delinquent	Delinquency Rate	Remaining Amount Delinquent	Remaining Delinquency Rate
2016/2017	\$818,668.00	12	\$786,380.00	\$32,288.00	3.94%	\$0.00	0.00%
2017/2018	835,042.00	7	813,363.00	21,679.00	2.60%	0.00	0.00%
2018/2019	851,742.00	5	834,905.00	16,837.00	1.98%	0.00	0.00%
2019/2020	1,340,627.74	8	1,321,052.74	19,575.00	1.46%	3,418.78	0.26%
2020/2021	1,559,402.10	17	1,515,566.10	43,836.00	2.81%	14,203.93	0.91%
2021/2022	1,590,587.88	4	1,580,158.79	10,429.09	0.66%	17,488.78	1.10%

### B. Foreclosure Update

The District CFDs have covenanted that they will commence judicial foreclosure proceedings against (i) any single parcel with aggregate delinquent Special Taxes in the amount \$5,000 or (ii) any single parcel under common ownership with aggregate delinquent Special Taxes in the amount of \$10,000 or more by the August 30<sup>th</sup> following the close of each Fiscal Year in which such Special Taxes were due and will commence judicial foreclosure proceedings against all parcels with delinquent Special Taxes by the August 30<sup>th</sup> following the close of each Fiscal Year in which it receives Special Taxes in an amount which is less than 95% of the total Special Tax levied and/or the Reserve Fund is fully funded and the Debt Service can be paid.

After reviewing the level of delinquencies, it was determined there were 2 (two) parcels delinquent in the payment of Special Taxes in excess of \$5,000 for CFD No. 13. The School District's foreclosure counsel mailed a final demand letter in November 2022 to these delinquent property owners. Since the date of this mailing, one parcel has paid their outstanding delinquent property taxes while the other is being closely monitored by the School District and the foreclosure counsel. Additionally, foreclosure actions are not required since the amount on deposit in the Authority Reserve Funds is equal to the Authority Reserve Requirement.

## IV. Debt and Assessed Values

The items below summarize information required by the Disclosure Covenant regarding outstanding debt and Assessed Valuations.

### A. Assessed Valuation

A summary of the assessed values, based on the Fiscal Year 2022/2023 equalized tax roll of the County of San Diego, of the property within each District CFDs are shown in the following tables. The total assessed value contains all parcels currently subject to the Special Tax and is distinguished between improved and unimproved parcels. Parcels are considered improved if there is an assessed value for improvements.

# Assessed Value Summary

## Poway Unified School District

### CFD No. 4

Tax Class/ Land Use	Sq. Footage	Number of Units/Acres	Assessed Value Land	Assessed Value Improvement	Assessed Value Other	Assessed Value Total
<b>Improved</b>						
1	< 1,500 Sq. Ft.	28	\$8,543,115.00	\$7,553,177.00	\$0.00	\$16,096,292.00
2	1,500 Sq. Ft. to 2,249 Sq. Ft.	118	55,324,433.00	52,791,576.00	0.00	108,116,009.00
3	2,250 Sq. Ft. to 2,749 Sq. Ft.	53	32,063,197.00	35,780,417.00	0.00	67,843,614.00
4	2,750 Sq. Ft. to 3,149 Sq. Ft.	98	64,849,328.00	69,889,510.00	0.00	134,738,838.00
5	3,150 Sq. Ft. to 3,749 Sq. Ft.	85	59,189,726.00	65,587,637.00	0.00	124,777,363.00
6	3,750 Sq. Ft. to 4,049 Sq. Ft.	97	61,913,580.00	75,437,015.00	0.00	137,350,595.00
7	4,050 Sq. Ft. to 4,499 Sq. Ft.	39	26,187,387.00	32,140,617.00	0.00	58,328,004.00
8	4,500 Sq. Ft. to 4,999 Sq. Ft.	54	40,061,216.00	51,613,504.00	0.00	91,674,720.00
9	5,000 Sq. Ft. to 5,499 Sq. Ft.	23	25,086,839.00	29,838,972.00	0.00	54,925,811.00
10	5,500 Sq. Ft. to 5,999 Sq. Ft.	20	24,239,142.00	28,802,253.00	0.00	53,041,395.00
11	6,000 Sq. Ft. to 6,499 Sq. Ft.	1	882,534.00	952,000.00	0.00	1,834,534.00
12	> 6,500 Sq. Ft.	0			0.00	0.00
13	Custom Unit	273	396,815,702.00	516,950,978.00	0.00	913,766,680.00
14	Assigned Unit	119	3,985,874.00	11,953,041.00	0.00	15,938,915.00
15	Excecsss Companion Unit	0	0.00	0.00	0.00	0.00
16	Excess Affordable Unit	70	7,039,873.00	8,108,195.00	0.00	15,148,068.00
17	Senior Unit	0			0.00	0.00
<b>Subtotal Improved</b>		<b>1,078</b>	<b>\$806,181,946.00</b>	<b>\$987,398,892.00</b>	<b>\$0.00</b>	<b>\$1,793,580,838.00</b>
<b>Unimproved</b>						
1	< 1,500 Sq. Ft.	0	\$0.00	\$0.00	\$0.00	\$0.00
2	1,500 Sq. Ft. to 2,249 Sq. Ft.	0	0.00	0.00	0.00	0.00
3	2,250 Sq. Ft. to 2,749 Sq. Ft.	0	0.00	0.00	0.00	0.00
4	2,750 Sq. Ft. to 3,149 Sq. Ft.	0	0.00	0.00	0.00	0.00
5	3,150 Sq. Ft. to 3,749 Sq. Ft.	0	0.00	0.00	0.00	0.00
6	3,750 Sq. Ft. to 4,049 Sq. Ft.	0	0.00	0.00	0.00	0.00
7	4,050 Sq. Ft. to 4,499 Sq. Ft.	0	0.00	0.00	0.00	0.00
8	4,500 Sq. Ft. to 4,999 Sq. Ft.	0	0.00	0.00	0.00	0.00
9	5,000 Sq. Ft. to 5,499 Sq. Ft.	0	0.00	0.00	0.00	0.00
10	5,500 Sq. Ft. to 5,999 Sq. Ft.	0	0.00	0.00	0.00	0.00
11	6,000 Sq. Ft. to 6,499 Sq. Ft.	0	0.00	0.00	0.00	0.00
12	> 6,500 Sq. Ft.	0	0.00	0.00	0.00	0.00
13	Custom Unit	2	1,467,793.00	0.00	0.00	1,467,793.00
14	Assigned Unit	0	0.00	0.00	0.00	0.00
15	Excecsss Companion Unit	0	0.00	0.00	0.00	0.00
16	Excess Affordable Unit	0	0.00	0.00	0.00	0.00
17	Senior Unit	0	0.00	0.00	0.00	0.00
<b>Subtotal Unimproved</b>		<b>2</b>	<b>\$1,467,793.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,467,793.00</b>
<b>Total</b>		<b>1,080</b>	<b>\$807,649,739.00</b>	<b>\$987,398,892.00</b>	<b>\$0.00</b>	<b>\$1,795,048,631.00</b>

# Assessed Value Summary

## Poway Unified School District

### CFD No. 12

Tax Class/ Land Use	Sq. Footage/ Unit Type	Number of Units/Acres	Assessed Value Land	Assessed Value Improvement	Assessed Value Other	Assessed Value Total
<b>Improved</b>						
1	> 3,750 Sq. Ft.	224	\$184,953,498.00	\$261,868,700.00	\$0.00	\$446,822,198.00
2	3,501 Sq. Ft. to 3,750 Sq. Ft.	61	31,828,230.00	42,915,322.00	0.00	74,743,552.00
3	3,251 Sq. Ft. to 3,500 Sq. Ft.	25	11,113,206.00	17,573,548.00	0.00	28,686,754.00
4	3,001 Sq. Ft. to 3,250 Sq. Ft.	79	39,090,149.00	47,187,110.00	0.00	86,277,259.00
5	2,751 Sq. Ft. to 3,000 Sq. Ft.	46	20,673,405.00	27,744,438.00	0.00	48,417,843.00
6	2,501 Sq. Ft. to 2,750 Sq. Ft.	44	19,981,481.00	23,966,363.00	0.00	43,947,844.00
7	2,251 Sq. Ft. to 2,500 Sq. Ft.	0	0.00	0.00	0.00	0.00
8	2,001 Sq. Ft. to 2,250 Sq. Ft.	0	0.00	0.00	0.00	0.00
9	1,751 Sq. Ft. to 2,000 Sq. Ft.	0	0.00	0.00	0.00	0.00
10	1,501 Sq. Ft. to 1,750 Sq. Ft.	0	0.00	0.00	0.00	0.00
11	≤ 1,500 Sq. Ft.	0	0.00	0.00	0.00	0.00
12	Attached	0	0.00	0.00	0.00	0.00
13	Affordable	42	2,825,727.00	5,603,941.00	0.00	8,429,668.00
14	Senior Citizen	0	0.00	0.00	0.00	0.00
<b>Subtotal Improved</b>		<b>521</b>	<b>\$310,465,696.00</b>	<b>\$426,859,422.00</b>	<b>\$0.00</b>	<b>\$737,325,118.00</b>
<b>Unimproved</b>						
1	> 3,750 Sq. Ft.	0	\$0.00	\$0.00	\$0.00	\$0.00
2	3,501 Sq. Ft. to 3,750 Sq. Ft.	0	0.00	0.00	0.00	0.00
3	3,251 Sq. Ft. to 3,500 Sq. Ft.	0	0.00	0.00	0.00	0.00
4	3,001 Sq. Ft. to 3,250 Sq. Ft.	0	0.00	0.00	0.00	0.00
5	2,751 Sq. Ft. to 3,000 Sq. Ft.	0	0.00	0.00	0.00	0.00
6	2,501 Sq. Ft. to 2,750 Sq. Ft.	0	0.00	0.00	0.00	0.00
7	2,251 Sq. Ft. to 2,500 Sq. Ft.	0	0.00	0.00	0.00	0.00
8	2,001 Sq. Ft. to 2,250 Sq. Ft.	0	0.00	0.00	0.00	0.00
9	1,751 Sq. Ft. to 2,000 Sq. Ft.	0	0.00	0.00	0.00	0.00
10	1,501 Sq. Ft. to 1,750 Sq. Ft.	0	0.00	0.00	0.00	0.00
11	≤ 1,500 Sq. Ft.	0	0.00	0.00	0.00	0.00
12	Attached	0	0.00	0.00	0.00	0.00
13	Affordable	0	0.00	0.00	0.00	0.00
14	Senior Citizen	0	0.00	0.00	0.00	0.00
<b>Subtotal Unimproved</b>		<b>0</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Total</b>		<b>521</b>	<b>\$310,465,696.00</b>	<b>\$426,859,422.00</b>	<b>\$0.00</b>	<b>\$737,325,118.00</b>

# Assessed Value Summary

## Poway Unified School District

### CFD No. 13

Tax Class/ Land Use	Sq. Footage/ Unit Type	Number of Units/Acres	Assessed Value Land	Assessed Value Improvement	Assessed Value Other	Assessed Value Total
<b>Improved</b>						
<b>Zone 1</b>						
1	< 4,000 Sq. Ft.	127	\$84,096,289.00	\$90,077,721.00	\$0.00	\$174,174,010.00
2	4,000 Sq. Ft. to 4,300 Sq. Ft.	24	18,267,333.00	26,256,225.00	0.00	44,523,558.00
3	4,301 Sq. Ft. to 4,600 Sq. Ft.	34	24,818,548.00	33,879,495.00	0.00	58,698,043.00
4	4,601 Sq. Ft. to 4,900 Sq. Ft.	34	30,794,787.00	34,314,285.00	0.00	65,109,072.00
5	4,901 Sq. Ft. to 5,200 Sq. Ft.	48	36,129,928.00	66,710,080.00	0.00	102,840,008.00
6	> 5,200 Sq. Ft.	84	64,738,099.00	119,621,215.00	0.00	184,359,314.00
<b>Subtotal Zone 1</b>		<b>351</b>	<b>\$258,844,984.00</b>	<b>\$370,859,021.00</b>	<b>\$0.00</b>	<b>\$629,704,005.00</b>
<b>Zone 2</b>						
7	N/A	30	\$23,491,778.00	\$30,952,929.00	\$0.00	\$54,444,707.00
<b>Subtotal Zone 2</b>		<b>30</b>	<b>\$23,491,778.00</b>	<b>\$30,952,929.00</b>	<b>\$0.00</b>	<b>\$54,444,707.00</b>
<b>Subtotal Improved</b>		<b>381</b>	<b>\$282,336,762.00</b>	<b>\$401,811,950.00</b>	<b>\$0.00</b>	<b>\$684,148,712.00</b>
<b>Unimproved</b>						
Unimproved	N/A	1	\$10,680.00	\$0.00	\$0.00	\$10,680.00
<b>Subtotal Unimproved</b>		<b>1</b>	<b>\$10,680.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$10,680.00</b>
<b>Total</b>		<b>382</b>	<b>\$282,347,442.00</b>	<b>\$401,811,950.00</b>	<b>\$0.00</b>	<b>\$684,159,392.00</b>

## B. Value-to-Lien Ratios for District CFDs

A summary of the value-to-debt ratios for the District CFDs are found in the following tables. The Assessed Values are based on the Fiscal Year 2022/2023 Equalized Tax Roll of the County of San Diego.

### Assessed Value-to-Lien by Category CFD No. 4

Tax Class/ Land Use	Square Footage	Number of Units	Fiscal Year 2022/2023 Special Tax	Principal Amount of CFD No. 4 Bonds <sup>[1]</sup>	Total Assessed Value <sup>[2]</sup>	Value-to-Lien Ratio
<b>Improved Property</b>						
1	< 1,500 Sq. Ft.	28	\$10,726.80	\$74,042.37	\$16,096,292.00	217.39:1
2	1,500 Sq. Ft. to 2,249 Sq. Ft.	118	91,532.82	631,810.71	108,116,009.00	171.12:1
3	2,250 Sq. Ft. to 2,749 Sq. Ft.	53	59,567.54	411,168.47	67,843,614.00	165.00:1
4	2,750 Sq. Ft. to 3,149 Sq. Ft.	98	110,210.68	760,735.75	134,738,838.00	177.12:1
5	3,150 Sq. Ft. to 3,749 Sq. Ft.	85	95,438.46	658,769.62	124,777,363.00	189.41:1
6	3,750 Sq. Ft. to 4,049 Sq. Ft.	97	113,893.18	786,154.42	137,350,595.00	174.71:1
7	4,050 Sq. Ft. to 4,499 Sq. Ft.	39	52,304.86	361,037.40	58,328,004.00	161.56:1
8	4,500 Sq. Ft. to 4,999 Sq. Ft.	54	94,044.74	649,149.39	91,674,720.00	141.22:1
9	5,000 Sq. Ft. to 5,499 Sq. Ft.	23	48,411.64	334,164.21	54,925,811.00	164.37:1
10	5,500 Sq. Ft. to 5,999 Sq. Ft.	20	45,397.80	313,361.00	53,041,395.00	169.27:1
11	6,000 Sq. Ft. to 6,499 Sq. Ft.	1	3,023.00	20,866.44	1,834,534.00	87.92:1
12	> 6,500 Sq. Ft.	0	0.00	0.00	0.00	N/A
13	Custom Unit	273	1,054,345.06	7,277,679.24	913,766,680.00	125.56:1
14	Assigned Unit	119	0.00	0.00	15,938,915.00	N/A
15	Excecsss Companion Unit	0	0.00	0.00	0.00	N/A
16	Excess Affordable Unit	70	0.00	0.00	15,148,068.00	N/A
17	Senior Unit	0	0.00	0.00	0.00	N/A
<b>Developed Property</b>		<b>1,078</b>	<b>\$1,778,896.58</b>	<b>\$12,278,939.04</b>	<b>\$1,793,580,838.00</b>	<b>146.07:1</b>
<b>Undeveloped Property</b>		<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>NA</b>
<b>Unimproved Property</b>						
1	< 1,500 Sq. Ft.	0	\$0.00	\$0.00	\$0.00	0.00
2	1,500 Sq. Ft. to 2,249 Sq. Ft.	0	0.00	0.00	0.00	0.00
3	2,250 Sq. Ft. to 2,749 Sq. Ft.	0	0.00	0.00	0.00	0.00
4	2,750 Sq. Ft. to 3,149 Sq. Ft.	0	0.00	0.00	0.00	0.00
5	3,150 Sq. Ft. to 3,749 Sq. Ft.	0	0.00	0.00	0.00	0.00
6	3,750 Sq. Ft. to 4,049 Sq. Ft.	0	0.00	0.00	0.00	0.00
7	4,050 Sq. Ft. to 4,499 Sq. Ft.	0	0.00	0.00	0.00	0.00
8	4,500 Sq. Ft. to 4,999 Sq. Ft.	0	0.00	0.00	0.00	0.00
9	5,000 Sq. Ft. to 5,499 Sq. Ft.	0	0.00	0.00	0.00	0.00
10	5,500 Sq. Ft. to 5,999 Sq. Ft.	0	0.00	0.00	0.00	0.00
11	6,000 Sq. Ft. to 6,499 Sq. Ft.	0	0.00	0.00	0.00	0.00
12	> 6,500 Sq. Ft.	0	0.00	0.00	0.00	0.00
13	Custom Unit	2	8,701.26	60,060.96	1,467,793.00	24.44:1
14	Assigned Unit	0	0.00	0.00	0.00	0.00
15	Excecsss Companion Unit	0	0.00	0.00	0.00	0.00
16	Excess Affordable Unit	0	0.00	0.00	0.00	0.00
17	Senior Unit	0	0.00	0.00	0.00	0.00
<b>Developed Property</b>		<b>2</b>	<b>\$8,701.26</b>	<b>\$60,060.96</b>	<b>\$1,467,793.00</b>	<b>24.44:1</b>
<b>Undeveloped Property</b>		<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>NA</b>
<b>Total</b>		<b>1,080</b>	<b>\$1,787,597.84</b>	<b>\$12,339,000.00</b>	<b>\$1,795,048,631.00</b>	<b>145.48:1</b>

[1] Principal amount of CFD No. 4 bonds includes the Series 2016 Special Tax Refunding Bonds and the Series 2022 Special Tax Refunding Bonds.

[2] Fiscal Year 2022/2023 Assessed Value information provided by the County of San Diego, value as of January 1, 2022.



## Assessed Value-to-Lien by Category CFD No. 12

Tax Class/ Land Use	Sq. Footage/ Unit Type	Number of Units	Fiscal Year 2022/2023 Special Tax	Principal Amount of CFD No. 12 Bonds <sup>[1]</sup>	Total Assessed Value <sup>[2]</sup>	Value-to-Lien Ratio
1	> 3,750 Sq. Ft.	224	\$854,587.30	\$4,594,380.18	\$446,822,198.00	97.25:1
2	3,501 Sq. Ft. to 3,750 Sq. Ft.	61	189,357.92	1,018,014.51	74,743,552.00	73.42:1
3	3,251 Sq. Ft. to 3,500 Sq. Ft.	25	72,423.78	389,360.31	28,686,754.00	73.68:1
4	3,001 Sq. Ft. to 3,250 Sq. Ft.	79	212,515.78	1,142,514.39	86,277,259.00	75.52:1
5	2,751 Sq. Ft. to 3,000 Sq. Ft.	46	120,327.46	646,897.16	48,417,843.00	74.85:1
6	2,501 Sq. Ft. to 2,750 Sq. Ft.	44	92,786.56	498,833.45	43,947,844.00	88.1:1
7	2,251 Sq. Ft. to 2,500 Sq. Ft.	0	0.00	0.00	0.00	NA
8	2,001 Sq. Ft. to 2,250 Sq. Ft.	0	0.00	0.00	0.00	NA
9	1,751 Sq. Ft. to 2,000 Sq. Ft.	0	0.00	0.00	0.00	NA
10	1,501 Sq. Ft. to 1,750 Sq. Ft.	0	0.00	0.00	0.00	NA
11	≤ 1,500 Sq. Ft.	0	0.00	0.00	0.00	NA
12	Attached	0	0.00	0.00	0.00	NA
13	Affordable	42	0.00	0.00	8,429,668.00	NA
14	Senior Citizen	0	0.00	0.00	0.00	NA
<b>Developed Property</b>		<b>521</b>	<b>\$1,541,998.80</b>	<b>\$8,290,000.00</b>	<b>\$737,325,118.00</b>	<b>88.94:1</b>
<b>Total</b>		<b>521</b>	<b>\$1,541,998.80</b>	<b>\$8,290,000.00</b>	<b>\$737,325,118.00</b>	<b>88.94:1</b>

[1] Principal amount of CFD No. 12 bonds includes the Series 2016 Special Tax Refunding Bond and the Series 2022 Special Tax Refunding Bonds.

[2] Fiscal Year 2022/2023 Assessed Value information provided by the County of San Diego, value as of January 1, 2022.

## Assessed Value-to-Lien by Category CFD No. 13

Tax Class/ Land Use	Sq. Footage/ Unit Type	Number of Units	Fiscal Year 2022/2023 Special Tax	Principal Amount of CFD No. 13 Bonds	Total Assessed Value <sup>[1]</sup>	Value-to-Lien Ratio
<b>Zone 1</b>						
1	> 3,750 Sq. Ft.	127	\$414,885.96	\$1,203,519.57	\$174,174,010.00	144.72:1
2	3,501 Sq. Ft. to 3,750 Sq. Ft.	24	97,611.56	283,155.94	44,523,558.00	157.24:1
3	3,251 Sq. Ft. to 3,500 Sq. Ft.	34	140,767.76	408,345.35	58,698,043.00	143.75:1
4	3,001 Sq. Ft. to 3,250 Sq. Ft.	34	156,280.46	453,345.28	65,109,072.00	143.62:1
5	2,751 Sq. Ft. to 3,000 Sq. Ft.	48	244,567.14	709,451.19	102,840,008.00	144.96:1
6	2,501 Sq. Ft. to 2,750 Sq. Ft.	84	433,469.94	1,257,428.81	184,359,314.00	146.62:1
<b>Subtotal Zone 1</b>		<b>351</b>	<b>\$1,487,582.82</b>	<b>\$4,315,246.15</b>	<b>\$629,704,005.00</b>	<b>145.93:1</b>
<b>Zone 2</b>						
7	2,251 Sq. Ft. to 2,500 Sq. Ft.	30	136,082.40	394,753.85	54,444,707.00	137.92:1
<b>Subtotal Zone 2</b>		<b>30</b>	<b>\$136,082.40</b>	<b>\$394,753.85</b>	<b>\$54,444,707.00</b>	<b>137.92:1</b>
<b>Total</b>		<b>381</b>	<b>\$1,623,665.22</b>	<b>\$4,710,000.00</b>	<b>\$684,148,712.00</b>	<b>145.25:1</b>

[1] Fiscal Year 2022/2023 Assessed Value information provided by the County of San Diego, value as of January 1, 2022.

# V. Reports and Additional Information

Below is information regarding the Bonds as required by the Disclosure Covenant.

## A. Report to the California Debt and Investment Advisory Commission

Copies of the Yearly Fiscal Status Reports filed to the California Debt and Investment Advisory Commission (“CDIAC”) filed on or before October 30, 2022, and the Annual Debt and Transparency Reports filed to CDIAC on or before January 31, 2023, are attached as Exhibit C.

## B. Listed Events

Pursuant to the Disclosure Covenant, the Authority shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds:

- (i) Any litigation (assuming proper and complete service of process and exclusive of civil litigation within the scope of applicable insurance coverages) or governmental proceedings which may have a material impact on the Authority’s financial position and/or which may impact the receipt or collection of special taxes by the Community Facilities Districts;
- (ii) Any delinquency in the payment of special taxes by a property owner within any Community Facilities District responsible for more than 10% of the aggregate Special Tax levy; and
- (iii) Any default by the Authority on any obligations which may have an impact on the Authority’s ability to pay principal and interest on the Bonds.

None of these events occurred in Fiscal Year 2021/2022.

### **C. Additional Information**

Pursuant to the Disclosure Covenant the School District shall provide further information, if any, as may be necessary to make the specifically required statements, considering the circumstances under which they are made, not misleading.

After a thorough review the School District has determined that no additional information is needed for Fiscal Year 2021/2022.

# Exhibit A

## **Audited Financial Statements**

Fiscal Year 2021/2022

**POWAY UNIFIED SCHOOL DISTRICT  
AUDIT REPORT  
JUNE 30, 2022**

**POWAY UNIFIED SCHOOL DISTRICT**  
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**JUNE 30, 2022**

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## **Independent Auditors' Report**

Board of Trustees  
Poway Unified School District  
San Diego, California

### **Report on Audit of Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Poway Unified School District ("the District") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Poway Unified School District as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Poway Unified School District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Emphasis of Matter Regarding Change in Accounting Principle***

During the year ended June 30, 2022, the District adopted the provisions of Governmental Accounting Standards Board Statement (GASB) No. 87, *Leases*. Our opinion was not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### **Other Matters**

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedules of changes in the net OPEB liability and related ratios, schedule of contributions – OPEB, schedule of the proportionate share of the net pension liability, and schedule of contributions – pensions as identified as Required Supplementary Information in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Poway Unified School District's basic financial statements. The combining financial statements are presented for purposes of additional analysis and are not required parts of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis as required by the State's audit guide, 2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting prescribed in Title 5, California Code of Regulations, Section 19810 and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information, is fairly stated in all material respects in relation to the basic financial statements as a whole.

#### *Other Information*

Management is responsible for the other information included in the annual report. The other information comprises the Management's Discussion and Analysis section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on other work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated November 3, 2022 on our consideration of Poway Unified School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Poway Unified School District's internal control over financial reporting and compliance.

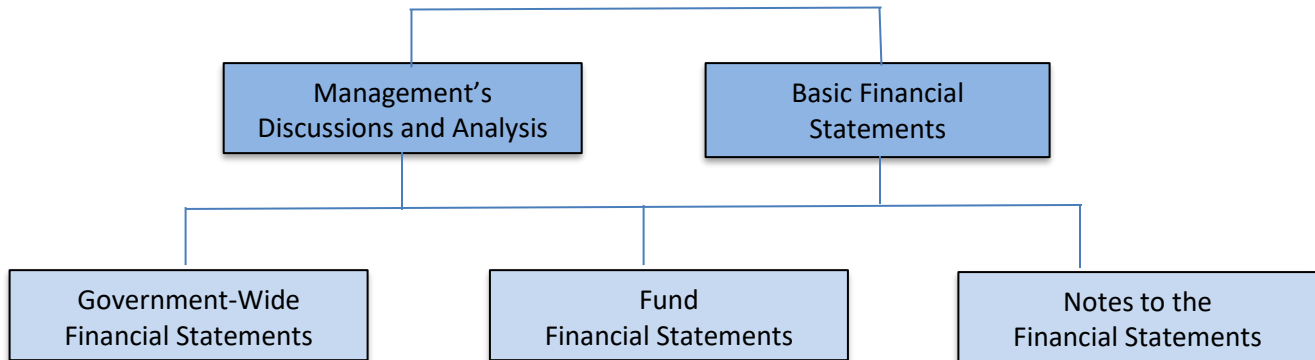
San Diego, California  
November 3, 2022

# Management's Discussion and Analysis

## Fiscal Year 2021-22

This section of Poway Unified School District's annual financial report presents Management's Discussion and Analysis (MD&A) of the District's financial performance during the year ending June 30, 2022. The MD&A is a required section of the District's annual financial report, as outlined below. The intent of this analysis is to present the District's financial performance as a whole. The MD&A is to be read in conjunction with the financial statements and Notes that follow this section.

### Components of the Annual Financial Report



### Key Financial Highlights

- The District's enrollment trends show the second annual decrease in enrollment due to the pandemic that disrupted all aspects of public education. Enrollment in October 2021 was 35,190, a decrease of 471 students compared to October 2020 enrollment.
- At year-end, the District's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources by \$280.3 million. Deferred outflows of resources are not assets but increase the Statement of Net Position similarly to an asset and deferred inflows of resources are not liabilities but decrease the Statement of Net Position similarly to liabilities.
- Total Net Position increased by \$52.5 million from June 30, 2021 to June 30, 2022, due to a decrease in net pension liability and other postemployment benefits (OPEB) liability.
- The governmental-wide statement of activities total revenues was \$589.0 million and expenditures were \$539.0 million.
- As noted on Figure A-2, expenditures related to direct classroom instruction represented 61.5% of total expenditures and pupil services expenditures comprised 9.0% of total expenditures. Overall, the total government-wide expenditures related to the direct education of PUSD students is equivalent to 70.5% of total expenditures.

## Overview of the Financial Statements

This MD&A serves as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

## Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on the assets and liabilities of the District, with the difference between the two reported as net position.

The *statement of activities* presents information showing how the net position of the District has changed during the recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). The government-wide financial statements can be found on pages 20-21 of this report.

## Fund Financial Statements

A *fund* is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure compliance with finance-related legal requirements. The funds of the District fall into one of three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds** - Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

## Fund Financial Statements

The District maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Special Reserve for Capital Outlay Projects, and Capital Projects Fund for Blended Component Units, each of which are major funds. Data from the other nine governmental funds are combined into a single, aggregated presentation. Individual data for each of these non-major funds is provided in the form of combining statements elsewhere in this report.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget on page 96 of this report.

- **Proprietary funds** - The District maintains two proprietary fund types: internal service funds and an enterprise fund.

*Internal service funds* are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses four internal service funds to account for services provided to all the other funds of the District: workers' compensation, employee benefits, other post-employment benefits, and property and liability insurance. The internal service funds have been included within *governmental activities* in the government-wide financial statements. The four internal service funds combine into a single, aggregated presentation in the proprietary fund financial statements.

*Enterprise funds* are operated in a manner similar to private business where the determination of revenues earned, costs incurred, and net income is necessary for management accountability. The District's one enterprise fund accounts for the business activities of the Extended Student Services and Preschool programs.

The basic proprietary fund financial statements can be found on pages 28-30 of this report.

- **Fiduciary funds** - Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. The District maintains foundation trust fund. In addition, the District also maintains an OPEB Trust account for retiree health benefits, which are not presented within the report. The basic agency fund financial statements can be found on pages 31-32 of this report.

## Notes to the Financial Statements

The Notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the financial statements can be found on pages 33-95 of this report.

## Other Information

The combining statements referred to earlier in connection with non-major governmental funds are presented on pages 112-113 of this report.

## Government-wide Financial Analysis

The District's liabilities and deferred inflows exceeded assets and deferred outflows by \$269.2 million in the Governmental Activities and \$11.1 million in the Business Activities at the close of 2021-22.

**GOVERNMENT-WIDE STATEMENT OF NET POSITION**  
(In Millions of Dollars)

	<b>2020-21</b>			<b>2021-22</b>		
	<b>Governmental Activities</b>	<b>Business Activities</b>	<b>Total District</b>	<b>Governmental Activities</b>	<b>Business Activities</b>	<b>Total District</b>
<b>ASSETS</b>						
Current and Other Assets	\$ 369,836,192	\$ 1,613,423	\$ 371,449,615	\$ 383,020,750	\$ 4,148,211	\$ 387,168,961
Capital Assets	854,833,539	2,099,304	856,932,843	854,334,087	1,995,814	856,329,901
Other Non-Current Assets	-	-	-	6,208,934	168,089	6,377,023
<b>Total Assets</b>	<b>1,224,669,731</b>	<b>3,712,727</b>	<b>1,228,382,458</b>	<b>1,243,563,771</b>	<b>6,312,114</b>	<b>1,249,875,885</b>
<b>Deferred Outflows of Resources</b>	<b>124,735,856</b>	<b>6,658,327</b>	<b>131,394,183</b>	<b>97,557,484</b>	<b>4,894,776</b>	<b>102,452,260</b>
<b>LIABILITIES</b>						
Long-Term Debt Outstanding	1,584,987,157	22,184,354	1,607,171,511	1,376,053,898	13,929,993	1,389,983,891
Other Liabilities	47,580,393	377,193	47,957,586	38,761,633	528,067	39,289,700
<b>Total Liabilities</b>	<b>1,632,567,550</b>	<b>22,561,547</b>	<b>1,655,129,097</b>	<b>1,414,815,531</b>	<b>14,458,060</b>	<b>1,429,273,591</b>
<b>Deferred Inflows of Resources</b>	<b>34,572,047</b>	<b>2,900,653</b>	<b>37,472,700</b>	<b>195,533,187</b>	<b>7,867,428</b>	<b>203,400,615</b>
<b>Net Position:</b>						
Invested in Capital Assets, Net of Related Debt	(20,721,029)	2,099,304	(18,621,725)	(18,883,559)	1,995,814	(16,887,745)
Restricted	226,857,916	-	226,857,916	257,954,128	-	257,954,128
Unrestricted	(523,870,897)	(17,190,450)	(541,061,347)	(508,298,032)	(13,114,412)	(521,412,444)
<b>Total Net Position</b>	<b>\$ (317,734,010)</b>	<b>\$ (15,091,146)</b>	<b>\$ (332,825,156)</b>	<b>\$ (269,227,463)</b>	<b>\$ (11,118,598)</b>	<b>\$ (280,346,061)</b>

- Net Pension Liability of \$232.3 million was included in the District's total liability.
- \$67.2 million of the District's total liability is OPEB. The contribution to the OPEB Trust account through PARS (Public Agency Retirement System) reduces the overall liability. As of June 30, 2022, the OPEB Trust account has a balance of \$12.5 million.

**Governmental activities.** The key elements of the District's Net Position for the year ended June 30, 2022 are as follows:

## GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

	<u>2020-21</u>	<u>% of Total</u>	<u>2021-22</u>	<u>% of Total</u>
<b><u>Revenues</u></b>				
Governmental Activities				
Program Revenues				
Charges for services	\$ 4,197,047	0.7%	\$ 7,036,409	1.2%
Operating grants and contributions	117,824,508	20.7%	127,362,832	21.6%
Capital grants and contributions	9,046,187	1.6%	-	0.0%
General Revenues				
Property taxes	270,048,486	47.6%	279,349,229	47.5%
Federal and state aid not restricted to specific purposes	138,899,523	24.4%	146,852,927	24.9%
Miscellaneous	11,948,684	2.1%	7,796,723	1.3%
Business-type Activities				
Enterprise activities	16,327,509	2.9%	20,632,368	3.5%
<b>Total Revenues</b>	<b><u>568,291,944</u></b>	<b><u>100.0%</u></b>	<b><u>589,030,488</u></b>	<b><u>100.0%</u></b>
<b><u>Expenditures by Function</u></b>				
Governmental Activities				
Instruction	362,830,498	62.7%	331,562,027	61.5%
Pupil services	43,501,283	7.5%	48,652,448	9.0%
General administration	31,367,197	5.4%	29,954,902	5.6%
Plant services	64,567,278	11.2%	44,822,906	8.3%
Ancillary and community services	4,433,589	0.8%	7,307,615	1.4%
Self-Insured activities	1,766,259	0.3%	1,700,790	0.3%
Interest on long-term debt	47,179,202	8.2%	53,589,886	9.9%
Other outgo	4,447,564	0.8%	4,820,662	0.9%
Business-type Activities				
Enterprise activities	18,090,507	3.1%	16,659,820	3.1%
<b>Total Expenditures</b>	<b><u>578,183,377</u></b>	<b><u>100.0%</u></b>	<b><u>539,071,056</u></b>	<b><u>100.0%</u></b>
<b>Increase (Decrease)</b>	<b><u>(9,891,433)</u></b>		<b><u>49,959,432</u></b>	
<b>Net Position - Beginning</b>	<b><u>(324,769,070)</u></b>		<b><u>(332,825,156)</u></b>	
<b>Adjustment to Beginning Net Position</b>	<b><u>1,835,347</u></b>		<b><u>2,519,663</u></b>	
<b>Net Position - Beginning, as Restated</b>	<b><u>(322,933,723)</u></b>		<b><u>(330,305,493)</u></b>	
<b>Net Position - Ending</b>	<b><u>\$ (332,825,156)</u></b>		<b><u>\$ (280,346,061)</u></b>	

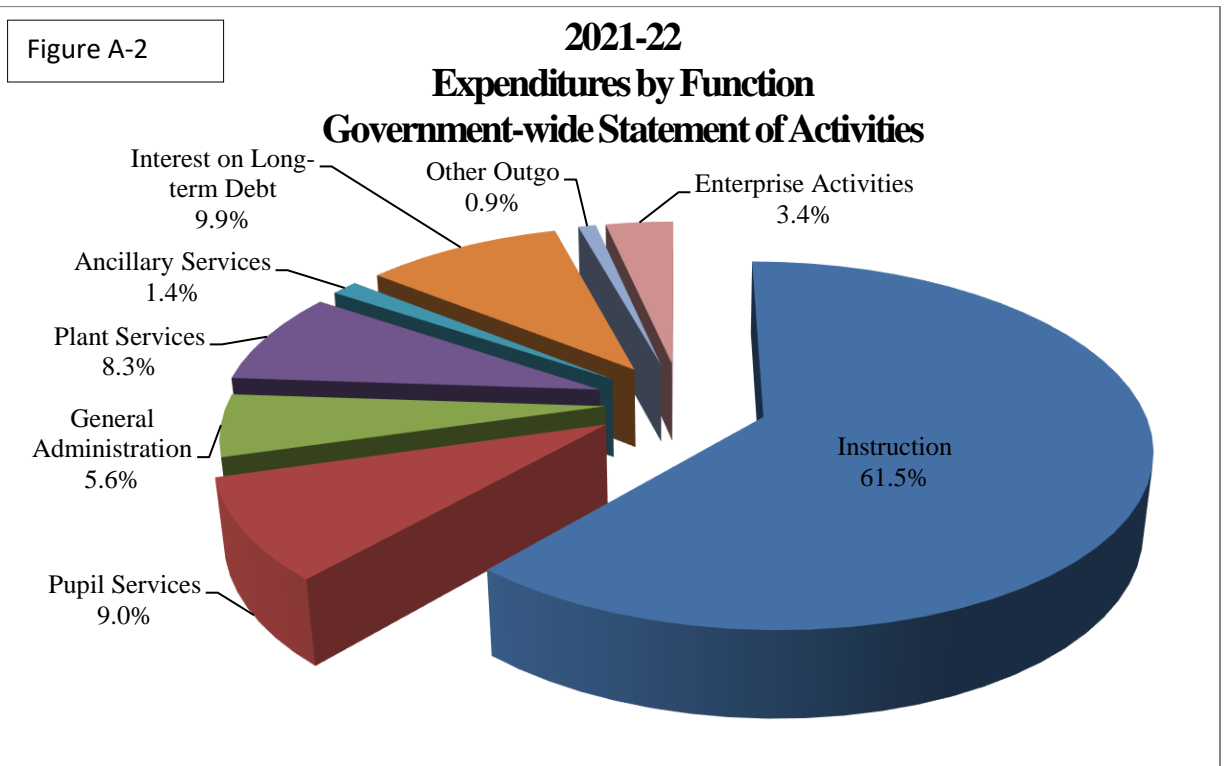
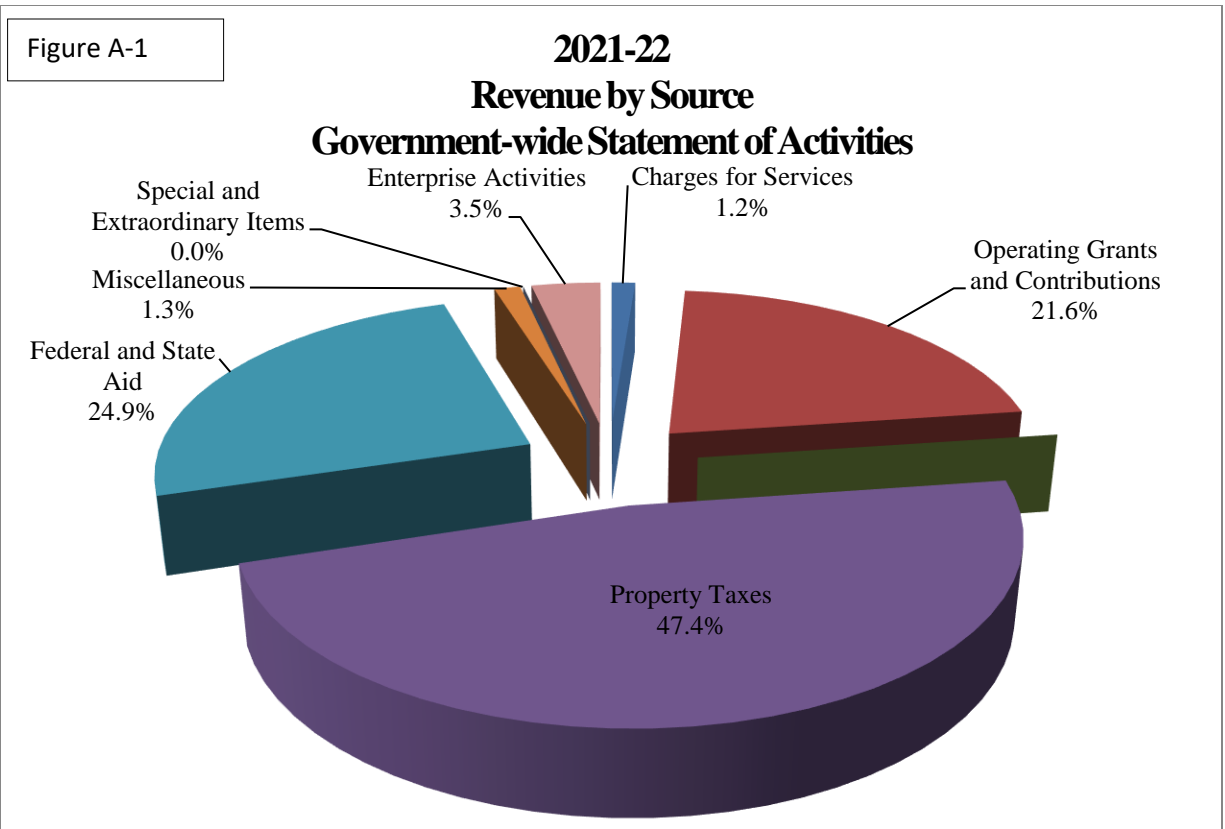
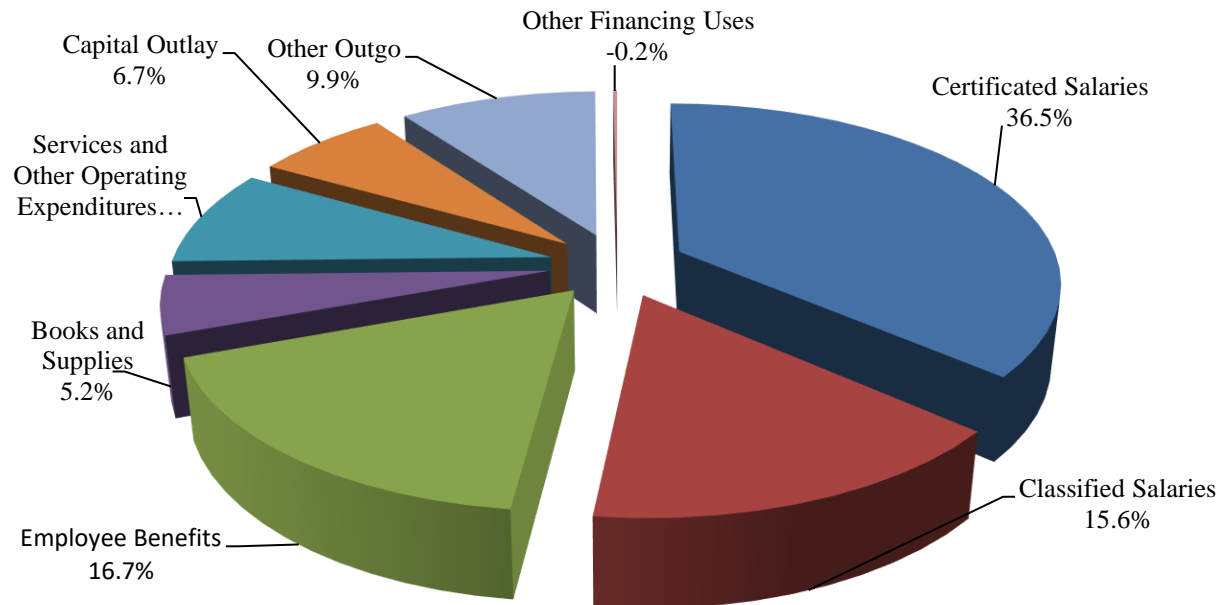




Figure A-3

**2021-22**  
**Expenditures by Object**  
**Government-wide Statement of Activities**



### Local Control Funding Formula (LCFF)

- In 2013-14, the Local Control Funding Formula (LCFF) was implemented to simplify how state funding is provided to local educational agencies (LEAs). Under the new funding model revenue limits and most state categorical programs are eliminated. LEAs receive funding based on the demographic profile of the students they serve and gain greater flexibility to use these funds to improve student outcomes. The LCFF creates funding targets based on these student characteristics. The District's LCFF funding targets consist of grade span-specific base grants plus supplemental grants that reflects student demographics.
- In 2021-22, the District's unaudited unduplicated count is 7,240, equivalent to 20.58% of total enrollment. The Supplemental Grant was funded based on the 3-year rolling percentage of 20.90%.
- The funded COLA (Cost of Living Adjustment) in 2021-22 is 5.07%.
- The unaudited LCFF entitlement per ADA during the year ended June 30, 2022 is \$9,540, an increase of 4.89% or \$445 per ADA compared to prior year.

<b>LCFF ENTITLEMENT</b>	<b>2021-22</b>
Base Grant	\$ 308,256,884
Grade Span Adjustment	11,873,370
Supplemental Grant	13,381,444
Add-ons	3,728,945
<b>TOTAL LCFF Entitlement</b>	<b>\$ 337,240,643</b>
<b>CHANGE OVER PRIOR YEAR</b>	<b>\$ 15,625,281</b>
<b>LCFF Entitlement PER ADA</b>	<b>\$ 9,540</b>
<b>PER ADA CHANGE OVER PRIOR YEAR</b>	<b>\$ 445</b>

<b>LCFF SOURCES</b>	<b>2021-22</b>
State Aid	\$ 117,820,056
Property Taxes	198,384,278
Education Protection Account (EPA)	21,036,309
<b>TOTAL LCFF</b>	<b>\$ 337,240,643</b>

<b>SUPPLEMENTAL GRANT &amp; MINIMUM PROPORTIONALITY PERCENTAGE (MPP)</b>	<b>2021-22</b>
Supplemental expenditures in the LCAP year	\$ 13,111,373
Minimum Proportionality Percentage (MPP)*	4.18%
*percentage by which services for unduplicated students must be increased or improved over services provided for all students in the LCAP year.	

## Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. As the District completed the year, its governmental funds reported a combined fund balance of \$339.7 million, \$22.6 million higher than last year's fund balance.

The Governmental Accounting Standard Board (GASB) issued Statement 54 (GASB 54) that went into effect in fiscal year 2010-11. This statement considerably altered the categories and terminology used to describe the components of the ending fund balance. These changes enhanced how fund balance information is reported by establishing new classifications that are easier to understand. GASB 54 also clarified the definition of some governmental funds.

Fund balance reporting is unique to governmental fund accounting. It has traditionally been broken into two components, reserved and unreserved. GASB 54 implements a five-tier fund balance classification based on spending constraints on the use of these resources. Below, the components of the District's ending fund balance as of June 30, 2022 are reclassified in accordance with GASB 54:

<b>Governmental Funds</b> <b>Components of Ending Fund Balance</b> <b>Reclassified in accordance with GASB Statement 54</b> <b>June 30, 2022</b>			
a) Nonspendable			
Revolving Cash	9711	\$	300,090
Stores	9712	\$	1,043,771
b) Restricted	9740	\$	259,639,185
c) Committed			
Other Commitments	9760	\$	13,424,191
d) Assigned			
Other Assignments	9780	\$	24,518,525
e) Unassigned			
Reserve for Economic Uncertainties	9789	\$	9,148,393
Unassigned/Unappropriated	9790	\$	31,624,953

### General Fund Budgetary Highlights

The District's budget is prepared pursuant to California Education Code and is based on the modified accrual basis of accounting.

During the course of fiscal year 2021-22, the District amended its General Fund budget numerous times, resulting in changes to revenue and expenditures estimates. Expenditure appropriation adjustments were made to reflect actual salary changes for step and column, longevity earned by employees, savings for vacancies, updates to employee benefits, changes in the cost of contracted services, and the expenditure of one-time grants carried forward from the prior year.

The Board of Education approves all District budget revisions. In June 2022, the District made its final appropriations adjustments to match anticipated revenue and expenditure totals.

Variance between budget and actuals is primarily a result of expenditure-driven federal programs, state grants and local donations. Such funds are recognized as revenue. When the qualifying expenditures have been incurred, and all other grant requirements have been met, unspent grant balances are carried forward to the succeeding year's budget. Actual grant revenues and expenditures are normally less than the amount budgeted.

### General Fund Expenditure Highlights

The following table compares 2020-21 and 2021-22 General Fund actual expenditures by Standardized Account Code Structure (SACS) functions.

GENERAL FUND - MAJOR FUND					
<i>Expenditures by Function</i>	<i>2020-21</i>	<i>2021-22</i>	<i>%</i>	<i>Change</i>	
				<i>Amount</i>	<i>%</i>
General Education Grades K-12	\$ 188,318,137	\$ 206,509,051	45.13%	\$ 18,190,914	9.7%
Special Education	78,242,713	86,167,472	18.84%	7,924,759	10.1%
Instruction Related Services	19,512,253	21,798,639	4.77%	2,286,386	11.7%
School Administration	22,771,426	27,883,423	6.10%	5,111,997	22.4%
Pupil Services	20,298,936	25,793,907	5.64%	5,494,971	27.1%
Transportation	10,112,609	12,292,877	2.69%	2,180,268	21.6%
Ancillary, Co-curricular & Athletics	2,923,441	3,646,752	0.80%	723,311	24.7%
Community Services	66,029	233,717	0.05%	167,688	254.0%
General Administration	17,889,809	18,347,863	4.01%	458,054	2.6%
Central Data Processing	12,210,858	11,459,554	2.51%	(751,304)	-6.2%
Maintenance & Operations	34,568,795	37,802,698	8.26%	3,233,903	9.4%
Facility Acquisition & Construction	1,136,322	691,622	0.15%	(444,700)	-39.1%
Facility Rents and Leases	335,603	377,057	0.08%	41,454	12.4%
Other Outgo	8,779,165	4,415,034	0.97%	(4,364,131)	-49.7%
<b>Total</b>	<b>\$ 417,166,096</b>	<b>\$ 457,419,666</b>	<b>100.00%</b>	<b>\$ 40,253,570</b>	
Final October Enrollment	35,661	35,190		(471)	
Expenditures per Student	\$ 11,698	\$ 12,999		\$ 1,300	

**Note: Expenses for Cafeteria, Adult Ed., Construction, Preschool, and Child Care Services are recorded in separate funds. They are not included in the above figures.**

- The total expenditure per student increased from \$11,698 to \$12,999, year over year.

<b>Capital Asset</b>
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The state school facility fund is used to account for the costs incurred in acquiring and improving sites, constructing and remodeling facilities, and procuring equipment necessary for providing educational programs for all students within the District.

Capital assets as of June 30, 2021 and June 30, 2022 are outlined below:

**Capital Assets**

	<u>June 30, 2021</u>	<u>June 30, 2022</u>
<b><u>Governmental Activities:</u></b>		
Land	\$ 88,196,237	\$ 94,492,626
Land Improvements	97,233,506	98,944,507
Buildings & Improvements	1,032,820,262	1,033,044,533
Furniture & Equipment	56,371,373	57,840,281
Work in Progress	6,900,723	26,409,547
Accumulated Depreciation	(426,688,562)	(456,397,407)
<b>Total Governmental Activities</b>	<b><u>\$ 854,833,539</u></b>	<b><u>\$ 854,334,087</u></b>
<b><u>Business-type Activities</u></b>		
Land Improvements	\$ -	\$ 145,468
Buildings & Improvements	4,767,384	4,767,384
Work in Progress	139,380	-
Accumulated Depreciation	(2,807,460)	(2,917,038)
<b>Total Business-type Activities</b>	<b><u>\$ 2,099,304</u></b>	<b><u>\$ 1,995,814</u></b>

Additional information on the District's capital assets can be found in Note 8 to the basic financial statements.

## Leases

The latest Governmental Accounting Standards Board (GASB) lease accounting standard, GASB 87, was implemented in 2021-22. The goal of the new lease accounting standard is to represent lease obligation more accurately in the governmental-wide financial statements.

### Lease Receivable

Under this Statement, the District as a lessor is required to recognize a lease receivable and a deferred inflow of resources from the cell tower leases.

Total Lease Receivable of \$2.4 million is reported in 2021-22.

### Right-to-use-Leases

The accounting of capital leases under GASB 87 is reported based on the principle that leases are financings of the right to use an asset. As of June 30, 2022, the District's lease obligations are reflected as liabilities (Leases Payable) and assets (Right-to-use-Leases) on the statement of financial position.

	Governmental Activities	Business-type Activities	Total
Right-to-Use-Leases	\$ 4,426,967	\$ 168,089	\$ 4,595,056
Leases Payable	\$ 4,462,432	\$ 168,189	\$ 4,630,621

Additional information on the District's leases can be found in Notes 6 and 7 to the basic financial statements

## Long-Term Liabilities

### General Obligation Bonds

The voters of School Facilities Improvement District (SFID) approved Proposition U for \$198 million and Proposition C for \$179 million specifically for the purpose of renovating 24 of the District's older schools.

- Under Proposition U, the District issued three General Obligation Bonds, the \$75 million General Obligation Bonds, Series A which was refunded in 2011-12 at \$53.3 million, the \$119.3 million General Obligation Bonds, Series B and \$3.7 million General Obligation Bonds, Series C which was fully paid in 2016-17.
- In 2014-15, \$100.3 million of the \$119.3 million General Obligation Bonds, Series B was refunded.
- Proposition C has General Obligation Bonds Series A for \$74.0 million and \$105.0 million General Obligation Bonds, Series B.
- In 2019-20, the district issued \$30.7 million General Obligation Refunding Bonds

#### School Facilities Improvement District - GO Bonds June 30, 2021

Issue Name	Date of Issuance	Original Issue Amount	Principal Balance
General Obligation Bonds, Election of 2002, Series B	11/2/2006	\$ 119,300,766	\$ 3,080,766
General Obligation Bonds, Election of 2002, Series B - Accreted Interest	11/2/2006	n/a	5,644,802
General Obligation Bonds, Election of 2002, Series B - Premium	11/2/2006	9,796,466	252,979
General Obligation Bonds, Election of 2008, Series A	1/9/2009	73,998,936	63,038,572
General Obligation Bonds, Election of 2008, Series A - Accreted Interest	1/9/2009	n/a	79,159,412
General Obligation Bonds, Election of 2008, Series A - Premium	1/9/2009	9,544,567	8,130,872
General Obligation Bonds, Election of 2008, Series B	7/28/2011	105,000,150	105,000,150
General Obligation Bonds, Election of 2008, Series B - Accreted Interest	7/28/2011	n/a	111,521,320
General Obligation Bonds, Election of 2008, Series B - Premium	7/28/2011	21,360,189	21,360,189
General Obligation Refunding Bonds, 2011	10/18/2011	53,285,000	3,415,000
General Obligation Refunding Bonds, 2011 - Premium	10/18/2011	5,439,544	348,617
General Obligation Refunding Bonds, 2014	7/15/2014	100,325,000	86,150,000
General Obligation Refunding Bonds, 2014 - Premium	7/15/2014	12,429,039	10,672,930
General Obligation Refunding Bonds, 2019	9/26/2019	30,690,000	29,795,000
<b>Total General Obligation Bonds</b>			<b><u>\$ 527,570,609</u></b>

### Lease Revenue Bonds

In 2012-13, the District issued \$57.3 million in School Facilities Restructuring Program (Bridge). The purpose of the issuance was to refinance the 2007 Lease Revenue Bonds and to use for the remaining school construction projects. The outstanding balance of \$55.1 million is an obligation of Community Facilities District (CFD).

#### Lease Revenue Bonds June 30, 2022

Issue Name	Date of Issuance	Original Issue Amount	Principal Balance
2012 School Facilities Restructuring Program (Bridge)	9/4/2012	\$ 57,300,000	\$ 54,460,000

### Early Retirement Incentive

The District has Supplemental Early Retirement Plan (SERP) issued as an incentive for employees' early retirement to create a cost savings for the District.

In 2018, the District offered supplemental retirement plan with 109 participants. It has one more premium payment left.

In 2021, new supplemental retirement plan was offered with 89 participants.

#### Early Retirement Incentive June 30, 2022

Issue Name	Date of Issuance	Original Issue		Principal Balance
		Amount		
2018 Retirement Incentive	6/1/2018	\$ 7,697,501	\$	1,548,545
2021 Retirement Incentive	7/1/2021	6,879,900		5,503,920

### Special Tax Bonds

The District has formed various Community Facilities Districts to secure school facilities for students that will be generated from new housing developments. Below are outstanding special tax bonds under the Community Facilities Districts (CFD) as of June 30, 2022. These bonds are not obligations of the general fund of the District and are secured by taxes generated by homeowners and developers.

#### Community Facilities District - Special Tax Bonds June 30, 2022

Description	Date of Issuance	Original Issue Amount	Principal Balance	Total
<b>CFD #2</b>				
2015C Series Refunding Bonds	8/12/2015	\$ 8,520,000	\$ 5,530,000	
2015C Series Refunding Bonds Premium	8/12/2015	674,619	437,869	
2022 PFA B Refunding Bonds	3/25/2022	2,510,000	2,510,000	\$ 8,477,869
<b>CFD #3</b>				
2015C Series Refunding Bonds	8/12/2015	\$ 3,680,000	\$ 2,375,000	
2015C Series Refunding Bonds Premium	8/12/2015	291,244	187,963	\$ 2,562,963
<b>CFD #4</b>				
2013 PFA, Series B	5/2/2013	\$ 7,990,000	\$ -	
2013 PFA B Premium	5/2/2013	426,995	-	
2016 PFA A Refunding	8/18/2016	8,966,000	6,144,000	
2022 PFA A Refunding	3/25/2022	6,985,000	6,985,000	\$ 13,129,000
<b>CFD #5</b>				
2015C Series Refunding Bonds	8/12/2015	\$ 1,125,000	\$ 720,000	
2015C Series Refunding Bonds Premium	8/12/2015	87,988	56,312	\$ 776,312
<b>CFD #6</b>				
2015 Refunding	6/4/2015	63,145,000	\$ 53,020,000	
2015 Refunding Premium	6/4/2015	7,053,987	5,922,914	
2015C Series Refunding Bonds	6/9/2016	10,120,000	8,810,000	
2015C Series Refunding Bonds Premium	6/9/2016	(102,806)	(89,499)	
2016 CFS 4S Ranch	11/3/2016	29,635,000	24,860,000	
2016 CFS 4S Ranch Premium	11/3/2016	3,685,913	3,092,014	
2017A PFA Series	2/2/2017	14,470,000	11,645,000	
2017A PFA Series Premium	2/2/2017	1,236,202	994,857	
2020 Sp Tax Refunding	9/30/2020	29,920,000	27,320,000	
2020 Bond Discount	9/30/2020	(239,360)	(218,560)	\$ 135,356,726
<b>CFD #7</b>				
2015C Series Refunding Bonds	8/12/2015	\$ 1,080,000	\$ 705,000	
2015C Series Refunding Bonds Premium	8/12/2015	84,445	55,125	\$ 760,125
<b>CFD #8</b>				
2016 PFA A Refunding	8/18/2016	\$ 5,294,000	\$ 3,345,000	\$ 3,345,000
<b>CFD #9</b>				
2016 PFA A Refunding	8/18/2016	\$ 1,270,000	\$ 800,000	\$ 800,000



Poway Unified School District, Management Discussion and Analysis cont'd

Community Facilities District - Special Tax Bonds June 30, 2022				
Description	Date of Issuance	Original Issue Amount	Principal Balance	Total
<b>CFD #10</b>				
2016 PFA A Refunding	8/18/2016	\$ 34,006,000	\$ 25,475,000	
2016 Area F Refunding	12/6/2016	1,995,000	1,740,000	
2016 Area F Discount	12/6/2016	(30,922)	(26,970)	
2017A PFA Series	2/2/2017	7,030,000	5,260,000	
2017A PFA Series Premium	2/2/2017	802,229	600,246	
2017A PFA Series	2/2/2017	4,680,000	3,510,000	
2017A PFA Series Premium	2/2/2017	534,393	400,795	
2022 PFA IA C	3/25/2022	1,985,000	1,985,000	
2022 PFA IA D	3/25/2022	3,045,000	3,045,000	
2022 PFA IA E	3/25/2022	3,485,000	3,485,000	\$ 45,474,071
<b>CFD #11</b>				
2014 Special Tax Bonds, Zone 2 & 3	12/2/2014	\$ 10,065,000	\$ 9,040,000	
2014 Special Tax Bonds, Zone 2 & 3 Premium	12/2/2014	273,198	245,376	
2014 Refunding Series B & C	7/16/2014	19,550,000	15,300,000	
2014 Refunding Series B & C Premium	7/16/2014	1,494,679	1,169,749	
2017B Refunding Zone 2 & 3	1/19/2017	5,815,000	5,165,000	
2017B Refunding Zone 2 & 3 Discount	1/19/2017	(80,962)	(71,912)	
2022 IA A PFA	3/25/2022	7,135,000	7,135,000	
2022 Zone 1 PFA	3/25/2022	8,070,000	8,070,000	
2022 Zone 2 PFA	3/25/2022	1,530,000	1,530,000	
2022 Zone 3 PFA	3/25/2022	1,185,000	1,185,000	\$ 48,768,213
<b>CFD #12</b>				
2016 PFA A Refunding	8/18/2016	\$ 6,635,000	\$ 4,950,000	
2022 PFA A Refunding	3/25/2022	3,765,000	3,765,000	\$ 8,715,000
<b>CFD #13</b>				
2022 PFA A Refunding	3/25/2022	\$ 4,815,000	\$ 4,815,000	\$ 4,815,000
<b>CFD #14</b>				
2015 Refunding Bonds	4/22/2015	\$ 44,630,000	\$ 37,665,000	
2015 Refunding Bonds Premium	4/22/2015	6,075,058	5,127,087	
2015 Refunding Bonds Series A	4/22/2015	44,775,000	37,825,000	
2015 Refunding Bonds Series A Premium	4/22/2015	6,094,795	5,148,649	\$ 85,765,736
<b>CFD #15</b>				
2014 Special Tax Bonds	2/27/2014	\$ 40,000,000	\$ 38,500,000	
2014 Special Tax Bonds Premium	2/27/2014	802,459	772,367	
2014 SP Tax IA-A	8/21/2014	10,000,000	-	
2014 Sp Tax IA-A Discount	8/21/2014	(243,619)	-	
2015 Improvement Area C	4/13/2016	15,000,000	14,535,000	
2015 Improvement Area C Premium	4/13/2016	1,472,684	1,427,031	
2022 Improvement Area A	6/6/2022	8,495,000	8,495,000	
2022 Improvement Area D	6/16/2022	14,890,000	14,890,000	
2022 Improvement Area D Premium	6/16/2022	359,830	359,830	\$ 78,979,228
<b>CFD #16</b>				
2020 Special Tax Bonds	5/7/2020	\$ 15,675,000	\$ 15,075,000	
2020 Special Tax Bonds Premium	5/7/2020	721,726	694,100	
2020 Special Tax Bonds Area A	5/7/2020	25,415,000	24,455,000	
2020 Special Tax Bonds Area A Premium	5/7/2020	1,784,436	1,717,032	\$ 41,941,132
<b>PFA</b>				
2016 Local Debt Receivable	8/18/2016	\$ (56,171,000)	\$ (40,714,000)	
2016 Refunding	8/18/2016	46,770,000	35,525,000	
2016 Refunding Premium	8/18/2016	9,401,000	7,193,966	\$ 2,004,966
<b>Total Special Tax Bonds</b>				<b>\$ 481,671,341</b>

Additional information on the District's long-term debt can be found in Note 13 to the basic financial statement which is found on page 56 of the audit report.

### Changing Enrollment within the District

The October 2021 overall demographics of the District reflect a decreased in the district's enrollment of 471 students.

#### Changes in Enrollment for Three Years

<u>Grade</u>	<u>Oct 2019</u>	<u>Oct 2020</u>	<u>Chg</u>	<u>Oct 2021</u>	<u>Chg</u>
K	3,244	2,951	(293)	2,921	(30)
1	2,572	2,520	(52)	2,457	(63)
2	2,556	2,547	(9)	2,523	(24)
3	2,734	2,514	(220)	2,562	48
4	2,644	2,691	47	2,525	(166)
5	2,649	2,621	(28)	2,649	28
6	2,765	2,614	(151)	2,580	(34)
7	2,831	2,717	(114)	2,591	(126)
8	2,934	2,799	(135)	2,726	(73)
9	2,916	2,938	22	2,811	(127)
10	2,898	2,897	(1)	2,948	51
11	2,855	2,851	(4)	2,886	35
12	2,988	3,001	13	3,011	10
<b>TOTAL</b>	<b>36,586</b>	<b>35,661</b>	<b>(925)</b>	<b>35,190</b>	<b>(471)</b>
	<b>2019-20</b>	<b>2020-21</b>	<b>Chg</b>	<b>2021-22</b>	<b>Chg</b>
Elementary K-5	16,399	15,844	(555)	15,637	(207)
Middle 6-8	8,530	8,130	(400)	7,897	(233)
High School 9-12	11,657	11,687	30	11,656	(31)
<b>TOTAL</b>	<b>36,586</b>	<b>35,661</b>	<b>(925)</b>	<b>35,190</b>	<b>(471)</b>

### Factors Bearing on the District's Future

- Expanded learning instruction and support to mitigate learning loss related to COVID-19
- Escalating PERS & STRS costs, employer contribution
- Increasing Health and Welfare benefit costs
- Declining student enrollment
- Aging and dilapidated schools and facilities
- Lack of capital improvement funds
- Inequitable funding under the LCFF model
- Full implementation of Universal Transitional Kindergarten
- Late start mandate implications
- Implementation of Universal Meals Program

### Contacting the District's Financial Management

This financial report provides a general overview of the Poway Unified School District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Associate Superintendent, Business Support Services, Poway Unified School District, 15250 Avenue of Science, San Diego, CA 92128.

**POWAY UNIFIED SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

	Primary Government	
	Governmental	Business-Type
	Activities	Activities
<b>ASSETS</b>		
Cash and cash equivalents	\$ 352,317,371	\$ 4,695,520
Accounts receivable	28,003,058	92,579
Internal balances	639,888	(639,888)
Prepaid expenses	400,000	-
Inventory	1,043,771	-
Lease receivable	616,662	-
Lease receivable, non-current portion	1,781,967	-
Right to use leased assets, net of amortization	4,426,967	168,089
Capital assets, not depreciated	120,902,173	-
Capital assets, net of accumulated depreciation	733,431,914	1,995,814
<b>Total Assets</b>	<b>1,243,563,771</b>	<b>6,312,114</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to refunding	12,973,882	-
Deferred outflows related to debt insurance	1,360,101	-
Deferred outflows related to OPEB	6,234,998	252,358
Deferred outflows related to pensions	76,988,503	4,642,418
<b>Total Deferred Outflows of Resources</b>	<b>97,557,484</b>	<b>4,894,776</b>
<b>LIABILITIES</b>		
Accrued liabilities	29,496,314	528,067
Unearned revenue	9,265,319	-
Long-term liabilities, current portion	48,746,508	488,941
Net pension liability	221,622,138	10,696,873
Net OPEB liability	64,632,761	2,615,976
Long-term liabilities, non-current portion	1,041,052,491	128,203
<b>Total Liabilities</b>	<b>1,414,815,531</b>	<b>14,458,060</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to leases	2,394,889	-
Deferred inflows related to pensions	165,556,045	6,751,051
Deferred inflows related to OPEB	27,582,253	1,116,377
<b>Total Deferred Inflows of Resources</b>	<b>195,533,187</b>	<b>7,867,428</b>
<b>NET POSITION</b>		
Net investment in capital assets	(18,883,559)	1,995,814
Restricted:		
Educational Programs	27,003,031	-
Debt service	24,018,611	-
Capital projects	198,679,113	-
Child nutrition	8,253,373	-
Unrestricted	(508,298,032)	(13,114,412)
<b>Total Net Position</b>	<b>\$ (269,227,463)</b>	<b>\$ (11,118,598)</b>

The accompanying notes are an integral part of these financial statements.

**POWAY UNIFIED SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

Function/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities</b>						
Instruction	\$ 280,799,283	\$ 2,405	\$ 75,591,426	\$ (205,205,452)	\$ -	\$ (205,205,452)
Instruction-related services						
Instructional supervision and administration	16,225,543	40,698	4,821,847	(11,362,998)	-	(11,362,998)
Instructional library, media, and technology	7,142,558	-	40,027	(7,102,531)	-	(7,102,531)
School site administration	27,394,643	-	3,966,668	(23,427,975)	-	(23,427,975)
Pupil services						
Home-to-school transportation	12,194,297	-	541,899	(11,652,398)	-	(11,652,398)
Food services	13,852,884	1,331,332	17,985,220	5,463,668	-	5,463,668
All other pupil services	22,605,267	-	6,442,310	(16,162,957)	-	(16,162,957)
General administration						
Centralized data processing	11,450,655	37,608	4,084,565	(7,328,482)	-	(7,328,482)
All other general administration	18,504,247	40,713	3,450,252	(15,013,282)	-	(15,013,282)
Plant services	44,822,906	28,668	263,776	(44,530,462)	-	(44,530,462)
Ancillary services	7,072,316	-	4,220,514	(2,851,802)	-	(2,851,802)
Community services	235,299	-	-	(235,299)	-	(235,299)
Enterprise services	1,700,790	-	-	(1,700,790)	-	(1,700,790)
Interest on long-term debt	53,589,886	-	-	(53,589,886)	-	(53,589,886)
Other outgo	4,760,352	5,554,985	5,954,328	6,748,961	-	6,748,961
Depreciation and amortization (unallocated)	60,310	-	-	(60,310)	-	(60,310)
<b>Business-Type Activities</b>						
Enterprise activities - Child Care	16,659,820	-	41,936	-	(16,617,884)	(16,617,884)
<b>Total Governmental Activities</b>	<b>\$ 539,071,056</b>	<b>\$ 7,036,409</b>	<b>\$ 127,404,768</b>	<b>(388,011,995)</b>	<b>(16,617,884)</b>	<b>(404,629,879)</b>
General revenues						
Taxes and subventions						
Property taxes, levied for general purposes				200,958,382	-	200,958,382
Property taxes, levied for debt service				23,266,403	-	23,266,403
Property taxes, levied for other specific purposes				55,124,444	-	55,124,444
Federal and state aid not restricted for specific purposes				146,852,927	-	146,852,927
Interest and investment earnings				(2,012,826)	(79,313)	(2,092,139)
Interagency revenues				592,660	-	592,660
Miscellaneous				9,189,618	20,697,016	29,886,634
Internal transfers				27,271	(27,271)	-
<b>Subtotal, General Revenue</b>				<b>433,998,879</b>	<b>20,590,432</b>	<b>454,589,311</b>
<b>Change in Net Position</b>				<b>45,986,884</b>	<b>3,972,548</b>	<b>49,959,432</b>
<b>Net Position - Beginning</b>				<b>(317,734,010)</b>	<b>(15,091,146)</b>	<b>(332,825,156)</b>
<b>Prior Period Adjustment (See Note 19)</b>				<b>2,519,663</b>	<b>-</b>	<b>2,519,663</b>
<b>Net Position - Ending</b>				<b>\$ (269,227,463)</b>	<b>\$ (11,118,598)</b>	<b>\$ (280,346,061)</b>

**POWAY UNIFIED SCHOOL DISTRICT**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**JUNE 30, 2022**

	General Fund	Special Reserve for Capital Outlay Projects Fund	Capital Projects Fund for Blended Component Units	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 87,928,013	\$ 23,957,898	\$ 186,696,184	\$ 42,395,370	\$ 340,977,465
Accounts receivable	23,914,047	53,889	133,000	3,104,368	27,205,304
Due from other funds	5,409,401	308,192	-	1,573,204	7,290,797
Stores inventory	511,258	-	-	532,513	1,043,771
<b>Total Assets</b>	<b>\$ 117,762,719</b>	<b>\$ 24,319,979</b>	<b>\$ 186,829,184</b>	<b>\$ 47,605,455</b>	<b>\$ 376,517,337</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 10,740,777	\$ 4,267,709	\$ 975,564	\$ 381,003	\$ 16,365,053
Due to grantor governments	3,860,548	-	-	-	3,860,548
Due to other funds	5,826,162	548,153	-	952,994	7,327,309
Unearned revenue	8,573,895	7,805	-	683,619	9,265,319
<b>Total Liabilities</b>	<b>29,001,382</b>	<b>4,823,667</b>	<b>975,564</b>	<b>2,017,616</b>	<b>36,818,229</b>
<b>FUND BALANCES</b>					
Nonspendable	810,248	-	-	533,613	1,343,861
Restricted					
Educational Programs	26,609,402	-	-	393,629	27,003,031
Debt service	-	-	-	24,018,611	24,018,611
Capital projects	3,633,249	118,486	185,853,620	9,073,758	198,679,113
Child nutrition	-	-	-	8,253,373	8,253,373
Student activity funds	-	-	-	1,685,057	1,685,057
Committed	11,794,393	-	-	1,629,798	13,424,191
Assigned	5,140,699	19,377,826	-	-	24,518,525
Unassigned	40,773,346	-	-	-	40,773,346
<b>Total Fund Balances</b>	<b>88,761,337</b>	<b>19,496,312</b>	<b>185,853,620</b>	<b>45,587,839</b>	<b>339,699,108</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 117,762,719</b>	<b>\$ 24,319,979</b>	<b>\$ 186,829,184</b>	<b>\$ 47,605,455</b>	<b>\$ 376,517,337</b>

**POWAY UNIFIED SCHOOL DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF**  
**NET POSITION**  
**JUNE 30, 2022**

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**Total Fund Balance - Governmental Funds** \$ 339,699,108

Amounts reported for assets and liabilities for governmental activities in the statement of net position are different from amounts reported in governmental funds because:

Capital assets:

In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation:

Capital assets	\$ 1,310,731,494	
Accumulated depreciation	(456,397,407)	854,334,087

Unamortized costs:

In governmental funds, debt issue costs are recognized as expenditures in the period they are incurred. In the government-wide statements, debt issue costs for prepaid debt insurance are amortized over the life of the debt.

Unamortized debt insurance costs included in deferred outflows of resources on the statement of net position are: 1,360,101

Right to use leased assets:

In governmental funds, right to use leased assets are not financial resources and therefore are not reporting in the funds. In the statement of net position, all assets are reported, including right to lease assets and accumulated amortization:

4,426,967

Unmatured interest on long-term debt:

In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unamatured interest owing at the end of the period was:

(8,291,224)

Lease receivable:

In governmental funds, a lease receivable is not financial resources and therefore are not reporting in the funds. In the statement of net position, all assets are reported, including lease receivables:

2,398,629

Deferred gain or loss on debt refunding:

In the government wide financial statements deferred gain or loss on debt refunding is recognized as a deferred outflow of resources (for a loss) or deferred inflow of resources (for a gain) and subsequently amortized over the life of the debt. Deferred gain or loss on debt refunding recognized as a deferred outflow of resources or deferred inflow of resources on the statement of net position was:

12,973,882

**POWAY UNIFIED SCHOOL DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF**  
**NET POSITION, continued**  
**JUNE 30, 2022**

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Long-term liabilities:

In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported.

Long-term liabilities relating to governmental activities consist of:

General Obligation Bonds	\$	537,273,909	
Lease liability		4,462,432	
Lease Revenue Bonds		54,460,000	
Special Tax Bonds - CFD		481,671,340	
Net Pension Liability		221,622,138	
Net OPEB Liability		64,632,761	
Early Retirement Incentive		7,052,465	
Compensated Absences Payable		4,878,853	(1,376,053,898)

Deferred outflows and inflows of resources relating to pensions:

In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods.

In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported:

Deferred outflows of resources relating to pensions:	\$	76,988,503	
Deferred inflows of resources relating to pensions:		(165,556,045)	(88,567,542)

Deferred outflows and inflows of resources related to other postemployment benefits (OPEB):

In governmental funds, deferred outflows and inflows of resources relating to OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported:

Deferred outflows of resources relating to OPEB	\$	6,234,998	
Deferred inflows of resources relating to OPEB		(27,582,253)	(21,347,255)

Deferred outflows and inflows of resources related to leases:

In governmental funds, deferred outflows and inflows of resources relating to leases are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to leases are reported:

Deferred inflows of resources relating to OPEB	\$	(2,394,889)	(2,394,889)
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Internal service fund:

An internal service fund is used by the District's management to charge the costs of the proprietary and liability insurance programs to the individual funds. The assets and liabilities of the internal service fund are included with governmental activities.

12,234,571

**Total Net Position - Governmental Activities**

\$ (269,227,463)

**POWAY UNIFIED SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2022**

	General Fund	Special Reserve for Capital Outlay Projects Fund	Capital Projects Fund for Blended Component	Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
LCFF sources	\$ 338,814,747	\$ -	\$ -	\$ 1,000,000	\$ 339,814,747
Federal sources	26,695,115	-	-	17,769,169	44,464,284
Other state sources	89,686,077	-	-	4,083,654	93,769,731
Other local sources	11,522,241	185,674	59,094,395	32,524,897	103,327,207
<b>Total Revenues</b>	<b>466,718,180</b>	<b>185,674</b>	<b>59,094,395</b>	<b>55,377,720</b>	<b>581,375,969</b>
<b>EXPENDITURES</b>					
Current					
Instruction	292,676,528	-	-	2,166,211	294,842,739
Instruction-related services					
Instructional supervision and administration	16,821,713	-	-	1,519,255	18,340,968
Instructional library, media, and technology	4,976,932	-	-	-	4,976,932
School site administration	27,883,422	-	-	-	27,883,422
Pupil services					
Home-to-school transportation	12,292,878	-	-	-	12,292,878
Food services	42,980	-	-	12,514,377	12,557,357
All other pupil services	25,750,930	-	-	143,227	25,894,157
General administration					
Centralized data processing	11,459,552	-	-	-	11,459,552
All other general administration	18,347,864	-	-	548,544	18,896,408
Plant services	38,179,755	1,250,245	593,730	1,278,870	41,302,600
Facilities acquisition and maintenance	691,622	13,536,065	17,793,645	1,231,535	33,252,867
Ancillary services	3,646,746	-	-	3,769,358	7,416,104
Community services	233,715	-	-	-	233,715
Transfers to other agencies	264,147	-	-	-	264,147
Other outgo	-	-	177,637	-	177,637
Debt service					
Principal	1,136,689	-	-	29,789,134	30,925,823
Interest and other	69,026	-	-	29,108,244	29,177,270
<b>Total Expenditures</b>	<b>454,474,499</b>	<b>14,786,310</b>	<b>18,565,012</b>	<b>82,068,755</b>	<b>569,894,576</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>12,243,681</b>	<b>(14,600,636)</b>	<b>40,529,383</b>	<b>(26,691,035)</b>	<b>11,481,393</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	4,523,513	4,340,387	38,576,573	38,693,929	86,134,402
Other sources	1,282,684	-	70,782,730	58,847,144	130,912,558
Transfers out	(3,398,477)	(542,578)	(82,047,534)	(139,774)	(86,128,363)
Other Uses	-	-	(60,949,285)	(58,847,144)	(119,796,429)
<b>Net Financing Sources (Uses)</b>	<b>2,407,720</b>	<b>3,797,809</b>	<b>(33,637,516)</b>	<b>38,554,155</b>	<b>11,122,168</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>14,651,401</b>	<b>(10,802,827)</b>	<b>6,891,867</b>	<b>11,863,120</b>	<b>22,603,561</b>
<b>Fund Balance - Beginning</b>	<b>74,109,936</b>	<b>30,299,139</b>	<b>178,961,753</b>	<b>33,724,719</b>	<b>317,095,547</b>
<b>Fund Balance - Ending</b>	<b>\$ 88,761,337</b>	<b>\$ 19,496,312</b>	<b>\$ 185,853,620</b>	<b>\$ 45,587,839</b>	<b>\$ 339,699,108</b>

The accompanying notes are an integral part of these financial statements.



**POWAY UNIFIED SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022**

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**Net Change in Fund Balances - Governmental Funds** \$ 22,603,561

Amounts reported for governmental activities in the statement of activities are different from amounts reported in governmental funds because:

**Capital outlay:**

In governmental funds, the costs of capital assets and lease assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets and lease assets are allocated over their estimated useful lives as depreciation and amortization expense, respectively. The difference between capital outlay expenditures and depreciation expense for the period is:

Expenditures for capital outlay:	\$ 29,209,393	
Depreciation expense:	(29,708,845)	
Amortization expense:	<u>(60,310)</u>	(559,762)

**Debt service:**

In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were:

34,773,460

**Debt proceeds:**

In governmental funds, proceeds of long-term debt are reported as Other Financing sources. In the government-wide statements, proceeds of long-term debt are reported as increases to liabilities. Amounts recognized in governmental funds as proceeds from long-term debt were:

(23,370,364)

**Debt issue costs for prepaid debt insurance**

In governmental funds, debt issue costs are recognized as expenditures in the period they are incurred. In the government-wide statements, debt issue costs for prepaid debt insurance are amortized over the life of the debt. The difference between debt issue costs for prepaid insurance incurred in the current period and prepaid insurance costs amortized for the period is:

Prepaid debt insurance amortized for the period:	<u>(52,629)</u>	(52,629)
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**Unmatured interest on long-term debt:**

In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period, was:

(25,101,365)

**Compensated absences:**

In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amount earned. The difference between compensated absences paid and compensated absences earned, was:

1,072,284

**Pensions:**

In government funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was:

37,251,546

**POWAY UNIFIED SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES, continued  
FOR THE YEAR ENDED JUNE 30, 2022**

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Postemployment benefits other than pensions (OPEB):

In governmental funds, OPEB expenses are recognized when employer contributions are made. In the statement of activities, OPEB expenses are recognized on the accrual basis.

This year, the difference between OPEB costs and actual employer contributions was:

(2,162,442)

Other liabilities not normally liquidated with current financial resources:

In the government-wide statements, expenses must be accrued in connection with any liabilities incurred during the period that are not expected to be liquidated with current financial resources. Examples include special termination benefits such as retirement incentives financed over time, and structured legal settlements. This year, expenses incurred for such obligations were:

2,924,525

Amortization of debt issuance premium or discount or deferred gain or loss from debt refunding:

In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an Other Financing Source or an Other Financing Use in the period it is incurred. In the government-wide statements, the premium or discount, plus any deferred gain or loss from debt refunding is amortized over the life of the debt.

282,011

Internal Service Funds:

Internal service funds are used to conduct certain activities for which costs are charged to other funds on a full cost-recovery basis. Because internal service funds are presumed to benefit governmental activities, internal service activities are reported as governmental in the statement of activities. The net increase or decrease in internal service funds was:

(1,673,941)

**Change in Net Position of Governmental Activities**

\$ 45,986,884

**POWAY UNIFIED SCHOOL DISTRICT**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

	Major Enterprise Fund Childcare Program	Non-Major Internal Service Fund Self-Insurance Fund
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 4,695,520	\$ 11,339,906
Accounts receivable	92,579	797,754
Due from other funds	55,231	4,124,318
Prepaid expenses	-	400,000
<b>Total Current Assets</b>	<b>4,843,330</b>	<b>16,661,978</b>
<b>Noncurrent Assets:</b>		
Capital assets, net of accumulated depreciation	1,995,814	-
Right to use leased assets, net of accumulated amortization	168,089	-
<b>Total Noncurrent Assets</b>	<b>2,163,903</b>	<b>-</b>
<b>Total Assets</b>	<b>7,007,233</b>	<b>16,661,978</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to OPEB	252,358	-
Deferred outflows related to pensions	4,642,418	-
<b>Total Deferred Outflows of Resources</b>	<b>4,894,776</b>	<b>-</b>
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts payable	528,067	979,489
Due to other funds	695,119	3,447,918
<b>Total Current Liabilities</b>	<b>1,223,186</b>	<b>4,427,407</b>
<b>Noncurrent Liabilities:</b>		
Net pension liability	10,696,873	-
Net OPEB liability	2,615,976	-
Compensated absences	448,955	-
Leased liabilities, non-current portion	168,189	-
<b>Total Noncurrent Liabilities</b>	<b>13,929,993</b>	<b>-</b>
<b>Total Liabilities</b>	<b>15,153,179</b>	<b>4,427,407</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pensions	6,751,051	-
Deferred inflows related to OPEB	1,116,377	-
<b>Total Deferred Inflows of Resources</b>	<b>7,867,428</b>	<b>-</b>
<b>NET POSITION</b>		
Net investment in capital assets	1,995,814	-
Unrestricted (Deficit)	(13,114,412)	12,234,571
<b>Total Net Position</b>	<b>\$ (11,118,598)</b>	<b>\$ 12,234,571</b>

The accompanying notes are an integral part of these financial statements.

**POWAY UNIFIED SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2022**

	Major Enterprise Fund Childcare Program	Non-Major Internal Service Fund Self-Insurance Fund
<b>Operating Revenues</b>		
State revenue	\$ 41,936	\$ -
Local revenue	20,589,839	16,387,553
<b>Total Revenues</b>	<u>20,631,775</u>	<u>16,387,553</u>
<b>Operating Expenses:</b>		
Certificated personnel salaries	1,498,951	-
Classified personnel salaries	9,345,651	-
Employee benefits	2,674,874	3,225,451
Books and supplies	484,026	74,405
Services and other operating expenses	2,522,358	14,854,017
Depreciation and amortization	133,960	-
<b>Total Expenses</b>	<u>16,659,820</u>	<u>18,153,873</u>
<b>Income (Loss) before Contributions and Transfers</b>	3,971,955	(1,766,320)
<b>Contributions and Transfers</b>		
Interfund transfer in	-	2,770,746
Interfund transfer out	(27,271)	(2,749,514)
<b>Operating Income (Loss)</b>	<u>3,944,684</u>	<u>(1,745,088)</u>
<b>Non-Operating Revenues (Expense)</b>		
Interest income (expense)	27,864	71,147
<b>Change in Net Position</b>	<u>3,972,548</u>	<u>(1,673,941)</u>
<b>Net Position, Beginning of Year</b>	(15,091,146)	13,908,512
<b>Net Position, End of Year</b>	<u>\$ (11,118,598)</u>	<u>\$ 12,234,571</u>

The accompanying notes are an integral part of these financial statements.

**POWAY UNIFIED SCHOOL DISTRICT  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2022**

	Major Enterprise Fund Childcare Program	Non-Major Internal Service Fund Self-Insurance Fund
<b>Cash Flows from Operating Activities</b>		
Cash received from customers	\$ 41,936	\$ -
Cash received from grants and customers	20,574,986	16,647,868
Cash receipts for operating activities with other funds	91,610	3,167,894
Cash Payments to employees for services	(10,958,340)	-
Cash Payments to employees for benefits	(4,253,360)	(3,225,451)
Cash payments for other goods and services	(2,831,128)	(14,717,836)
Net Cash Used by Operating Activities	2,665,704	1,872,475
<b>Cash Flows from Capital Financing Activities</b>		
Purchase of capital assets	(30,470)	-
Issuance of leases	(48,564)	-
Principal payments on lease	24,282	-
Net Cash Used by Capital Financing Activities	(54,752)	-
<b>Cash Flows from Investing Activities</b>		
Interest and dividends on investments	27,864	71,147
Net Cash Provided by Investing Activities	27,864	71,147
<b>Net Decrease in Cash and Cash Equivalents</b>	2,638,816	1,943,622
<b>Cash and Cash Equivalents, Beginning of Year</b>	2,056,704	9,396,284
<b>Cash and Cash Equivalents, End of Year</b>	\$ 4,695,520	\$ 11,339,906
<b>Reconciliation of Operating Loss to Net Cash Used by Operating Activities</b>		
Operating loss	\$ 3,944,684	\$ (1,745,088)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Depreciation and amortization expense	158,342	-
Changes in Assets and Liabilities:		
Accounts receivable	(14,853)	260,315
Due from other funds	(5,754)	423,586
Deferred outflows of resources	1,763,551	-
Accounts payable	150,874	210,586
Due to other funds	124,635	2,723,076
Compensated absences	(113,738)	-
Net pension liability	(7,632,502)	-
Net OPEB liability	(676,310)	-
Deferred inflows of resources	4,966,775	-
Total Adjustments	(1,278,980)	3,617,563
<b>Net Cash Flows From Operating Activities</b>	\$ 2,665,704	\$ 1,872,475

The accompanying notes are an integral part of these financial statements.

**POWAY UNIFIED SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF NET POSITION  
JUNE 30, 2022**

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	<b>Foundation Private-Purpose Trust Fund</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 309,237
Accounts receivable	705
<b>Total Assets</b>	<u>309,942</u>
<b>NET POSITION</b>	
Held in trust	<u>309,942</u>
<b>Total Net Position</b>	<u>\$ 309,942</u>

**POWAY UNIFIED SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2022**

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	<b>Foundation Private-Purpose Trust Fund</b>
<b>Additions:</b>	
Investment income	\$ 2,297
Plan member contributions	500
<b>Total Additions</b>	<u>2,797</u>
<b>Deductions</b>	
Books and supplies	<u>15,402</u>
<b>Total Deductions</b>	<u>15,402</u>
<b>Change in Net Position</b>	<u>(12,605)</u>
<b>Net Position, Beginning of Year</b>	<u>322,547</u>
<b>Net Position, End of Year</b>	<u>\$ 309,942</u>

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Poway Unified School District (District) accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's "California School Accounting Manual". The accounting policies of the District conform to accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

**A. Financial Reporting Entity**

The Board of Education is the level of government which has governance responsibilities over all activities related to public school education in the District. The Board is not included in any other governmental reporting "entity" as defined by the Governmental Accounting Standards Board since Board members have decision-making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

The Poway Unified School District Public Financing Authority (PFA) and the Poway Community Facilities Districts (CFDs) have a financial and operational relationship which meet the reporting entity definition criteria of the Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, for inclusion of the PFA and the CFDs as component units of the District. Therefore, the financial activities of the PFA and the CFDs have been included in the basic financial statements of the District as a blended component unit.

The following are those aspects of the relationship between the District, the PFA and the CFDs which satisfy Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, criteria:

Manifestations of Oversight

- a. The PFA and the CFDs' Boards of Directors were appointed by the District's Board of Education.
- b. The PFA and the CFDs have no employees. The District's Superintendent, Assistant Superintendent of Business Services, and other employees of the District function as agents of the PFA and the CFDs. None of the aforementioned individuals receive additional compensation for work performed in this capacity.
- c. The District exercises significant influence over operations of the PFA and CFDs.

Accounting for Fiscal Matters

- a. All major financing arrangements, contracts, and other transactions of the PFA and the CFDs must have the consent of the District.



**POWAY UNIFIED SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**A. Financial Reporting Entity, continued**

Scope of Public Service and Financial Presentation

- a. The PFA and CFDs were created for the sole purpose of financially assisting the District.
- b. The PFA and CFDs were created pursuant to a joint powers agreement between the District and the California Statewide Communities Development Authority (CSCDA), pursuant to the California Government Code, commencing with Section 6500. The PFA and CFDs were formed to provide financing assistance to the District for construction and acquisition of major capital facilities.
- c. The PFA and CFDs financial activity are presented in the financial statements in the Capital Projects Fund for Blended Component Units and the Debt Service Fund for Blended Component Units. Debt issued by the PFA and the CFDs are included in the government-wide financial statements.

**B. Basis of Presentation**

**Government-wide Statements:** The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**Fund Financial Statements:** The fund financial statements provide information about the District's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

**General Fund:** This is the District's primary operating fund. It accounts for all financial resources of the District except those required to be accounted for in another fund.

**Special Reserve for Capital Outlay Projects Fund:** This fund exists primarily to provide for the accumulation of general fund moneys for capital outlay purposes.

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**B. Basis of Presentation, continued**

**Capital Projects Fund for Blended Component Units:** This fund is used to account for capital projects financed by Mello-Roos Community Facilities Districts and similar entities that are considered blended component units of the LEA under generally accepted accounting principles (GAAP).

The District reports the following major enterprise funds:

**Enterprise Fund:** This fund is used to account for the revenues and expenses associated with the District's Extended Student Services program which operates preschools and before/after school programs throughout the District.

In addition, the District reports the following fund types:

**Special Revenue Funds:** Special revenue funds are established to account for the proceeds from specific revenue sources (other than trusts, major capital projects, or debt service) that are restricted or committed to the financing of particular activities and that compose a substantial portion of the inflows of the fund.

**Student Activity Fund:** The Student Activity Fund is used to account separately for the operating activities of the associated student body accounts that are not fiduciary in nature, including student clubs, general operations, athletics, and other student body activities

**Capital Projects Funds:** Capital projects funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities and other capital assets (other than those financed by proprietary funds and trust funds).

**Debt Service Funds:** Debt service funds are established to account for the accumulation of resources for and the payment of principal and interest on general long-term debt.

**Internal Service Funds:** These funds are used to account for revenues and expenses related to services provided to parties inside the District. These funds facilitate distribution of support costs to the users of support services on a cost-reimbursement basis. Because the principal users of the internal services are the District's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements.

**Private-Purpose Trust Funds:** These funds are used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments not reported in other fiduciary fund types.

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**C. Measurement Focus, Basis of Accounting**

**Government-Wide, Proprietary, and Fiduciary Financial Statements:** The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide, proprietary, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Net Position equals assets and deferred outflows of resources minus liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. The net position should be reported as restricted when constraints placed on its use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other activities results from special revenue funds and the restrictions on their use.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

**Governmental Funds:** Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Governmental funds use the modified accrual basis of accounting.

**Revenues – Exchange and Non-Exchange Transactions:** Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Generally, "available" means collectible within the current period or within 60 days after year-end. However, to achieve comparability of reporting among California school districts and so as not to distort normal revenue patterns, with specific respect to reimbursements grants and corrections to State-aid apportionments, the California Department of Education has defined available for school districts as collectible within one year.

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**C. Measurement Focus, Basis of Accounting, continued**

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from the grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

**Unearned Revenue:** Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

Certain grants received that have not met eligibility requirements are recorded as unearned revenue. On the governmental fund financial statements, receivables that will not be collected within the available period are also recorded as unearned revenue.

**Expenses/Expenditures:** On the accrual basis of accounting, expenses are recognized at the time a liability is incurred. On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However, under the modified accrual basis of accounting, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

**Encumbrances:** Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All encumbrances are liquidated as of June 30.

**Budgets and Budgetary Accounting:** Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. By state law, the District's governing board must adopt a final budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements.

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**C. Measurement Focus, Basis of Accounting, continued**

These budgets are revised by the District's governing board and district superintendent during the year to give consideration to unanticipated income and expenditures.

Formal budgetary integration was used as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts.

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position**

**Deposits and Investments**

Cash balances held in banks and in revolving funds are insured to \$250,000 by the Federal Depository Insurance Corporation. All cash held by the financial institutions is fully insured or collateralized. For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

In accordance with Education Code Section 41001, the District maintains substantially all its cash in the San Diego County Treasury. The county pools these funds with those of other districts in the county and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds, except for the Tax Override Funds, in which interest earned is credited to the general fund. Any investment losses are proportionately shared by all funds in the pool.

The county is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et seq. The funds maintained by the county are either secured by federal depository insurance or are collateralized.

Information regarding the amount of dollars invested in derivatives with the San Diego County Treasury was not available.

**Stores Inventories and Prepaid Expenditures**

Inventories are recorded using the purchases method in that the cost is recorded as an expenditure at the time individual inventory items are purchased. Inventories are valued at average cost and consist of expendable supplies held for consumption. Reported inventories are equally offset by a fund balance reserve, which indicates that these amounts are not "available for appropriation and expenditure" even though they are a component of net current assets.

The District has the option of reporting an expenditure in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditure during the benefiting period.

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position, continued**

**Lease Receivable**

The District's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the District may receive variable lease payments that are dependent upon the lessee's revenue. Any variable payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

**Intangible Right of Use Assets**

The District has recorded intangible right of use assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

**Capital Assets**

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

<b>Asset Class</b>	<b>Estimated Useful Lives</b>
Buildings	45 years
Building Improvements	20 years
Vehicles	5-15 years
Office Equipment	5-15 years
Computer Equipment	5-15 years

**Compensated Absences**

Accumulated unpaid employee vacation benefits are recognized as liabilities of the District. The balance of the liabilities is recognized in the government-wide financial statements at year end.

Accumulated sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expense in the period taken since such benefits do not vest nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position, continued**

**Unearned Revenue**

Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and revenue is recognized.

**Interfund Activity**

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.

**Property Taxes**

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1. Unsecured property taxes are payable in one installment on or before August 31. The County of San Diego bills and collects the taxes for the District.

**Fund Balances - Governmental Funds**

Fund balances of the governmental funds are classified as follows:

*Nonspendable Fund Balance* - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

*Restricted Fund Balance* - represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

*Committed Fund Balance* - represents amounts that can only be used for a specific purpose because of a formal action by the District's governing board. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position, continued**

**Fund Balances - Governmental Funds, continued**

*Assigned Fund Balance* - represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself.

*Unassigned Fund Balance* - represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

**Minimum Fund Balance Policy**

The District is committed to maintaining a prudent level of financial resources to protect against the need to reduce the service levels because of temporary revenue shortfalls or unpredicted expenses. The District's minimum fund balance policy requires a reserve for economic uncertainties, consisting of unassigned amounts equal to 2% of the general fund operating expenses and other financing uses.

**Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported in the government-wide and proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds.



**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position, continued**

**Postemployment Benefits Other Than Pensions (OPEB)**

For purposes of measuring the total OPEB liability, deferred outflows of resources related to OPEB and deferred inflows of resources related to OPEB, and OPEB expense have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

Generally accepted accounting principles require the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date:	June 30, 2022
Measurement Date:	June 30, 2022
Measurement Period:	July 1, 2021 – June 30, 2022

Gains and losses related to changes in total OPEB liability are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The amortization period differs depending on the source of gain or loss. The difference between projected and actual earnings is amortized on a straight-line basis over five years. All other amounts are amortized on a straight-line basis over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) at the beginning of the measurement period.

**Premiums and Discounts**

In the government-wide and proprietary fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position, continued**

**Deferred Inflows and Deferred Outflows of Resources**

Deferred outflows of resources is a consumption of net assets or net position that is applicable to a future reporting period. Deferred inflows of resources is an acquisition of net assets or net position that is applicable to a future reporting period. Deferred outflows of resources and deferred inflows of resources are recorded in accordance with GASB Statement numbers 63 and 65.

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the CalPERS Schools Pool Cost-Sharing Multiple-Employer Plan (CalPERS Plan) and CalSTRS Schools Pool Cost-Sharing Multiple Employer Plan (CalSTRS Plan), and additions to/deductions from the CalPERS Plan and CalSTRS Plan's fiduciary net positions have been determined on the same basis as they are reported by the CalPERS Financial Office and CalSTRS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

**E. GASB 54 Fund Presentation**

Consistent with fund reporting requirements established by GASB Statement Number 54, Fund 17 (Special Reserve Fund for Other Than Capital Outlay) is combined with the General Fund for purposes of presentation in the audit report.

**F. Use of Estimates**

The preparation of financial statements in conformity with GAAP requires the use of management's estimates. Actual results could differ from those estimates.

**G. Fair Value Measurements**

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles as defined by Governmental Accounting Standards Board (GASB) Statement No. 72. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy is detailed as follows:

Level 1 Inputs: Quoted prices (unadjusted) in active markets for identical assets or liabilities that a government can access at the measurement date.

Level 2 Inputs: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

Level 3 Inputs: Unobservable inputs for an asset or liability.

**POWAY UNIFIED SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**H. New Accounting Pronouncements**

**GASB Statement No. 87** – In June 2017, GASB issued Statement No. 87, Leases. This standard's primary objective is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The statement is effective for periods beginning after June 15, 2022. The District has implemented GASB Statement No. 87 for the year ending June 30, 2022. The District has implemented GASB Statement No. 87 for the year ended June 30, 2022.

**GASB Statement No. 96** – *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription based information technology arrangements (SBITAs) for government end users (governments). Under this Statement, a government generally should recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. A government should recognize the subscription liability at the commencement of the subscription term, which is when the subscription asset is placed into service. The statement is effective for fiscal year 2022-23.

**NOTE 2 – COMPLIANCE AND ACCOUNTABILITY**

**A. Finance-Related Legal and Contractual Provisions:**

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

<u>Violation</u>	<u>Action Taken</u>
None reported	Not applicable

**B. Deficit Fund Balance or Fund Net Position of Individual Funds:**

Following are funds having deficit fund balances or fund net assets at year end, if any, along with remarks which address such deficits:

<u>Fund Name</u>	<u>Deficit Amount</u>	<u>Remarks</u>
Enterprise Fund	\$ 13,114,412	The enterprise fund is in a deficit as a result of recording net OPEB obligation in accordance with GASB Statement No. 75 and net pension liability in accordance with GASB Statement No. 68.

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 3 – FAIR VALUE MEASUREMENTS**

The District's investments at June 30, 2022, categorized within the fair value hierarchy established by generally accepted accounting principles, were as follows:

	Amount	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
U.S. Treasury securities	\$ 29,934,650	\$ -	\$ 29,934,650	\$ -
Money Market Funds	156,761,534	-	156,761,534	-
Total investments by fair value level	\$ 186,696,184	\$ -	\$ 186,696,184	\$ -
External investment pools measured at fair value				
San Diego County Treasury	\$ 166,831,862	\$ -	\$ 166,831,862	\$ -
JPA Deposit in SD County Treasury	141,045	-	141,045	-
Total investments by fair value level	\$ 166,972,907	\$ -	\$ 166,972,907	\$ -

The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (Education Code Section 41001). The fair value of the District's investments in the pool is reported in the accounting financial statements as amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of the portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

The San Diego County Treasury is not registered with the Securities and Exchange Commission (SEC) as an investment company; however, the County Treasury acts in accordance with investment policies monitored by a Treasury Oversight Committee consisting of members appointed by participants in the investment pool and up to five members of the public having expertise, or an academic background in, public finance. In addition, the County Treasury is audited annually by an independent auditor.

Investments in U.S. treasury securities and money market funds are amounts held by fiscal agents for community facilities districts special tax bonds.

Investments in Vanguard Mutual Funds are held by a trustee for the District's OPEB Plan at Public Agency Retirement Services (PARS).

**NOTE 4 – CASH AND INVESTMENTS**

**A. Cash in County Treasury**

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the San Diego County Treasury as part of the common investment pool (\$166,831,862 as of June 30, 2022). The fair value of the District's portion of this pool as of that date, as provided by the pool sponsor, was \$166,831,862. Assumptions made in determining the fair value of the pooled investment portfolios are available from the County Treasurer.

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 4 – CASH AND INVESTMENTS, continued**

**B. Cash on Hand, in Banks, and in Revolving Fund**

Cash balances on hand and in banks (\$3,352,947 as of June 30, 2022) and in the revolving fund (\$300,090) as of June 30, 2022 are insured up to \$250,000 by the Federal Depository Insurance Corporation.

**C. Cash with Fiscal Agent and Investments**

The District's cash with fiscal agent and investments at June 30, 2022 are shown below.

Account Type	Maturity	Fair Value
Deposit with JPA	<30 Days	\$ 141,045
Money Market Funds	<30 Days	156,761,534
U.S. Treasury Obligations		29,934,650
Total Cash with Fiscal Agent and Investments		<u>\$ 186,837,229</u>

**D. Investments Authorized by the California Government Code and the District's Investment Policy**

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20%	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 4 – CASH AND INVESTMENTS, continued**

**E. Analysis of Specific Deposit and Investment Risks**

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The county is restricted by Government Code Section 53635 pursuant to Section 53601 to invest only in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk.

At June 30, 2022, credit risk for the District's investments was as follows:

Investment Type	Rating	Rating Agency	Amount
County Treasurer's Investment Pool	Unrated	Not Applicable	\$ 166,972,907
U.S. Treasury Securities	Unrated	Not Applicable	29,934,650
U.S. Bank Money Market Funds	Aa1	Moody's	156,761,534
			<u>\$ 353,669,091</u>

Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name.

As of June 30, 2022, the District's bank balances (including revolving cash) of \$3,653,037 was not exposed to custodial credit risk because it was insured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 4 – CASH AND INVESTMENTS, continued**

**E. Analysis of Specific Deposit and Investment Risks, continued**

Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government Code. Investments in any one issuer that represent five percent or more of the total investments are either an external investment pool and are therefore exempt. As such, the District was not exposed to concentration of credit risk.

Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the county pool.

Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.

**F. Investment Accounting Policy**

The District is required by GASB Statement No. 31 to disclose its policy for determining which investments, if any, are reported at amortized cost. The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

The District's investments in external investment pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 5 – ACCOUNTS RECEIVABLE**

All significant receivables which are not scheduled for collection within one year of year end. Accounts receivable balances as of June 30, 2022 consisted of:

	General Fund	Special Reserve for Capital Outlay Projects Fund	Capital Projects Fund for Blended Component Units	Non-Major Governmental Funds	Self-Insurance Fund	Total Governmental Activities	Total Business- Type Activities
Federal Government							
Categorical aid	\$ 14,171,962	\$ -	\$ -	\$ 2,966,269	\$ -	\$ 17,138,231	\$ -
State Government							
Categorical aid	2,841,723	-	-	117,559	-	2,959,282	-
Lottery	2,186,545	-	-	-	-	2,186,545	-
Local Government							
Interest	266,881	53,889	-	930	655,209	976,909	-
Other local sources	4,446,936	-	133,000	19,610	142,545	4,742,091	92,579
Total	<u>\$ 23,914,047</u>	<u>\$ 53,889</u>	<u>\$ 133,000</u>	<u>\$ 3,104,368</u>	<u>\$ 797,754</u>	<u>\$ 28,003,058</u>	<u>\$ 92,579</u>

**NOTE 6 – LEASE RECEIVABLE AND ARRANGEMENTS**

The District's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the District may receive variable lease payments that are dependent upon the lessee's revenue. Any variable payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

Future deferred inflows on noncancellable leases at June 30, 2022 are as follows:

Year Ending June 30	Principal Payments	Interest Payments	Total
2023	\$ 616,662	\$ 4,683	\$ 621,345
2024	618,173	3,171	621,344
2025	582,975	1,792	584,767
2026	580,819	629	581,448
Total	<u>\$ 2,398,629</u>	<u>\$ 10,275</u>	<u>\$ 2,408,904</u>



**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 6 – LEASE RECEIVABLE AND ARRANGEMENTS, continued**

The District leases space on its campuses to cellular companies, in addition to, office space to external parties. In accordance with GASB 87, the District records lease receivables and deferred inflows of resources based on the present value of expected receipts over the term of the respective lease. The expected receipts are discounted using the District's incremental borrowing rate. Any variable payments are excluded unless fixed in substance. During the year ended June 30, 2022, the District recognized revenues related to these lease agreements totaling \$621,345. During the year ended June 30, 2022, the District does not have any lease revenue related to variable receipts that were not previously included in the measurement of the lease receivable.

The general terms of the lease agreements are as follows:

Lease Type	Number of Contracts	Average Rate	Lease Terms	Average Annual Lease Payment
Cell Towers	1	0.20%	1/20/1999 - 7/1/2026	\$ 579,077
Building	1	0.90%	8/1/2018 - 7/30/2024	\$ 27,439

**NOTE 7 – RIGHT TO USE ASSETS**

The amount of lease assets by major class of underlying assets as of June 30, 2022, was as follows:

	Balance July 01, 2021	Additions	Deductions	Balance June 30, 2022
<u>Governmental Activities:</u>				
Right to Use Assets:				
Leased equipment	\$ -	\$ 2,798,954	\$ -	\$ 2,798,954
Leased buildings	-	2,305,650	-	2,305,650
Total Right to Use Assets	-	5,104,604	-	5,104,604
Less Accumulated Amortization				
Leased equipment	-	497,088	-	497,088
Leased buildings	-	180,549	-	180,549
Total Accumulated Amortization	-	677,637	-	677,637
Right to Use Assets, net	\$ -	\$ 4,426,967	\$ -	\$ 4,426,967

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 7 – RIGHT TO USE ASSETS, continued**

	Balance July 01, 2021	Additions	Deductions	Balance June 30, 2022
<u>Business-Type Activities:</u>				
Right to Use Assets:				
Leased buildings	\$ -	\$ 192,471	\$ -	\$ 192,471
Total Right to Use Assets	-	192,471	-	192,471
Less Accumulated Amortization				
Leased buildings	-	24,382	-	24,382
Total Accumulated Amortization	-	24,382	-	24,382
Right to Use Assets, net	\$ -	\$ 168,089	\$ -	\$ 168,089

**NOTE 8 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2022, was as follows:

	Balance July 01, 2021	Additions	Deductions	Balance June 30, 2022
<u>Governmental Activities:</u>				
Capital assets not being depreciated				
Land	\$ 88,196,237	\$ 6,296,389	\$ -	\$ 94,492,626
Construction in progress	6,900,723	21,676,800	2,167,976	26,409,547
Total Capital Assets not Being Depreciated	95,096,960	27,973,189	2,167,976	120,902,173
Capital assets being depreciated				
Buildings	1,032,820,262	224,271	-	1,033,044,533
Improvements	97,233,506	1,711,001	-	98,944,507
Equipment	56,371,373	1,468,908	-	57,840,281
Total Capital Assets Being Depreciated	1,186,425,141	3,404,180	-	1,189,829,321
Less Accumulated Depreciation				
Buildings	334,692,849	23,119,419	-	357,812,268
Improvements	51,224,259	4,306,878	-	55,531,137
Equipment	40,771,454	2,282,548	-	43,054,002
Total Accumulated Depreciation	426,688,562	29,708,845	-	456,397,407
Capital Assets, net	\$ 854,833,539	\$ 1,668,524	\$ 2,167,976	\$ 854,334,087
 <u>Business-Type Activities:</u>				
Capital assets not being depreciated				
Construction in progress	\$ 139,380	\$ 6,088	\$ 145,468	\$ -
Total Capital Assets not Being Depreciated	139,380	6,088	145,468	-
Capital assets being depreciated				
Buildings	4,767,384	-	-	4,767,384
Improvements	-	145,468	-	145,468
Equipment	-	-	-	-
Total Capital Assets Being Depreciated	4,767,384	145,468	-	4,912,852
Less Accumulated Depreciation				
Buildings	2,807,460	105,941	-	2,913,401
Improvements	-	3,637	-	3,637
Equipment	-	-	-	-
Total Accumulated Depreciation	2,807,460	109,578	-	2,917,038
Capital Assets, net	\$ 2,099,304	\$ 41,978	\$ 145,468	\$ 1,995,814

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 9 – INTERFUND BALANCES AND ACTIVITIES**

**A. Interfund Receivables/Payables (Due From/Due To)**

Individual interfund receivable and payable balances at June 30, 2022 were as follows:

Payable Fund	Receivable Fund					
	General Fund	Capital Outlay Projects Fund	Total Non-Major Governmental Funds	Enterprise Fund	Self-Insurance Fund	Total
General Fund	\$ -	\$ 308,192	\$ 1,570,692	\$ 9,456	\$ 3,937,821	\$ 5,826,161
Special Reserve for Capital Outlay Projects Fund	548,153	-	-	-	-	548,153
Total Non-Major Governmental Funds	822,420	-	-	45,775	84,799	952,994
Enterprise Fund	590,909	-	2,512	-	101,698	695,119
Self-Insurance Fund	3,447,918	-	-	-	-	3,447,918
Total	\$ 5,409,400	\$ 308,192	\$ 1,573,204	\$ 55,231	\$ 4,124,318	\$ 11,470,345

Due from Adult Education Fund to Adult Education Fund for use of facilities	\$ 5,000
Due from Adult Education Fund to General Fund for use of facilities, payroll expenses, Sales&Use Tax, Purchasing Card expense, and Indirect Cost	136,116
Due from Adult Education Fund to OPEB for OPEB contributions and allocations	21,343
Due from Cafeteria Special Revenue Fund to General Fund for Payroll expenses, Interprogram Expenses, and Indirect Costs	380,623
Due from Cafeteria Special Revenue Fund to OPEB for OPEB contributions and allocations	55,018
Due from Capital Facilities Fund to General Fund for Developer's Fee and Sales & Use Tax	102,939
Due from Child Development Fund to Enterprise Fund for Payroll expenses, indirect costs, and Sales & Use Tax	66,299
Due from Child Development Fund to OPEB for OPEB contributions and allocations	8,438
Due from Enterprise Fund to Cafeteria Special Revenue Fund for Meals and Payroll Expenses	2,512
Due from Enterprise Fund to Enterprise Fund for Payroll expenses	1,285
Due from Enterprise Fund to General Fund for Payroll expenses, indirect costs, Interprogram Expenses, and Sales&Use Tax	589,624
Due from Enterprise Fund to OPEB for OPEB contributions and allocations	101,698
Due from General Fund to Adult Education Fund for CAEP Funding	284,316
Due from General Fund to Adult Education Fund for Payroll expenses, and programmatic Expenses	3,149
Due from General Fund to Cafeteria Special Revenue Fund for Payroll expenses, Labor cost, Rent, Interprogram Expenses, Kitchen Infrastructure&Training	282,951
Due from General Fund to Deferred Maintenance Fund for Fund Transfer	1,000,000
Due from General Fund to Enterprise Fund for Payroll expenses, and Programmatic Expense	9,456
Due from General Fund to Self-Insurance Fund for Rx Rebates	190,720
Due from General Fund to Special Reserve for Capital Outlay Projects Fund for cell tower payment	7,805
Due from General Fund to OPEB for OPEB contributions and allocations	3,747,101
Due from General Fund to Child Development Fund for indirect costs	276
Due from Self-Insurance to General Fund for workers comp expense,Benefits & Insurance admin Cost, PSEA cell enhancement, PSEA Insurance Premium offset, payroll expenses, Sales& Use Tax, and Cobra Reimb.	1,790,500
Due from Special Reserve for Capital Outlay Projects Fund to General Fund for Interprogram Expensese, and Fund transfer	548,153
Due from Special Reserve for Other Than Capital Outlay Projects Fund to Special Reserve for Capital Outlay Projects Fund for Fund Transfer	300,387
Due from OPEB to General Fund for PY OPEB pay-as-you-go Reimbursement, and Payroll expenses	1,657,418
Due from ASB to General Fund for ASB Expenses	177,218
	<u>\$ 11,470,345</u>

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 9 – INTERFUND BALANCES AND ACTIVITIES, continued**

**B. Interfund Transfers**

Interfund transfers taking place during the year ended June 30, 2022 were as follows:

Interfund Transfer Out	Interfund Transfer In					Total
	General Fund	Capital Outlay Projects Fund	Fund for Blended Component Units	Total Non-Major Governmental Funds	Self-Insurance Fund	
General Fund	\$ 152,918	\$ 300,387	\$ 133,000	105,532	\$ 2,706,640	\$ 3,398,477
Special Reserve for Capital Outlay Projects Fund	542,578	-	-	-	-	542,578
Capital Projects Fund for Blended Component Units	975,564	4,040,000	38,443,573	-	-	82,047,534
Total Non-Major Governmental Funds	102,939	-	-	-	36,835	139,774
Enterprise Fund	-	-	-	-	27,271	27,271
Self-Insurance Fund	2,749,514	-	-	-	-	2,749,514
Total	\$ 4,523,513	\$ 4,340,387	\$ 38,576,573	\$ 105,532	\$ 2,770,746	\$ 88,905,148
Transfer from Adult Education Fund to OPEB for OPEB YE Contribution					\$	9,297
Transfer from Cafeteria Special Revenue Fund to OPEB for OPEB YE Contribution						23,914
Transfer from Capital Facilities /Sb2068 Fun to General Fund for Developer's Fee						102,939
Transfer from Capital Project Fund to Capital Project Fund for Blended Component Units Fund for Interfund Transfer within 49XX						38,443,573
Transfer from Capital Project Fund to Debt Service for Debt Service						46,765,942
Transfer from Capital Project Fund to Debt Service for Debt Service - Refunding						(8,177,545)
Transfer from Capital Project Fund to General Fund for CFD Reimbursement						975,564
Transfer from Capital Project Fund to Total Non-Major Governmental Funds for Construction Project transfers						4,040,000
Transfer from Child Development Fund to OPEB for OPEB YE Contribution						3,624
Transfer from General Fund to Capital Project Fund for Blended Component Units Fund for OVMS Shade Structures Reimbursement - CFD						133,000
Transfer from General Fund to Self-Insurance Fund for OPEB - PSEA Opt Out Savings						420,000
Transfer from General Fund to Total Non-Major Governmental Funds for Summer Camp reimbursement						86,400
Transfer from General Fund to Total Non-Major Governmental Funds for Program transfer for Labor/Uniforms						19,132
Transfer from General Fund to OPEB for OPEB YE Contribution						1,956,640
Transfer from General Fund to OPEB for OPEB - PSEA Opt Out Savings						330,000
Transfer from Other Enterprise Fund to OPEB for OPEB YE Contribution						27,271
Transfer from Self-Insurance Fund to General Fund for PSEA Insurance Premium off-set						750,000
Transfer from Self-Insurance Fund to General Fund for PSEA cell enhancement						370,267
Transfer from Special Reserve Other Than Capital Outlay Project to Total Non-Major Governmental Funds for Construction Project transfers						300,387
Transfer from Special Reserve Other Than Capital Outlay Project to Total Non-Major Governmental Funds for Salary Reimbursement						112,982
Transfer from Special Reserve Other Than Capital Outlay Project to Total Non-Major Governmental Funds for Computer/Copier Lease reimbursement						39,936
Transfer from Special Reserves/Capital Project to Total Non-Major Governmental Funds for Cell Tower Revenue						542,578
Transfer from OPEB to General Fund for PY OPEB pay-as-you-go Reimbursement						1,629,247
					\$	88,905,148

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 10 – ACCRUED LIABILITIES**

Accrued liabilities at June 30, 2022 consisted of the following:

	General Fund	Special Reserve for Capital Outlay Projects Fund	Capital Projects Fund for Blended Component Units	Non-Major Governmental Funds	Self-Insurance Fund	District-Wide	Total Governmental Activities	Total Business- Type Activities
Payroll and related	\$ 1,923,353	\$ -	\$ -	\$ 119,419	\$ -	\$ -	\$ 2,042,772	\$ 320,233
Vendors payable	12,677,972	4,267,709	975,564	261,584	973,449	-	19,156,278	207,834
Unmatured interest	-	-	-	-	-	8,291,224	8,291,224	-
IBNR liabilities	-	-	-	-	6,040	-	6,040	-
Total	\$ 14,601,325	\$ 4,267,709	\$ 975,564	\$ 381,003	\$ 979,489	\$ 8,291,224	\$ 29,496,314	\$ 528,067

**NOTE 11 – UNEARNED REVENUE**

Unearned Revenue at June 30, 2022 consisted of the following:

	General Fund	Special Reserve for Capital Outlay Projects Fund	Non-Major Governmental Funds
Federal Government			
Categorical aid	\$ 1,740,545	\$ -	\$ 683,619
State Government			
Other state sources	6,417,376	-	-
Local Government			
Donations	101,500	-	-
Other local sources	314,474	7,805	-
	<u>\$ 8,573,895</u>	<u>\$ 7,805</u>	<u>\$ 683,619</u>

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 12 – FUND BALANCE CLASSIFICATIONS OF THE GOVERNMENTAL FUNDS**

Ending fund balance at June 30, 2022 consisted of the following:

	General Fund	Special Reserve for Capital Outlay Projects Fund	Capital Projects Fund for Blended Component Units	Non-Major Governmental Funds	Total Governmental Funds
<b>Non-spendable</b>					
Revolving cash	\$ 298,990	\$ -	\$ -	\$ 1,100	\$ 300,090
Stores inventory	511,258	-	-	532,513	1,043,771
Total non-spendable	810,248	-	-	533,613	1,343,861
<b>Restricted</b>					
Educational Programs	26,609,402	-	-	393,629	27,003,031
Debt service	-	-	-	24,018,611	24,018,611
Capital projects	3,633,249	118,486	185,853,620	9,073,758	198,679,113
Child nutrition	-	-	-	8,253,373	8,253,373
Student activity funds	-	-	-	1,685,057	1,685,057
Total restricted	30,242,651	118,486	185,853,620	43,424,428	259,639,185
<b>Committed</b>					
Other commitments	11,794,393	-	-	1,629,798	13,424,191
Total committed	11,794,393	-	-	1,629,798	13,424,191
<b>Assigned</b>					
Other assignments	5,140,699	19,377,826	-	-	24,518,525
Total assigned	5,140,699	19,377,826	-	-	24,518,525
<b>Unassigned</b>					
Reserve for economic uncertainties	9,148,393	-	-	-	9,148,393
Remaining unassigned	31,624,953	-	-	-	31,624,953
Total unassigned	40,773,346	-	-	-	40,773,346
<b>Total</b>	<b>\$ 88,761,337</b>	<b>\$ 19,496,312</b>	<b>\$ 185,853,620</b>	<b>\$ 45,587,839</b>	<b>\$ 339,699,108</b>

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 13 – LONG-TERM OBLIGATIONS**

**A. Long-Term Obligation Activity**

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended June 30, 2022, are as follows:

	Balance July 01, 2021	Additions	Deductions	Balance June 30, 2022	Due in One Year
<b>Governmental Activities:</b>					
General Obligation Bonds	\$ 527,570,609	\$ 26,841,274	\$ 17,137,974	\$ 537,273,909	\$ 18,902,948
Capital Lease Liability	2,864,704	-	2,864,704	-	-
Lease Liability	-	5,451,215	988,783	4,462,432	1,091,182
Lease Revenue Bonds	55,100,000	-	640,000	54,460,000	740,000
Special Tax Bonds - CFD	489,358,370	68,254,830	75,941,860	481,671,340	20,209,000
Net Pension Liability	422,439,876	-	200,817,738	221,622,138	-
Net OPEB Liability	78,605,371	-	13,972,610	64,632,761	-
Early Retirement Incentive	3,097,090	6,879,900	2,924,525	7,052,465	2,924,525
Compensated Absences Payable	5,951,137	-	1,072,284	4,878,853	4,878,853
Total Governmental Activities	1,584,987,157	107,427,219	316,360,478	1,376,053,898	48,746,508
<b>Business-Type Activities:</b>					
Lease Liability	-	192,471	24,282	168,189	39,986
Net Pension Liability	18,329,375	-	7,632,502	10,696,873	-
Net OPEB Obligation	3,292,286	-	676,310	2,615,976	-
Compensated Absences Payable	562,693	-	113,738	448,955	448,955
Total Business-Type Activities	22,184,354	192,471	8,446,832	13,929,993	488,941
Total Long-Term Liabilities	\$ 1,607,171,511	\$ 107,619,690	\$ 324,807,310	\$ 1,389,983,891	\$ 49,235,449

**B. Advance Refunding of Debt**

GASB Statement No. 7, "Advance Refunding's Resulting in Defeasance of Debt," provides that refunded debt and assets placed in escrow for the payment of related debt service be excluded from the financial statements. As of June 30, 2022, outstanding balances of bond issues that have been refunded and defeased in-substance by placing existing assets and the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments are as follows:

Bond Issue	Amount
2003 CFD 1 Special Tax Bonds	\$ 1,454,713

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 13 – LONG-TERM OBLIGATIONS, continued**

**C. Leases**

The District has entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The general terms are as follows:

Governmental Activities:

Lease Type	Number of Contracts	Average Rate	Lease Terms	Average Annual Lease Payment
Equipment	5	2.44%	1/30/2015 - 10/15/2026	\$ 439,953
Buildings	2	0.55%	10/1/2021 - 9/30/2031	\$ 232,722

Business-Type Activities:

Lease Type	Number of Contracts	Average Rate	Lease Terms	Average Annual Lease Payment
Building	1	0.20%	9/1/2021 - 11/1/2026	\$ 33,638

Future minimum lease payments on noncancellable leases at June 30, 2022 are as follows:

Governmental Activities:

Year Ending June 30	Principal Payments	Interest Payments	Total
2023	\$ 1,091,182	\$ 68,857	\$ 1,160,039
2024	1,119,320	46,676	1,165,996
2025	699,068	23,995	723,063
2026	300,922	12,653	313,575
2027	248,133	9,479	257,612
2028-2032	1,003,807	18,146	1,021,953
Total	\$ 4,462,432	\$ 179,806	\$ 4,642,238

Business-Type Activities:

Year Ending June 30	Principal Payments	Interest Payments	Total
2023	\$ 39,986	\$ 300	\$ 40,286
2024	40,066	220	40,286
2025	36,810	142	36,952
2026	36,216	69	36,285
2027	15,111	8	15,119
Total	\$ 168,189	\$ 739	\$ 168,928



**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 13 – LONG-TERM OBLIGATIONS, continued**

**D. General Obligation Bonds**

The District's bonded debt consists of various issues of general obligation bonds that are generally callable with interest payable semiannually. Bond proceeds pay primarily for acquiring or constructing capital facilities. The District repays general obligation bonds from voter-approved property taxes. The District issued the 2019 Refunding Bonds during the fiscal year ended June 30, 2020.

On November 5, 2002 registered voters authorized the issuance of \$198,000,000 principal amount of general obligation bonds. Of the total amount originally authorized, \$3,699,234 remains unissued.

On February 5, 2008 registered voters authorized the issuance of \$179,000,000 principal amount of general obligation bonds. Of the total amount originally authorized, \$914 remains unissued.

General obligation bonds payable as of June 30, 2022 are as follows:

	Date of Issuance	Interest Rate	Maturity Date	Amount of Original Issue
2002 Election Series B	10/19/2006	4.50 - 5.00%	8/1/2031	\$ 119,300,766
2008 Election Series A	1/9/2009	6.00 - 7.10%	8/1/2033	73,998,936
2008 Election Series B	7/28/2011	6.56 - 7.12%	8/1/2051	105,000,150
2011 Refunding Bonds	10/18/2011	2.00 - 5.00%	8/1/2027	53,285,000
2014 Refunding Bonds	7/15/2014	3.00 - 5.00%	8/1/2030	100,325,000
2019 Refunding Bonds	9/26/2019	1.912 - 2.414%	8/1/2027	30,690,000
Total GO Bonds				<u>\$ 482,599,851</u>

	Balance July 01, 2021	Additions	Deductions	Balance June 30, 2022	Due in One Year
2002 Election Series B	\$ 3,080,766	\$ -	\$ -	\$ 3,080,766	\$ -
2002-B Accreted Interest	5,644,802	673,593	-	6,318,395	-
2002-B Bond Premium	252,979	-	-	252,979	-
Total 2002 Series B	<u>8,978,547</u>	<u>673,593</u>	<u>-</u>	<u>9,652,140</u>	<u>-</u>
2008 Election Series A	63,038,572	-	3,496,412	59,542,160	3,760,638
2008-A Accreted Interest	79,159,412	9,722,461	4,193,588	84,688,285	5,164,362
2008-A Bond Premium	8,130,872	-	450,976	7,679,896	485,056
Total 2008 Series A	<u>150,328,856</u>	<u>9,722,461</u>	<u>8,140,976</u>	<u>151,910,341</u>	<u>9,410,056</u>
2008 Election Series B	105,000,150	-	-	105,000,150	-
2008-B Accreted Interest	111,521,320	16,445,220	-	127,966,540	-
2008-B Bond Premium	21,360,189	-	-	21,360,189	-
Total 2008 Series B	<u>237,881,659</u>	<u>16,445,220</u>	<u>-</u>	<u>254,326,879</u>	<u>-</u>
2011 Refunding Bonds	3,415,000	-	3,415,000	-	-
2011 Bond Premium	348,617	-	348,617	-	-
Total 2011 Refunding Bonds	<u>3,763,617</u>	<u>-</u>	<u>3,763,617</u>	<u>-</u>	<u>-</u>
2014 Refunding Bonds	86,150,000	-	4,265,000	81,885,000	4,705,000
2014 Bond Premium	10,672,930	-	528,381	10,144,549	582,892
Total 2014 Refunding Bonds	<u>96,822,930</u>	<u>-</u>	<u>4,793,381</u>	<u>92,029,549</u>	<u>5,287,892</u>
2019 Refunding Bonds	29,795,000	-	440,000	29,355,000	4,205,000
Total GO Bonds	<u>\$ 527,570,609</u>	<u>\$ 26,841,274</u>	<u>\$ 17,137,974</u>	<u>\$ 537,273,909</u>	<u>\$ 18,902,948</u>

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 13 – LONG-TERM OBLIGATIONS, continued**

**D. General Obligation Bonds, continued**

The annual requirements to amortize the bonds outstanding at June 30, 2022 are as follows:

Year Ended June 30	Principal	Accreted Interest Due	Interest	Total
2023	\$ 12,670,638	\$ 5,164,362	\$ 4,152,384	\$ 21,987,384
2024	13,634,579	6,270,422	3,824,184	23,729,185
2025	14,625,734	7,519,266	3,464,466	25,609,466
2026	15,632,316	8,927,684	3,071,277	27,631,277
2027	16,710,958	10,454,042	2,636,857	29,801,857
2028-2032	88,090,211	97,664,789	5,009,383	190,764,383
2033-2037	45,370,355	195,474,646	-	240,845,001
2038-2042	35,232,681	227,567,319	-	262,800,000
2043-2047	22,909,566	247,136,533	-	270,046,099
2048-2052	13,986,038	259,460,191	-	273,446,229
Total	<u>\$ 278,863,076</u>	<u>\$ 1,065,639,254</u>	<u>\$ 22,158,551</u>	<u>\$ 1,366,660,881</u>

Accreted interest in the repayment schedule is representative of amounts that will be required to be repaid when payments come due. Amounts of accreted interest reflected in the principal balance of the general obligation bonds of \$218,973,220 represents amounts that have accrued as of June 30, 2022. Additional amounts will continue to accrue and become due as outlined in the payment schedule above.

Bond premium arises when the market rate of interest is higher than the stated interest rate on the bond. Generally Accepted Accounting Principles (GAAP) require that the premium increase the face value of the bond and then amortize the premium over the life of the bond.

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 13 – LONG-TERM OBLIGATIONS, continued**

**E. Lease Revenue Bonds**

Lease revenue bonds at June 30, 2022 consisted of the following:

	Date of Issuance	Interest Rate	Maturity Date	Amount of Original Issue
2012 Lease Revenue Bonds	9/4/2012	1.95 - 3.00%	9/1/2043	\$ 57,300,000

	Balance July 01, 2021	Additions	Deductions	Balance June 30, 2022	Due in One Year
2012 Lease Revenue Bonds	\$ 55,100,000	\$ -	\$ 640,000	\$ 54,460,000	\$ 740,000

The annual requirements to amortize the lease revenue bonds outstanding at June 30, 2022 are as follows:

Year Ended June 30	Principal	Interest	Total
2023	\$ 740,000	\$ 1,601,064	\$ 2,341,064
2024	850,000	1,577,532	2,427,532
2025	960,000	1,550,744	2,510,744
2026	1,080,000	1,520,552	2,600,552
2027	1,210,000	1,486,660	2,696,660
2028-2032	8,250,000	6,779,140	15,029,140
2033-2037	12,830,000	5,235,400	18,065,400
2038-2042	18,890,000	2,908,348	21,798,348
2043-2044	9,650,000	290,228	9,940,228
Total	\$ 54,460,000	\$ 22,949,668	\$ 77,409,668

In June 2008 the District issued a series of lease revenue bonds totaling \$92,681,499. The bonds were secured by lease payments from the district to the Poway Unified School District Public Financing Authority for Westview High School. Legal provisions in the debt include a fully-funded reserve and rental interruption insurance covering two years of lease payments to offset abatement risk.

Dexia Credit Local (Dexia) provided the District with the initial Standby LOC. Starting in 2010, Dexia began notifying its American clients, including the District, that it would not renew their Standby LOCs upon the respective expiration dates. Prior to the Dexia Standby LOC expiration date in 2012, the District successfully replaced Dexia with US Bank, and restructured the 2007 LRBs under the 2012 Program by maintaining the Multimode Structure instead of having to convert to a Fixed-To-Maturity Rate Mode.

The District also added \$12,300,000 of funding for school facilities under the 2012 Program. The District's initial savings resulting from the lower interest rates under the Multimode Structure compared to the alternative higher Fixed-To-Maturity Interest rate levels approximate 1) \$17,727,326 for the total 2012 program; and 2) \$13,444,221 for the 2012 Program's 2007 LRB component only.

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 13 – LONG-TERM OBLIGATIONS, continued**

**E. Lease Revenue Bonds, continued**

As of June 30, 2022 the District had outstanding \$54,460,000 in remaining debt for the School Facilities Restructuring program. As of September 1, 2015 the District was able to renegotiate a rate of 1.95% effective through 2018 and subsequently a rate of 3.00%. Repayment in this schedule is reflective of the new re-negotiated rates.

**F. Early Retirement Incentive**

In June 2018 the District issued a supplemental early retirement plan through Keenan & Associates. The plan was issued as an incentive for 109 employees to retire early in order to create a cost savings for the District. The Plan requires payments of the annuity premiums over five years plus a 4% commission paid to Keenan & Associates.

Future payments on the retirement incentive are as follows:

Year Ended June 30	Annual Premium	Keenan Commission	Total Payment
2023	\$ 1,483,550	\$ 64,995	\$ 1,548,545
Total	\$ 1,483,550	\$ 64,995	\$ 1,548,545

In February 2021, the District approved a supplemental early retirement plan through the Public Agency Retirement Services (PARS). The plan was issued as an incentive for 347 employees to retire early in order to create a cost savings for the District. The Plan requires payments of the annuity premiums over five years, beginning July 10, 2021.

Year Ended June 30	Annual Premium
2023	\$ 1,375,980
2024	1,375,980
2025	1,375,980
2026	1,375,980
Total	\$ 5,503,920

Current year activity on the early retirement incentive is as follows:

	Balance July 01, 2021	Additions	Deductions	Balance June 30, 2022
2018 Retirement Incentive	\$ 3,097,090	\$ -	\$ 1,548,545	\$ 1,548,545
2021 Retirement Incentive	-	6,879,900	1,375,980	5,503,920
	\$ 3,097,090	\$ 6,879,900	\$ 2,924,525	\$ 7,052,465

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 13 – LONG-TERM OBLIGATIONS, continued**

**G. Special Tax Bonds**

The District has fifteen community facilities districts within its boundaries which have issued special tax bonds for the purpose of financing public improvements and services. The special tax bonds are repaid with special tax assessments known as Mello-Roos taxes that are assessed on the properties within the boundaries of each district.

Special tax bonds outstanding by community facility district is as follows:

	Balance July 01, 2021	Additions	Deductions	Balance June 30, 2022
CFD #2	\$ 9,405,805	\$ 2,510,000	\$ 3,437,936	\$ 8,477,869
CFD #3	2,838,145	-	275,182	2,562,963
CFD #4	14,598,464	6,985,000	8,454,464	13,129,000
CFD #5	862,569	-	86,257	776,312
CFD #6	141,886,045	-	6,529,320	135,356,725
CFD #7	840,989	-	80,864	760,125
CFD #8	3,775,000	-	430,000	3,345,000
CFD #9	904,000	-	104,000	800,000
CFD #10	49,465,421	8,515,000	12,506,350	45,474,071
CFD #11	52,390,802	17,920,000	21,542,588	48,768,214
CFD #12	9,411,153	3,765,000	4,461,153	8,715,000
CFD #13	5,298,810	4,815,000	5,298,810	4,815,000
CFD #14	88,526,509	-	2,760,773	85,765,736
CFD #15	65,266,184	23,744,830	10,031,787	78,979,227
CFD #16	42,184,865	-	243,733	41,941,132
PFA - 2016 Bonds	1,703,609	-	(301,357)	2,004,966
Total Special Tax Bonds	\$ 489,358,370	\$ 68,254,830	\$ 75,941,860	\$ 481,671,340

Special tax bonds issued by the Community Facilities Districts of the District at June 30, 2022 consisted of the following:

Community Facilities District (CFD) #2

	Date of Issue	Interest Rate	Maturity Date	Original Issue
2013 PFA Revenue Bonds (3)	01/24/13	2.00 - 5.00%	09/01/42	\$ 2,830,000
2015-C Refunding Bonds (6)	08/12/15	2.00 - 5.00%	09/01/28	8,520,000
2022 PFA B Refunding Bonds	03/25/22	3.30%	09/01/42	2,510,000
Total				<u>\$ 13,860,000</u>

	Balance July 01, 2021	Additions	Deductions	Balance June 30, 2022
2013 PFA Revenue Bonds	\$ 2,600,000	\$ -	\$ 2,600,000	\$ -
2013 PFA Bond Premium	195,824	-	195,824	-
2015-C Refunding Bonds	6,125,000	-	595,000	5,530,000
2015-C Bond Premium	484,981	-	47,112	437,869
2022 PFA B Refunding Bonds	-	2,510,000	-	2,510,000
Total	\$ 9,405,805	\$ 2,510,000	\$ 3,437,936	\$ 8,477,869

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 13 – LONG-TERM OBLIGATIONS, continued**

**G. Special Tax Bonds, continued**

Community Facilities District (CFD) #2

The annual requirements to amortize the bonds outstanding at June 30, 2022 for CFD #2 are as follows:

Year Ended June 30	Principal	Interest	Total
2023	\$ 690,000	\$ 325,850	\$ 1,015,850
2024	750,000	290,700	1,040,700
2025	820,000	252,450	1,072,450
2026	875,000	214,950	1,089,950
2027	920,000	182,025	1,102,025
2028-2032	2,310,000	521,404	2,831,404
2033-2037	640,000	321,799	961,799
2038-2042	845,000	152,999	997,999
2043	190,000	4,781	194,781
Total	<u>\$ 8,040,000</u>	<u>\$ 2,266,958</u>	<u>\$ 10,306,958</u>

Community Facilities District (CFD) #3

	Date of Issue	Interest Rate	Maturity Date	Original Issue
2015-C Refunding Bonds (6)	08/12/15	2.00 - 5.00%	09/01/28	\$ 3,680,000
	Balance July 01, 2021	Additions	Deductions	Balance June 30, 2022
2015-C Refunding Bonds	\$ 2,630,000	\$ -	\$ 255,000	\$ 2,375,000
2015-C Bond Premium	208,144	-	20,181	187,963
Total	<u>\$ 2,838,144</u>	<u>\$ -</u>	<u>\$ 275,181</u>	<u>\$ 2,562,963</u>

The annual requirements to amortize the bonds outstanding at June 30, 2022 for CFD #3 are as follows:

Year Ended June 30	Principal	Interest	Total
2023	\$ 280,000	\$ 91,413	\$ 371,413
2024	295,000	77,038	372,038
2025	320,000	61,663	381,663
2026	345,000	46,763	391,763
2027	360,000	34,013	394,013
2028-2029	775,000	29,894	804,894
Total	<u>\$ 2,375,000</u>	<u>\$ 340,784</u>	<u>\$ 2,715,784</u>

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 13 – LONG-TERM OBLIGATIONS, continued**

**G. Special Tax Bonds, continued**

Community Facilities District (CFD) #4

	Date of Issue	Interest Rate	Maturity Date	Original Issue
2013 PFA Revenue Bonds (4)	01/24/13	2.00 - 5.00%	09/01/42	\$ 7,990,000
2016 PFA Refunding Bond (1)	08/18/16	2.33%	09/01/31	8,966,000
2022 PFA A Refunding	03/25/22	3.00-5.0%	09/01/42	
Total				<u>\$ 16,956,000</u>

	Balance July 01, 2021	Additions	Deductions	Balance June 30, 2022
2013 PFA Revenue Bonds	\$ 7,400,000	\$ -	\$ 7,400,000	\$ -
2013 PFA Bond Premium	395,464	-	395,464	-
2016 PFA Refunding Bond	6,803,000	-	659,000	6,144,000
2022 PFA A Refunding	-	6,985,000	-	6,985,000
Total	<u>\$ 14,598,464</u>	<u>\$ 6,985,000</u>	<u>\$ 8,454,464</u>	<u>\$ 13,129,000</u>

The annual requirements to amortize the bonds outstanding at June 30, 2022 for CFD #4 are as follows:

Year Ended June 30	Principal	Interest	Total
2023	\$ 765,000	\$ 373,245	\$ 1,138,245
2024	789,000	370,279	1,159,279
2025	864,000	348,567	1,212,567
2026	900,000	325,042	1,225,042
2027	945,000	300,253	1,245,253
2028-2032	4,491,000	1,100,261	5,591,261
2033-2037	1,850,000	642,613	2,492,613
2038-2042	2,070,000	282,945	2,352,945
2043	455,000	8,654	463,654
Total	<u>\$ 13,129,000</u>	<u>\$ 3,751,859</u>	<u>\$ 16,880,859</u>

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 13 – LONG-TERM OBLIGATIONS, continued**

**G. Special Tax Bonds, continued**

Community Facilities District (CFD) #5

	Date of Issue	Interest Rate	Maturity Date	Original Issue
2015-C Refunding Bonds (6)	08/12/15	2.00 - 5.00%	09/01/28	\$ 1,125,000
	Balance July 01, 2021	Additions	Deductions	Balance June 30, 2022
2015-C Refunding Bonds	\$ 800,000	\$ -	\$ 80,000	\$ 720,000
2015-C Bond Premium	62,569	-	6,257	56,312
Total	\$ 862,569	\$ -	\$ 86,257	\$ 776,312

The annual requirements to amortize the bonds outstanding at June 30, 2022 for CFD #5 are as follows:

Year Ended	Principal	Interest	Total
June 30			
2023	\$ 80,000	\$ 27,725	\$ 107,725
2024	90,000	23,475	113,475
2025	95,000	18,850	113,850
2026	105,000	14,375	119,375
2027	110,000	10,475	120,475
2028-2029	240,000	9,275	249,275
Total	\$ 720,000	\$ 104,175	\$ 824,175



**POWAY UNIFIED SCHOOL DISTRICT**  
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**NOTE 13 – LONG-TERM OBLIGATIONS, continued**

**G. Special Tax Bonds, continued**

Community Facilities District (CFD) #6

	Date of Issue	Interest Rate	Maturity Date	Original Issue
2012 Special Tax Bonds	05/17/12	3.00 - 5.00%	09/01/36	\$ 38,940,000
2015 Refunding Bonds	06/04/15	2.00 - 5.00%	09/01/36	63,145,000
2016 Refunding Bonds	06/09/16	2.00 - 3.75%	09/01/42	10,120,000
2016 Sp Tax Refunding	11/03/16	2.00 - 5.00%	09/01/35	29,635,000
2017 Sp Tax Refunding (8)	02/02/17	2.00 - 5.00%	09/01/33	14,470,000
2020 Sp Tax Refunding				
Total				<u>\$ 156,310,000</u>

	Balance July 01, 2021	Additions	Deductions	Balance June 30, 2022
2015 Refunding Bonds	\$ 54,755,000	\$ -	\$ 1,735,000	\$ 53,020,000
2015 Bond Premium	6,116,732	-	193,818	5,922,914
2016 Refunding Bonds	9,055,000	-	245,000	8,810,000
2016 Bond Discount	(91,988)	-	(2,489)	(89,499)
2016 Sp Tax Refunding	25,905,000	-	1,045,000	24,860,000
2016 Refunding Premium	3,221,988	-	129,974	3,092,014
2017 Sp Tax Refunding	12,215,000	-	570,000	11,645,000
2017 Refunding Premium	1,043,553	-	48,696	994,857
2020 Sp Tax Refunding	29,905,000	-	2,585,000	27,320,000
2020 Bond Discount	(239,240)	-	(20,680)	(218,560)
Total	<u>\$ 141,886,045.00</u>	<u>\$ -</u>	<u>\$ 6,529,319.86</u>	<u>\$ 135,356,725</u>

The annual requirements to amortize the bonds outstanding at June 30, 2022 for CFD #6 are as follows:

Year Ended	Principal	Interest	Total
June 30			
2023	\$ 6,140,000	\$ 4,853,261	\$ 10,993,261
2024	6,525,000	4,664,193	11,189,193
2025	6,925,000	4,447,904	11,372,904
2026	7,380,000	4,203,517	11,583,517
2027	7,840,000	3,933,015	11,773,015
2028-2032	46,425,000	14,714,531	61,139,531
2033-2037	40,865,000	4,932,956	45,797,956
2038-2042	2,880,000	367,200	3,247,200
2043	675,000	11,391	686,391
Total	<u>\$ 125,655,000</u>	<u>\$ 42,127,967</u>	<u>\$ 167,782,967</u>

**POWAY UNIFIED SCHOOL DISTRICT**  
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**NOTE 13 – LONG-TERM OBLIGATIONS, continued**

**G. Special Tax Bonds, continued**

Community Facilities District (CFD) #7

	Date of Issue	Interest Rate	Maturity Date	Original Issue
2015-C Refunding Bonds (6)	08/12/15	2.00 - 5.00%	09/01/28	\$ 1,125,000
	Balance July 01, 2021	Additions	Deductions	Balance June 30, 2022
2015-C Refunding Bonds	\$ 780,000	\$ -	\$ 75,000	\$ 705,000
2015-C Bond Premium	60,989	-	5,864	55,125
Total	\$ 840,989	\$ -	\$ 80,864	\$ 760,125

The annual requirements to amortize the bonds outstanding at June 30, 2022 for CFD #7 are as follows:

Year Ended June 30	Principal	Interest	Total
2023	\$ 80,000	\$ 27,113	\$ 107,113
2024	85,000	22,988	107,988
2025	95,000	18,488	113,488
2026	100,000	14,113	114,113
2027	110,000	10,313	120,313
2028-2029	235,000	9,031	244,031
Total	\$ 705,000	\$ 102,044	\$ 807,044

Community Facilities District (CFD) #8

	Date of Issue	Interest Rate	Maturity Date	Original Issue
2016 PFA Refunding Bond (1)	08/18/16	2.33%	09/01/31	\$ 5,294,000
	Balance July 01, 2021	Additions	Deductions	Balance June 30, 2022
2016 PFA Refunding Bond	\$ 3,775,000	\$ -	\$ 430,000	\$ 3,345,000

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 13 – LONG-TERM OBLIGATIONS, continued**

**G. Special Tax Bonds, continued**

The annual requirements to amortize the bonds outstanding at June 30, 2022 for CFD #8 are as follows:

Year Ended June 30	Principal	Interest	Total
2023	\$ 451,000	\$ 74,868	\$ 525,868
2024	474,000	63,768	537,768
2025	497,000	52,116	549,116
2026	516,000	39,960	555,960
2027	541,000	27,276	568,276
2028-2029	866,000	17,568	883,568
Total	<u>\$ 3,345,000</u>	<u>\$ 275,556</u>	<u>\$ 3,620,556</u>

Community Facilities District (CFD) #9

	Date of Issue	Interest Rate	Maturity Date	Original Issue
2016 PFA Refunding Bond (1)	08/18/16	2.33%	09/01/31	\$ 1,270,000
	Balance July 01, 2021	Additions	Deductions	Balance June 30, 2022
2016 PFA Refunding Bond	\$ 904,000	\$ -	\$ 104,000	\$ 800,000

The annual requirements to amortize the bonds outstanding at June 30, 2022 for CFD #9 are as follows:

Year Ended June 30	Principal	Interest	Total
2023	\$ 109,000	\$ 18,041	\$ 127,041
2024	114,000	15,343	129,343
2025	119,000	12,524	131,524
2026	125,000	9,571	134,571
2027	131,000	6,474	137,474
2028-2029	202,000	4,041	206,041
Total	<u>\$ 800,000</u>	<u>\$ 65,994</u>	<u>\$ 865,994</u>

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 13 – LONG-TERM OBLIGATIONS, continued**

**G. Special Tax Bonds, continued**

Community Facilities District (CFD) #10

	Date of Issue	Interest Rate	Maturity Date	Original Issue
2013 Refunding - Area C (3)	01/24/13	2.00 - 5.00%	09/01/42	\$ 2,625,000
2013 Refunding - Area D (3)	01/24/13	2.00 - 5.00%	09/01/42	4,275,000
2013 Refunding - Area E (3)	01/24/13	2.00 - 5.00%	09/01/12	4,800,000
2016 PFA Refunding Bond (1)	08/18/16	2.22%	09/01/31	34,006,000
2016 Refunding - Area F (1)	12/06/16	2.00 - 4.00%	09/01/41	1,995,000
2017 Refunding A (1)	02/02/17	2.00 - 5.00%	09/01/31	7,030,000
2017 Refunding B (1)	02/02/17	2.00 - 5.00%	09/01/31	4,680,000
2022 PFA IA C	03/25/22	3.30%	09/01/33	1,985,000
2022 PFA IA D	03/25/22	3.30%	09/01/32	3,045,000
2022 PFA IA E	03/25/22	3.30%	09/01/32	3,485,000
Total				<u>\$ 67,926,000</u>

	Balance			Balance
	July 01, 2021	Additions	Deductions	June 30, 2022
2013 Refunding - Area C	\$ 2,110,000	\$ -	\$ 2,110,000	\$ -
2013 Refunding Premium	158,920	-	158,920	-
2013 Refunding - Area D	3,310,000	-	3,310,000	-
2013 Refunding Premium	249,300	-	249,300	-
2013 Refunding - Area E	3,725,000	-	3,725,000	-
2013 Refunding Premium	280,557	-	280,557	-
2016 PFA Refunding Bond	27,384,000	-	1,909,000	25,475,000
2016 Refunding - Area F	1,780,000	-	40,000	1,740,000
2016 Area F Discount	(27,590)	-	(620)	(26,970)
2017 Refunding A	5,645,000	-	385,000	5,260,000
2017 Refunding A Premium	644,180	-	43,934	600,246
2017 Refunding B	3,775,000	-	265,000	3,510,000
2017 Refunding B Premium	431,054	-	30,259	400,795
2022 PFA IA C	-	1,985,000	-	1,985,000
2022 PFA IA D	-	3,045,000	-	3,045,000
2022 PFA IA E	-	3,485,000	-	3,485,000
Total	<u>\$ 49,465,421</u>	<u>\$ 8,515,000</u>	<u>\$ 12,506,350</u>	<u>\$ 45,474,071</u>

The annual requirements to amortize the bonds outstanding at June 30, 2022 for CFD #10 are as follows:

Year Ended			
June 30	Principal	Interest	Total
2023	\$ 3,094,000	\$ 1,282,217	\$ 4,376,217
2024	3,296,000	1,205,536	4,501,536
2025	3,541,000	1,102,791	4,643,791
2026	3,734,000	992,822	4,726,822
2027	3,951,000	875,906	4,826,906
2028-2032	22,471,000	2,384,769	24,855,769
2033-2037	3,758,000	228,923	3,986,923
2038-2042	655,000	66,700	721,700
Total	<u>\$ 44,500,000</u>	<u>\$ 8,139,664</u>	<u>\$ 52,639,664</u>

**POWAY UNIFIED SCHOOL DISTRICT**  
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**NOTE 13 – LONG-TERM OBLIGATIONS, continued**

**G. Special Tax Bonds, continued**

Community Facilities District (CFD) #11

	Date of Issue	Interest Rate	Maturity Date	Original Issue
2013 Refunding Area A (3)	01/24/13	2.00 - 5.00%	09/01/39	\$ 9,685,000
2013 Refunding Zone 1 (3)	01/24/13	2.00 - 5.00%	09/01/39	10,310,000
2013 Refunding Zone 2 (3)	01/24/13	2.00 - 5.00%	09/01/39	1,870,000
2013 Refunding Zone 3 (3)	01/24/13	2.00 - 5.00%	09/01/39	1,390,000
2014 Special Tax Zone 2	12/02/14	2.00 - 5.00%	09/01/43	2,565,000
2014 Special Tax Zone 3	12/02/14	2.00 - 5.00%	09/01/43	7,500,000
2014 Refunding - Area B & C	07/16/14	3.00 - 5.00%	09/01/35	19,550,000
2017 Refunding Bond	01/19/17	2.00 - 4.00%	09/01/39	5,815,000
2022 IA A PFA	03/25/22	3.30%	09/01/34	7,135,000
2022 Zone 1 PFA	03/25/22	3.30%	09/01/37	8,070,000
2022 Zone 2 PFA	03/25/22	3.30%	09/01/32	1,530,000
2022 Zone 3 PFA	03/25/22	3.30%	09/01/32	1,185,000
Total				<u>\$ 76,605,000</u>

	Balance July 01, 2021	Additions	Deductions	Balance June 30, 2022
2013 Refunding Area A	\$ 7,655,000	\$ -	\$ 7,655,000	\$ -
2013 Refunding - A Premium	576,555	-	576,555	-
2013 Refunding Zone 1	8,520,000	-	8,520,000	-
2013 Refunding - 1 Premium	641,703	-	641,703	-
2013 Refunding Zone 2	1,630,000	-	1,630,000	-
2013 Refunding - 2 Premium	122,767	-	122,767	-
2013 Refunding Zone 3	1,250,000	-	1,250,000	-
2013 Refunding - 3 Premium	94,145	-	94,145	-
2014 Special Tax Zone 2	2,320,000	-	45,000	2,275,000
2014 Zone 2 Premium	62,973	-	1,221	61,752
2014 Special Tax Zone 3	6,860,000	-	95,000	6,765,000
2014 Zone 3 Premium	186,203	-	2,579	183,624
2014 Refunding - Area B & C	16,025,000	-	725,000	15,300,000
2014 Refunding Premium	1,225,178	-	55,429	1,169,749
2017 Refunding Bond	5,295,000	-	130,000	5,165,000
2017 Refunding Discount	(73,722)	-	(1,810)	(71,912)
2022 IA A PFA	-	7,135,000	-	7,135,000
2022 Zone 1 PFA	-	8,070,000	-	8,070,000
2022 Zone 2 PFA	-	1,530,000	-	1,530,000
2022 Zone 3 PFA	-	1,185,000	-	1,185,000
Total	<u>\$ 52,390,802</u>	<u>\$ 17,920,000</u>	<u>\$ 21,542,588</u>	<u>\$ 48,768,213</u>

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 13 – LONG-TERM OBLIGATIONS, continued**

**G. Special Tax Bonds, continued**

The annual requirements to amortize the bonds outstanding at June 30, 2022 for CFD #11 are as follows:

Year Ended June 30	Principal	Interest	Total
2023	\$ 1,595,000	\$ 1,904,791	\$ 3,499,791
2024	1,785,000	1,877,188	3,662,188
2025	1,995,000	1,801,023	3,796,023
2026	2,155,000	1,717,978	3,872,978
2027	2,315,000	1,628,516	3,943,516
2028-2032	13,995,000	6,569,251	20,564,251
2033-2037	14,955,000	3,390,844	18,345,844
2038-2042	6,190,000	1,374,307	7,564,307
2043-2044	2,440,000	106,750	2,546,750
Total	<u>\$ 47,425,000</u>	<u>\$ 20,370,647</u>	<u>\$ 67,795,647</u>

Community Facilities District (CFD) #12

	Date of Issue	Interest Rate	Maturity Date	Original Issue
2013 PFA Revenue Bonds (4)	01/24/13	2.00 - 5.00%	09/01/42	\$ 4,430,000
2016 PFA Refunding (1)	08/18/16	2.15%	09/01/31	6,635,000
2022 PFA A Refunding 2013 PFA	03/25/22	3.00-5.0%	09/01/42	3,765,000
Total				<u>\$ 14,830,000</u>

	Balance July 01, 2021	Additions	Deductions	Balance June 30, 2022
2013 PFA Revenue Bonds	\$ 3,895,000	\$ -	\$ 3,895,000	\$ -
2013 PFA Bond Premium	208,153	-	208,153	-
2016 PFA Refunding	5,308,000	-	358,000	4,950,000
2022 PFA A Refunding 2013 PFA	-	3,765,000	-	3,765,000
Total	<u>\$ 9,411,153</u>	<u>\$ 3,765,000</u>	<u>\$ 4,461,153</u>	<u>\$ 8,715,000</u>

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 13 – LONG-TERM OBLIGATIONS, continued**

**G. Special Tax Bonds, continued**

The annual requirements to amortize the bonds outstanding at June 30, 2022 for CFD #12 are as follows:

Year Ended June 30	Principal	Interest	Total
2023	\$ 425,000	\$ 230,771	\$ 655,771
2024	448,000	229,764	677,764
2025	476,000	218,846	694,846
2026	505,000	207,145	712,145
2027	530,000	194,734	724,734
2028-2032	3,053,000	764,116	3,817,116
2033-2037	1,083,000	473,242	1,556,242
2038-2042	1,470,000	301,098	1,771,098
2043	725,000	12,941	737,941
Total	\$ 8,715,000	\$ 2,632,657	\$ 11,347,657

Community Facilities District (CFD) #13

	Date of Issue	Interest Rate	Maturity Date	Original Issue
2013 PFA Revenue Bonds (4)	01/24/13	2.00 - 5.00%	09/01/42	\$ 5,375,000
2022 PFA A Refunding 2013 PFA	03/25/22	3.00-5.0%	09/01/42	4,815,000
	Balance July 01, 2021	Additions	Deductions	Balance June 30, 2022
2013 PFA Revenue Bonds	\$ 5,030,000	\$ -	\$ 5,030,000	\$ -
2013 PFA Bond Premium	268,810	-	268,810	-
2022 PFA A Refunding 2013 PFA	-	4,815,000	-	4,815,000
Total	\$ 5,298,810	\$ 4,815,000	\$ 5,298,810	\$ 4,815,000

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 13 – LONG-TERM OBLIGATIONS, continued**

**G. Special Tax Bonds, continued**

Community Facilities District (CFD) #13

The annual requirements to amortize the bonds outstanding at June 30, 2022 for CFD #13 are as follows:

Year Ended				
June 30	Principal	Interest	Total	
2023	\$ 105,000	\$ 163,440	\$ 268,440	
2024	100,000	171,523	271,523	
2025	140,000	167,138	307,138	
2026	145,000	161,904	306,904	
2027	160,000	156,293	316,293	
2028-2032	915,000	685,366	1,600,366	
2033-2037	1,235,000	490,786	1,725,786	
2038-2042	1,635,000	227,284	1,862,284	
2043	380,000	7,110	387,110	
Total	<u>\$ 4,815,000</u>	<u>\$ 2,230,843</u>	<u>\$ 7,045,843</u>	

Community Facilities District (CFD) #14

	Date of Issue	Interest Rate	Maturity Date	Original Issue
2015 Refunding Bonds	04/22/15	2.00 - 5.00%	09/01/36	\$ 44,630,000
2015 Refunding Area A	04/22/15	2.00 - 5.00%	09/01/36	44,775,000
Total				<u>\$ 89,405,000</u>

	Balance July 01, 2021	Additions	Deductions	Balance June 30, 2022
2015 Refunding Bonds	\$ 38,880,000	\$ -	\$ 1,215,000	\$ 37,665,000
2015 Refunding Premium	5,292,477	-	165,390	5,127,087
2015 Refunding Area A	39,040,000	-	1,215,000	37,825,000
2015 Ref. Area A Premium	5,314,032	-	165,383	5,148,649
Total	<u>\$ 88,526,509</u>	<u>\$ -</u>	<u>\$ 2,760,773</u>	<u>\$ 85,765,736</u>



**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 13 – LONG-TERM OBLIGATIONS, continued**

**G. Special Tax Bonds, continued**

Community Facilities District (CFD) #14

The annual requirements to amortize the bonds outstanding at June 30, 2022 for CFD #14 are as follows:

Year Ended				
June 30	Principal	Interest	Total	
2023	\$ 2,660,000	\$ 3,675,500	\$ 6,335,500	
2024	2,930,000	3,535,750	6,465,750	
2025	3,195,000	3,382,625	6,577,625	
2026	3,490,000	3,215,500	6,705,500	
2027	3,805,000	3,033,125	6,838,125	
2028-2032	24,300,000	11,928,250	36,228,250	
2033-2037	35,110,000	4,632,750	39,742,750	
Total	\$ 75,490,000	\$ 33,403,500	\$ 108,893,500	

Community Facilities District (CFD) #15

	Date of Issue	Interest Rate	Maturity Date	Original Issue
2014 Special Tax Bonds (7)	02/27/14	3.00 - 5.00%	10/01/41	\$ 40,000,000
2014 Sp. Tax Bonds Area A	08/21/14	2.00 - 4.625%	09/01/44	10,000,000
2016 Sp. Tax Bonds Area C	04/13/16	2.00 - 5.00%	09/01/46	15,000,000
2022 CFD 15 IA A	06/06/22	4.62%	09/01/44	8,495,000
2022 CFD 15 IA D	06/16/22	4.62%	09/01/52	14,890,000
Total				<u>\$ 88,385,000</u>

	Balance July 01, 2021	Additions	Deductions	Balance June 30, 2022
2014 Special Tax Bonds	\$ 39,070,000	\$ -	\$ 570,000	\$ 38,500,000
2014 Sp. Tax Bonds Premium	783,802	-	11,435	772,367
2014 Sp. Tax Bonds Area A	9,540,000	-	9,540,000	-
2014 Area A Discount	(232,412)	-	(232,412)	-
2016 Sp. Tax Bonds Area C	14,665,000	-	130,000	14,535,000
2016 Area C Premium	1,439,794	-	12,763	1,427,031
2022 CFD 15 IA A	-	8,495,000	-	8,495,000
2022 CFD 15 IA D	-	14,890,000	-	14,890,000
2022 CFD 15 IA D Premium	-	359,830	-	359,830
Total	\$ 65,266,184	\$ 23,744,830	\$ 10,031,786	\$ 78,979,228

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 13 – LONG-TERM OBLIGATIONS, continued**

**G. Special Tax Bonds, continued**

Community Facilities District (CFD) #15

The annual requirements to amortize the bonds outstanding at June 30, 2022 for CFD #15 are as follows:

Year Ended				
June 30	Principal	Interest	Total	
2023	\$ 810,000	\$ 3,210,373	\$ 4,020,373	
2024	1,160,000	3,443,154	4,603,154	
2025	1,200,000	3,397,471	4,597,471	
2026	1,360,000	3,342,161	4,702,161	
2027	1,570,000	3,275,324	4,845,324	
2028-2032	10,875,000	15,027,656	25,902,656	
2033-2037	14,960,000	12,164,094	27,124,094	
2038-2042	27,385,000	7,402,434	34,787,434	
2043-2047	10,845,000	2,788,192	13,633,192	
2048-2052	5,015,000	1,017,178	6,032,178	
2053	1,240,000	32,550	1,272,550	
Total	\$ 76,420,000	\$ 55,100,587	\$ 131,520,587	

Community Facilities District (CFD) #16

	Date of Issue	Interest Rate	Maturity Date	Original Issue
2020 Special Tax Bonds	05/07/20	2.875 - 5.00%	09/01/50	\$ 15,675,000
2020 Sp. Tax Bonds - Area A	05/07/20	3.00 - 4.00%	09/01/50	25,415,000
Total				<u>\$ 41,090,000</u>

	Balance July 01, 2021	Additions	Deductions	Balance June 30, 2022
2020 Special Tax Bonds	\$ 15,175,000	\$ -	\$ 100,000	\$ 15,075,000
2020 Sp. Tax Bonds Premium	698,704	-	4,604	694,100
2020 Sp. Tax Bonds - Area A	24,585,000	-	130,000	24,455,000
2020 Area A Premium	1,726,160	-	9,128	1,717,032
Total	<u>\$ 42,184,864</u>	<u>\$ -</u>	<u>\$ 243,732</u>	<u>\$ 41,941,132</u>

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 13 – LONG-TERM OBLIGATIONS, continued**

**G. Special Tax Bonds, continued**

Community Facilities District (CFD) #16

The annual requirements to amortize the bonds outstanding at June 30, 2022 for CFD #16 are as follows:

Year Ended				
June 30	Principal	Interest	Total	
2023	\$ 270,000	\$ 1,548,188	\$ 1,818,188	
2024	310,000	1,538,838	1,848,838	
2025	360,000	1,526,338	1,886,338	
2026	415,000	1,510,838	1,925,838	
2027	465,000	1,493,238	1,958,238	
2028-2032	2,810,000	7,126,688	9,936,688	
2033-2037	5,675,000	6,309,800	11,984,800	
2038-2042	5,810,000	5,195,988	11,005,988	
2043-2047	-	4,683,000	4,683,000	
2048-2051	23,415,000	3,278,100	26,693,100	
Total	\$ 39,530,000	\$ 34,211,016	\$ 73,741,016	

Public Financing Authority

	Date of Issue	Interest Rate	Maturity Date	Original Issue
2013 Revenue Bonds (3)	01/24/13	2.00 - 5.00%	09/01/42	\$ 37,785,000
2013 Revenue Bonds B (4)	01/24/13	1.00 - 5.00%	09/01/42	17,795,000
2015 Refunding Bonds (6)	08/12/15	2.00 - 5.00%	09/01/28	14,405,000
2016 Revenue Bonds (1)	08/18/16	2.00 - 5.00%	09/15/32	46,770,000
2017 Refunding Bonds (8)	02/02/17	2.00 - 5.00%	09/01/31	261,800,000
Total				<u>\$ 378,555,000</u>

	Balance July 01, 2021	Additions	Deductions	Balance June 30, 2022
2016 Refunding Bonds (1)	\$ 38,155,000	\$ -	\$ 2,630,000	\$ 35,525,000
2016 Ref. Bonds Premium	7,722,609	-	528,643	7,193,966
2016 Local Bonds Receivable	(44,174,000)	-	(3,460,000)	(40,714,000)
Total	<u>\$ 1,703,609</u>	<u>\$ -</u>	<u>\$ (301,357)</u>	<u>\$ 2,004,966</u>

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 13 – LONG-TERM OBLIGATIONS, continued**

**G. Special Tax Bonds, continued**

Public Financing Authority

(1) - 2016 PFA Refunding Bond was issued to refund the 2007 PFA Revenue bonds on behalf of CFD #2, CFD #4, CFD #8, CFD #9, CFD #10, and CFD #12. The individual CFD's restructured bond issuance by putting cash on hands towards the refunding as well as entering into a debt obligation to the PFA equal to the PFA outstanding debt. Principal plus premium on the 2016 PFA Refunding Bonds total \$56,171,000 with annual coupon rates ranging from 2.00-5.00% through September 15, 2031. Individual CFD's are reflecting obligations to the PFA totaling \$56,171,000 at an interest rate of 2.15 - 2.33%.

(3) - 2013 PFA Revenue bonds were issued by the Public Financing Authority on behalf of CFD #2, CFD #10, and CFD #11. The initial total issue of the bonds was \$37,785,000. Each CFD is reflecting their individual share of the total bonds outstanding.

(4) - 2013 PFA Revenue bonds were issued by the Public Financing Authority on behalf of CFD #4, CFD #12, and CFD #13. The initial total issue of the bonds was \$17,795,000. Each CFD is reflecting their individual share of the total bonds outstanding.

(6) - 2015 Series C Refunding Bonds were issued by the Public Financing Authority on behalf of CFD #2, CFD #3, CFD #5, and CFD #7. The initial total issue of the bonds was \$14,405,000 with a premium of \$1,138,296. Each CFD is reflecting their individual share of the total bonds outstanding.

(7) At the time the 2014 Special Tax Bonds were issued, CFD #15 did not have adequate valuation of properties within the district to issue \$40,000,000 bonds. Based upon planned building within the CFD, the District determined a need to build a school in this area in anticipation of growth. Since the CFD did not have enough valuation for which to assess taxes, the bonds were issued with a guarantee from CFD #2, CFD #4, CFD #6, CFD#8, CFD#9, CFD#10, CFD #12, CFD #13, and CFD #14. In the event that CFD #15 cannot assess enough taxes to cover the payments, the other CFD's will be responsible to make those payments.

(8) - 2016 Refunding bonds were issued by the Public Financing Authority on behalf of CFD #6 and CFD #10. The initial total issue of the bonds was \$26,180,000 with coupon rates ranging from 2.00-5.00% through September 2031. Each CFD is reflecting their individual share of the total bonds outstanding.

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 13 – LONG-TERM OBLIGATIONS, continued**

**G. Special Tax Bonds, continued**

The annual requirements to amortize the bonds outstanding at June 30, 2022 for PFA 2016 Bonds are as follows:

Year Ended June 30	Principal Payments	Principal Receivable	Net Principal
2023	\$ 2,655,000	\$ 3,459,000	\$ 6,114,000
2024	2,835,000	3,611,000	6,446,000
2025	3,050,000	3,767,000	6,817,000
2026	3,280,000	3,930,000	7,210,000
2027	3,520,000	4,093,000	7,613,000
2028-2032	17,920,000	19,513,000	37,433,000
2033-2033	2,425,000	2,501,000	4,926,000
Total	<u>\$ 35,685,000</u>	<u>\$ 40,874,000</u>	<u>\$ 76,559,000</u>

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 13 – LONG-TERM OBLIGATIONS, continued**

**H. Accounting Loss (Gain) on Refunding Bonds**

The District issues refunding bonds when the reduction in interest rate is sufficient to result in an economic gain or loss based on present value of total future payments which are inclusive of principal and interest. The issuance of refunding bonds results in an increase (decrease) in overall long-term debt as the refunding carries with it certain transaction costs that increase the face value of the debt. This increase in the long-term liabilities resulting from refunding is considered an accounting loss and is recorded as a deferred outflow of resources and the decrease in long-term liabilities is considered an accounting gain and is recorded as a deferred inflow of resources. The deferred outflows (inflows) of resources are amortized over the life of the debt using the straight-line method.

The following is a detail of refunding losses recorded as deferred outflows (inflows) of resources on the government wide financial statements:

	Balance July 01, 2021	Additions	Amortizations	Balance June 30, 2022
General Obligation Refunding				
2011 Refunding Bonds	\$ 253,902	\$ -	\$ 36,271	\$ 217,631
2014 Refunding Bonds	818,177	-	81,818	736,359
2019 Refunding Bonds	(831,805)	-	(118,829)	(712,976)
Special Tax Refunding				
CFD #2: 2015 Refunding	409,864	-	51,233	358,631
CFD #3: 2015 Refunding	172,896	-	21,612	151,284
CFD #5: 2015 Refunding	55,704	-	6,963	48,741
CFD #6: 2015 Refunding	3,187,136	-	199,196	2,987,940
CFD #6: 2016 Refunding	594,660	-	27,030	567,630
CFD #6: 2016 Refunding 2	1,583,160	-	105,544	1,477,616
CFD #6: 2017 Refunding	1,830,517	-	140,810	1,689,707
CFD #7: 2015 Refunding	49,209	-	6,151	43,058
CFD #8: 2016 Refunding	389,072	-	48,633	340,439
CFD #9: 2016 Refunding	93,674	-	11,708	81,966
CFD #10: 2013 Refunding	447,161	-	34,397	412,764
CFD #10: 2016 Refunding	378,950	-	18,046	360,904
CFD #10: 2016 Refunding 2	2,628,611	-	219,050	2,409,561
CFD #10: 2017 Refunding	1,539,853	-	139,987	1,399,866
CFD #10: 2017 Refunding 2	1,022,109	-	92,919	929,190
CFD #11: 2014 Refunding	457,740	-	30,516	427,224
CFD #11: 2017 Refunding	1,147,180	-	60,377	1,086,803
CFD #12: 2016 Refunding	2,447,595	-	203,965	2,243,630
CFD #14: 2015 Refunding	2,627,322	-	164,210	2,463,112
CFD #6: 2020 Refunding	(2,338,055)	-	(233,806)	(2,104,249)
CFD #2: 2022 Refunding	-	(245,824)	(11,174)	(234,650)
CFD #4: 2022 Refunding	-	(610,464)	(27,748)	(582,716)
CFD #10: 2022 Refunding	-	(813,778)	(67,815)	(745,963)
CFD #11: 2022 Refunding	-	(1,880,172)	(134,298)	(1,745,874)
CFD #12: 2022 Refunding	-	(308,153)	(14,007)	(294,146)
CFD #13: 2022 Refunding	-	(403,809)	(18,355)	(385,454)
CFD #15: 2022 Refunding	-	(682,587)	(28,441)	(654,146)
	<u>\$ 18,964,632</u>	<u>\$ (4,944,787)</u>	<u>\$ 1,045,963</u>	<u>\$ 12,973,882</u>

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 14 – JOINT VENTURES (JOINT POWERS AGREEMENTS)**

The District participates in two joint powers agreements (JPA) entities, the San Diego County Schools Risk Management (SDCSRM) and the Southern California Relief Property and Liability Insurance (SCR). The relationship between the District and the JPA's is such that the JPA's are not component units of the District.

The JPA's arrange for and provide for various types of insurances for its member districts as requested. The JPA's are governed by a board consisting of a representative from each member district. The board controls the operations of the JPA's, including selection of management and approval of operating budgets, independent of any influence by the member districts beyond their representation on the board. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the JPA's.

Combined condensed unaudited financial information for the District's share of the San Diego County Schools Risk Management (SDCSRM) for the year ended June 30, 2022 can be obtained by contacting the SDCSRM at the San Diego County Office of Education located at 6401 Linda Vista Road, San Diego, California 92111.

Combined condensed unaudited financial information of the District's share of the Southern California Relief Property and Liability Insurance JPA for the year ended June 30, 2022 can be obtained by contacting Keenan & Associates located at P.O. Box 4328, Torrance, California 90510.

**NOTE 15 – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has one self-insurance fund (Internal Service Fund) to account for and finance its uninsured risks of loss. The Internal Service Fund provides dental and vision coverage to employees.

All funds of the District participate in the program, but only the General Fund makes payments to the Self Insurance Fund based on actuarial estimates of the amounts needed to pay prior and current year claims and to establish a liability for open claims and Incurred But Not Reported (IBNR) claims. The claims and liability of \$6,040 is included in the liabilities under accounts payable and is reported in accordance with Financial Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated at the end of the fiscal year. Changes in the Internal Service Fund's claim liability in the fiscal year ended June 30, 2022 are indicated below:

	Beginning Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Ending Fiscal Year Liability
Internal Service Fund: Year 2021-22	\$ 142,425	\$ 97,776	\$ 234,161	\$ 6,040

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 16 – PENSION PLANS**

Qualified employees are covered under multiple-employer contributory retirement plans maintained by agencies of the State of California. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS), and classified employees are members of the California Public Employees' Retirement System (CalPERS). The District reported its proportionate share of the net pension liabilities, pension expense, deferred outflow of resources, and deferred inflow of resources for each of the above plans as follows:

Pension Plan	Collective Net Pension Liability	Collective Deferred Outflows of Resources	Collective Deferred Inflows of Resources	Collective Pension Expense
Governmental Activities:				
CalSTRS	\$ 141,272,901	\$ 53,585,359	\$ 133,322,915	\$ (886,273)
CalPERS	80,349,237	23,403,144	32,233,130	10,776,807
Business-Type Activities:				
CalSTRS	1,088,698	881,349	1,420,094	(189,824)
CalPERS	9,608,175	3,761,069	5,330,957	328,956
Total	<u>\$ 232,319,011</u>	<u>\$ 81,630,921</u>	<u>\$ 172,307,096</u>	<u>\$ 10,029,666</u>

**California State Teachers' Retirement System (CalSTRS)**

**Plan Description**

The District contributes to the California State Teachers' Retirement System (CalSTRS); a cost-sharing multiple employer public employee retirement system defined benefit pension plan administered by CalSTRS. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, 7919 Folsom Blvd., Sacramento, CA 95826.

**Benefits Provided**

The CalSTRS defined benefit plan has two benefit formulas:

1. CalSTRS 2% at 60: Members first hired on or before December 31, 2012, to perform service that could be creditable to CalSTRS. CalSTRS 2% at 60 members are eligible for normal retirement at age 60, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. Early retirement options are available at age 55 with five years of credited service or as early as age 50 with 30 years of credited service. The age factor for retirements after age 60 increases with each quarter year of age to 2.4 percent at age 63 or older. Members who have 30 years or more of credited service receive an additional increase of up to 0.2 percent to the age factor, known as the career factor. The maximum benefit with the career factor is 2.4 percent of final compensation.
2. CalSTRS 2% at 62: Members first hired on or after January 1, 2013, to perform service that could be creditable to CalSTRS. CalSTRS 2% at 62 members are eligible for normal retirement at age 62, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. An early retirement option is available at age 55. The age factor for retirement after age 62 increases with each quarter year of age to 2.4 percent at age 65 or older.



**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 16 – PENSION PLANS, continued**

**California State Teachers' Retirement System (CalSTRS), continued**

**Contributions**

Active plan CalSTRS 2% at 60 and 2% at 62 members are required to contribute 10.25% and 10.205% of their salary for fiscal year 2021, respectively, and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by CalSTRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2021 was 16.92% of annual payroll. The contribution requirements of the plan members are established by state statute. Contributions to the plan from the District were \$32,011,894 for the year ended June 30, 2022.

**On-Behalf Payments**

The District was the recipient of on-behalf payments made by the State of California to CalSTRS for K-12 education. These payments consist of state general fund contributions of approximately \$21,351,765 to CalSTRS, which included a supplemental contribution for fiscal year 2022 due to California Senate Bill No. 90.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2022, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

	Governmental Activities	Business-Type Activities
District's proportionate share of the net pension liability	\$ 141,272,901	\$ 1,088,698
State's proportionate share of the net pension liability associated with the District	71,084,524	547,803
Total	<u>\$ 212,357,425</u>	<u>\$ 1,636,501</u>

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2020 and rolling forward the total pension liability to June 30, 2021. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2021, the District's proportion was .313 percent, which was a decrease of .003 percent from its proportion measured as of June 30, 2020.

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 16 – PENSION PLANS, continued**

**California State Teachers' Retirement System (CalSTRS), continued**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, continued**

For the year ended June 30, 2022, the District recognized pension expense of (\$1,076,097). In addition, the District recognized pension expense and revenue of (\$12,389,963) for support provided by the State. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Governmental Activities		Business-Type Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	\$ -	\$ 111,758,572	\$ -	\$ 861,251
Differences between expected and actual experience	353,896	15,037,487	2,728	115,885
Changes in assumptions	20,010,216	-	154,207	-
Net changes in proportionate share of net pension liability	1,415,474	6,526,856	518,293	442,958
District contributions subsequent to the measurement date	31,805,773	-	206,121	-
Total	\$ 53,585,359	\$ 133,322,915	\$ 881,349	\$ 1,420,094

The amount reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Governmental Activities	Business-Type Activities
	Deferred Outflows/(Inflows) of Resources	Deferred Outflows/(Inflows) of Resources
Year Ended June 30,		
2023	\$ (24,692,773)	\$ (252,303)
2024	(22,019,787)	(236,334)
2025	(29,223,655)	(182,931)
2026	(32,873,905)	(152,786)
2027	(1,239,128)	91,002
Thereafter	(1,494,081)	(11,514)
	\$ (111,543,329)	\$ (744,866)

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 16 – PENSION PLANS, continued**

**California State Teachers' Retirement System (CalSTRS), continued**

**Actuarial Assumptions**

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2020, and rolling forward the total pension liability to June 30, 2021 using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	June 30, 2020
Measurement date	June 30, 2021
Experience study	July 1, 2015, through June 30, 2018
Actuarial cost method	Entry Age Normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

CalSTRS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are based on MP-2019 series tables adjusted to fit CalSTRS experience.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best-estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant (Pension Consulting Alliance–PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each future valuation, CalSTRS consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2022, are summarized in the following table:

<b>Asset Class</b>	<b>Assumed Asset Allocation</b>	<b>Long-term Expected Real Rate of Return*</b>
Public Equity	42%	4.8%
Real Estate	15%	3.6%
Private Equity	13%	6.3%
Fixed Income	12%	1.3%
Risk Mitigating Strategies	10%	1.8%
Inflation Sensitive	6%	3.3%
Cash/Liquidity	2%	-0.4%
	<u>100%</u>	

\*20-year geometric average

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 16 – PENSION PLANS, continued**

**California State Teachers' Retirement System (CalSTRS), continued**

**Discount Rate**

The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increases per AB 1469. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments, and administrative expense occur midyear. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	Governmental Activities	Business-Type Activities
1% Decrease	6.10%	6.10%
Net Pension Liability	\$ 287,581,062	\$ 2,216,200
Current Discount Rate	7.10%	7.10%
Net Pension Liability	\$ 141,272,901	\$ 1,088,698
1% Increase	8.10%	8.10%
Net Pension Liability	\$ 19,839,921	\$ 152,893

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalSTRS financial report.

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 16 – PENSION PLANS, continued**

**California Public Employees' Retirement System (CalPERS)**

**Plan Description**

The District contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS); a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Laws. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95811.

**Benefits Provided**

The benefits for the defined benefit plan are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Members become fully vested in their retirement benefits earned to date after five years of credited service.

**Contributions**

Active plan members who entered into the plan prior to January 1, 2013, are required to contribute 7.0% of their salary. The California Public Employees' Pension Reform Act (PEPRA) specifies that new members entering into the plan on or after January 1, 2013, shall pay the higher of fifty percent of normal costs or 7.0% of their salary. Additionally, for new members entering the plan on or after January 1, 2013, the employer is prohibited from paying any of the employee contribution to CalPERS unless the employer payment of the member's contribution is specified in an employment agreement or collective bargaining agreement that expires after January 1, 2013. The District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2021 was 22.91% of annual payroll. Contributions to the plan from the District were \$16,817,206 for the year ended June 30, 2022.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2022, the District reported a liability of \$89,957,412 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2020 and rolling forward the total pension liability to June 30, 2021. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. As of June 30, 2021, the District's proportion was .442 percent, resulting in an increase of .003 percent from its proportion measured as of June 30, 2020.

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 16 – PENSION PLANS, continued**

**California Public Employees’ Retirement System (CalPERS), continued**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, continued**

For the year ended June 30, 2022, the District recognized pension expense of \$11,105,763. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PERS	Governmental Activities		Business-Type Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	\$ -	\$ 30,835,645	\$ -	\$ 3,687,333
Differences between expected and actual experience	2,398,631	89,417	286,829	22,650
Net changes in proportionate share of net pension liability	5,668,206	1,208,068	1,993,341	1,620,974
District contributions subsequent to the measurement date	15,336,307	-	1,480,899	-
Total	\$ 23,403,144	\$ 32,133,130	\$ 3,761,069	\$ 5,330,957

The amount reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Governmental Activities	Business-Type Activities
	Deferred Outflows/(Inflows) of Resources	Deferred Outflows/(Inflows) of Resources
2023	\$ (4,147,112)	\$ (907,639)
2024	(4,466,533)	(676,660)
2025	(6,976,656)	(440,969)
2026	(8,575,992)	(1,025,519)
	\$ (24,166,293)	\$ (3,050,787)

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 16 – PENSION PLANS, continued**

**California Public Employees' Retirement System (CalPERS), continued**

**Actuarial Assumptions**

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2020, and rolling forward the total pension liability to June 30, 2021 using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	June 30, 2020
Measurement date	June 30, 2021
Experience study	July 1, 1997, through June 30, 2015
Actuarial cost method	Entry Age Normal
Discount rate	7.15%
Investment rate of return	7.15%
Consumer price inflation	2.50%
Wage growth	Varies by entry age and service

CalPERS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are derived using CalPERS' membership data for all funds. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, both short-term and long-term market return expectations as well as the expected pension fund cash flows were taken into account. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 16 – PENSION PLANS, continued**

**California Public Employees' Retirement System (CalPERS), continued**

**Actuarial Assumptions, continued**

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

<b>Asset Class*</b>	<b>Assumed Asset Allocation</b>	<b>Real Return Years 1 - 10**</b>	<b>Real Return Years 11+***</b>
Global Equity	50%	4.80%	5.98%
Fixed Income	28%	1.00%	2.62%
Inflation Assets	0%	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Assets	13%	3.75%	4.93%
Liquidity	1%	0.00%	-0.92%
	<u>100%</u>		

\*In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

\*\*An expected inflation of 2.0% used for this period

\*\*\*An expected inflation of 2.92% used for this period

**Discount Rate**

The discount rate used to measure the total pension liability was 7.15 percent. A projection of the expected benefit payments and contributions was performed to determine if assets would run out. The test revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Schools Pool. The results of the crossover testing for the Schools Pool are presented in a detailed report that can be obtained at CalPERS' website.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.15 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15 percent) or 1-percentage-point higher (8.15 percent) than the current rate:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
1% Decrease	6.15%	6.15%
Net Pension Liability	\$ 135,480,097	\$ 16,200,732
Current Discount Rate	7.15%	7.15%
Net Pension Liability	\$ 80,349,237	\$ 9,608,175
1% Increase	8.15%	8.15%
Net Pension Liability	\$ 34,578,797	\$ 4,134,938



**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 16 – PENSION PLANS, continued**

**California Public Employees’ Retirement System (CalPERS), continued**

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial report.

**NOTE 17 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

The District provides postemployment health care benefits for retired employees in accordance with negotiated contracts with the various bargaining units of the District.

For the fiscal year ended June 30, 2022, the District reported net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

OPEB Plan	Net OPEB Liability (Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Governmental Activities	\$ 64,632,761	\$ 6,234,998	\$ 27,582,253	\$ 2,162,442
Business-Type Activities	2,615,976	252,358	1,116,377	(30,598)
Total	\$ 67,248,737	\$ 6,487,356	\$ 28,698,630	\$ 2,131,844

**Plan Description**

Plan administration: The Public Agency Retirement System (PARS) administers the Poway Unified School District Retiree Benefits Plan (Plan) through the PARS OPEB Trust Program (OPEB Trust). The Plan is a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB). Assets are accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement 75.

**Benefits Provided**

The following is a description of the current retiree benefit plan:

	Certificated (PFT)	Management - APSM & Confidential	Classified - PSEA I	Classified - PSEA II
Benefit types provided	Medical, Dental and Vision	Medical, Dental and Vision	Medical, Dental and Vision	Medical, Dental and Vision
Duration of Benefits	To age 65	To age 65	To age 65	Medical to age 65 Lifetime Dental & Vision
Required Service	10 years of service	10 years of service	5 years of service	5 years of service
Minimum Age	STRS retirement age	PERS/STRS retirement age	PERS/STRS retirement age	PERS/STRS retirement age
Dependent Coverage	Self-pay basis	Self-pay basis	Self-pay basis	Self-pay basis
District Contribution %	100% of retiree only premium	100% of retiree only premium	District-paid contribution subject to the following service schedule: 10<=YOS<15=50% 15<=YOS<20=80% 17<=YOS<20=90% 20+YOS=100%	District-paid contribution subject to the following service schedule: 10<=YOS<15=50% 15<=YOS<20=80% 17<=YOS<20=90% 20+YOS=100%

YOS in the table above represents years of service.

PSEA II District-paid contributions are subject to a minimum dollar amount stated in the bargaining agreement.

PSEA II retirees are eligible for the lifetime District-paid contributions for dental and vision premiums if retire with at least 10 consecutive years of service.

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 17 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued**

**Contributions**

The District makes contributions to PARS to fund as much of the OPEB liability as determined feasible in current operating budget. Contributions are determined by management of the District based on budget implications. Plan members are not required to contribute to the plan.

**Plan Membership**

Membership of the Plan consisted of the following:

	Number of Participants
Inactive Employees Receiving Benefits	311
Active Employees	3,335
	<u>3,646</u>

**Actuarial Assumptions and Other Inputs**

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	June 30, 2022
Measurement date	June 30, 2022
Fiscal year	July 1st to June 30th
Actuarial cost methods	Entry age normal cost method
Inflation rate	2.75%
Investment rate of return	3.76%
Salary Increase	2.75%
Healthcare cost trend rate	4.50%
Mortality	For certificated employees the 2020 CalSTRS mortality tables were used. For classified employees the 2017 CalPERS active mortality for miscellaneous and school employees were used.

**OPEB Plan Investments**

The plan discount rate of 3.76% was determined using the following asset allocation and assumed rate of return:

Asset Class	Percentage of Portfolio	Assumed Gross Return
All Equities	60%	7.80%
Long-Term Corporate Bonds	5%	5.30%
Intermediate-Term Government Bonds	30%	4.50%
Short-Term Government Fixed	5%	3.25%
Total	<u>100%</u>	

This rate reflects a municipal bond rate. A Bond Buyer 20 Index at June 30, 2022 rounded the rate resulting in a rate of 3.76%.

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 17 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued**

**Changes in the Net OPEB Liability**

	Increase/(Decrease)		
	Total OPEB Liability	Total Fiduciary Net Position	Net OPEB Liability (Asset)
	(a)	(b)	(a) - (b)
Balance July 1, 2021	\$ 94,767,072	\$ 12,869,415	\$ 81,897,657
Changes for the year:			
Service cost	6,783,135	-	6,783,135
Interest	2,368,644	-	2,368,644
Employer contributions to trust	-	1,596,204	(1,596,204)
Employer contributions as benefit payments	-	2,958,549	(2,958,549)
Changes of assumptions	(8,170,636)	-	(8,170,636)
Investment gains(losses)	-	(1,934,814)	1,934,814
Administrative expense	-	(38,634)	38,634
Expected benefit payments	(2,958,549)	(2,958,549)	-
Net change	(15,026,164)	(377,244)	(14,648,920)
Balance June 30, 2022	\$ 79,740,908	\$ 12,492,171	\$ 67,248,737

Fiduciary net position as a percentage of the total OPEB liability at June 30, 2022 was 15.7 percent.

**OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB**

For the year ended June 30, 2022, the District recognized OPEB expense of \$2,131,844. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual earnings on plan investments	\$ 1,331,090	\$ -
Differences between expected and actual experience	3,753,231	12,478,923
Change in assumptions	1,403,035	16,219,707
	<u>\$ 6,487,356</u>	<u>\$ 28,698,630</u>

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 17 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued**

**OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB, continued**

Amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2023	\$ (1,877,029)
2024	(1,882,519)
2025	(2,324,669)
2026	(2,205,130)
2027	(2,755,868)
Thereafter	(11,166,059)
	<u>\$ (22,211,274)</u>

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.76 percent) or one percentage point higher (4.76 percent) than the current discount rate:

	Discount Rate 1% Lower (2.76%)	Current Discount Rate (3.76%)	Discount Rate 1% Higher (4.76%)
Net OPEB liability	\$ 73,424,830	\$ 67,248,737	\$ 61,474,358

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate**

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

	Trend Rate 1% Lower (3.50%)	Current Trend Rate (4.50%)	Trend Rate 1% Higher (5.50%)
Net OPEB liability	\$ 58,224,712	\$ 67,248,737	\$ 77,916,279

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 18 – COMMITMENTS AND CONTINGENCIES**

Litigation

The District is involved in various litigation. In the opinion of management and legal counsel, the disposition of all litigation pending will not have a material effect on the financial statements.

State and Federal Allowances, Awards, and Grants

The District has received state and federal funds for specific purposes that are subject to view and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursement will not be material.

Construction Commitments

As of June 30, 2022, the District had the following commitments with regards to construction projects in process:

Project	Commitment Amount	Expected Date of Final Completion
5 HS Pool Chemical Tanks	\$ 109,569	10/2022
AHS Expansion	399,457	12/2023
CHES Asphalt Track	25,174	10/2022
CSES Concrete	39,144	09/2022
DNHS Expansion	4,437,015	12/2022
HRES Roof & Paint	211,361	12/2022
MCHS PAC Repairs	190,965	09/2022
MCHS Score Board	38,300	06/2023
MCHS Turf	300,800	09/2022
MRES HVAC Chiller	34,930	09/2022
MVMS Flooring	206,889	8/2023
PHS/WVHS Windshades Tennis	50,149	10/2022
PRES Roof	53,722	12/2022
PVES Roof & Paint	47,032	12/2022
RBHS HVAC Chiller	450,200	10/2022
RBHS Mod	1,432,804	12/2022
RHES Concrete	17,856	09/2022
TPC Asphalt & Striping	26,100	8/2022
TPC Storm Water Mitigation	236,500	8/2023
TPMS Roof	53,760	12/2022
Various ESS Gates	56,170	10/2022
Various Flooring	135,769	10/2022
Various Lighting Upgrades	188,126	10/2022
Various Paint Striping	35,705	10/2022
Various Relo Repairs	45,820	10/2022
VES HVAC Compressor	41,690	10/2022
VES Painting	22,600	09/2022
WVHS Fire System Repairs	28,087	10/2022
WVHS Pool Heater	144,000	10/2022
WVHS Tennis Courts	159,982	10/2022
Transportation - Elec Bus/EV Charge Station	3,101,062	06/2023
	<u>\$ 12,320,738</u>	

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 19 – PRIOR PERIOD ADJUSTMENT**

Beginning net position was increased by \$2,519,663 due to the implementation of GASB Statement No. 87, *Leases* for implementation of change in accounting principal.

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## **REQUIRED SUPPLEMENTARY INFORMATION**

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**POWAY UNIFIED SCHOOL DISTRICT**  
**GENERAL FUND – BUDGETARY COMPARISON SCHEDULE**  
**JUNE 30, 2022**

	Budgeted Amounts		Actual*	Variances -
	Original	Final	(Budgetary Basis)	Final to Actual
REVENUES				
LCFF sources	\$ 338,518,301	\$ 338,780,061	\$ 338,814,747	\$ 34,686
Federal sources	27,408,370	31,304,198	26,695,115	(4,609,083)
Other state sources	63,382,015	93,940,263	89,686,077	(4,254,186)
Other local sources	11,318,554	13,175,927	11,560,372	(1,615,555)
Total Revenues	440,627,240	477,200,449	466,756,311	(10,444,138)
EXPENDITURES				
Certificated salaries	185,007,399	193,688,139	194,117,103	428,964
Classified salaries	66,448,768	69,708,188	68,941,857	(766,331)
Employee benefits	127,857,646	130,194,965	128,425,384	(1,769,581)
Books and supplies	22,635,276	37,358,854	19,817,155	(17,541,699)
Services and other operating expenditures	36,519,061	51,532,472	41,266,522	(10,265,950)
Capital outlay	2,331,748	1,770,344	1,286,108	(484,236)
Other outgo				
Excluding transfers of indirect costs	1,522,396	1,169,018	1,168,914	(104)
Transfers of indirect costs	(161,234)	(657,570)	(548,544)	109,026
Total Expenditures	442,161,060	484,764,410	454,474,499	(30,289,911)
Excess (Deficiency) of Revenues				
Over Expenditures	(1,533,820)	(7,563,961)	12,281,812	(40,734,049)
Other Financing Sources (Uses):				
Transfers in	3,379,671	4,169,671	3,980,935	(188,736)
Other sources	-	1,563,527	1,282,684	(280,843)
Transfers out	(5,047,550)	(3,266,960)	(2,945,172)	321,788
Net Financing Sources (Uses)	(1,667,879)	2,466,238	2,318,447	(147,791)
NET CHANGE IN FUND BALANCE	(3,201,699)	(5,097,723)	14,600,259	19,697,982
Fund Balance - Beginning	72,566,685	72,566,685	72,566,685	-
Fund Balance - Ending	\$ 69,364,986	\$ 67,468,962	\$ 87,166,944	\$ 19,697,982

\* The actual amounts reported on this schedule do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance for the following reasons:

- Actual amounts reported in this schedule are for the General Fund only, and do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances because the amounts on that schedule include the financial activity of the Special Reserve Fund for other than Capital Outlay Projects, in accordance with the fund type definitions promulgated by GASB Statement No. 54.



**POWAY UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS**  
**JUNE 30, 2022**

	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost	\$ 6,783,135	\$ 6,765,617	\$ 6,177,250	\$ 5,997,330	\$ 5,469,778
Interest	2,368,644	2,112,234	3,032,142	3,082,311	2,891,786
Changes of assumptions	(8,170,636)	(1,174,242)	(12,532,276)	1,444,731	2,743,524
Benefit payments	(2,958,549)	(2,779,967)	(4,387,150)	-	-
Experience gain(losses)	(13,240,862)	-	6,005,172	(2,089,560)	(3,405,496)
	192,104	-	-	-	-
Net change in total OPEB liability	(15,026,164)	4,923,642	(1,704,862)	8,434,812	7,699,592
Total OPEB liability, beginning of year	94,767,072	89,843,430	91,548,292	81,046,846	73,347,254
Adjustment to beginning balance	-	-	-	2,066,634	-
Total OPEB liability, end of year (a)	\$ 79,740,908	\$ 94,767,072	\$ 89,843,430	\$ 91,548,292	\$ 81,046,846
Plan fiduciary net position					
Employer contributions to trust	\$ 1,596,204	\$ 2,659,505	\$ 6,088,981	\$ -	\$ -
Employer contributions as benefit payments	2,958,549	631,797	4,387,150	5,490,101	-
Expected investment income	-	610,754	423,813	-	-
Investment gains(losses)	(1,934,814)	1,629,686	(251,119)	83,069	-
Administrative expense	(38,634)	(31,259)	(15,792)	-	-
Expected benefit payments	(2,958,549)	(2,360,561)	(4,387,150)	(2,089,560)	-
Change in plan fiduciary net position	(377,244)	3,139,922	6,245,883	3,483,610	-
Fiduciary trust net position, beginning of year	12,869,415	9,729,493	3,483,610	-	-
Fiduciary trust net position, end of year (b)	\$ 12,492,171	\$ 12,869,415	\$ 9,729,493	\$ 3,483,610	\$ -
Net OPEB liability (asset), ending (a) - (b)	\$ 67,248,737	\$ 81,897,657	\$ 80,113,937	\$ 88,064,682	\$ 81,046,846
Covered payroll	\$ 254,696,096	\$ 245,903,000	\$ 209,260,000	\$ 209,260,000	\$ 209,260,000
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	16%	14%	11%	4%	0%
Net OPEB liability (asset) as a percentage of covered payroll	26%	33%	38%	42%	39%

*Note: In the future, as data becomes available, ten years of information will be presented.*

**POWAY UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF CONTRIBUTIONS – OPEB**  
**JUNE 30, 2022**

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	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ 2,958,549	\$ 2,182,279	\$ 2,779,967	\$ -	\$ -
Contributions in relations to the actuarially determined contribution	4,554,753	3,291,302	4,387,150	5,490,101	3,405,496
Contribution deficiency (excess)	<u>\$ (1,596,204)</u>	<u>\$ (1,109,023)</u>	<u>\$ (1,607,183)</u>	<u>\$ (5,490,101)</u>	<u>\$ (3,405,496)</u>
Covered-employee payroll	\$ 254,696,000	\$ 245,903,000	\$ 209,260,000	\$ 209,260,000	\$ 209,260,000
Contribution as a percentage of covered-employee payroll	2%	1%	2%	3%	2%

*Note: In the future, as data becomes available, ten years of information will be presented.*

**POWAY UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**JUNE 30, 2022**

	Reporting Fiscal Year (Measurement Date)			
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)
CalSTRS				
District's proportion of the net pension liability	0.313%	0.316%	0.314%	0.303%
District's proportionate share of the net pension liability	\$ 142,361,599	\$ 306,292,580	\$ 283,082,179	\$ 278,019,582
State's proportionate share of the net pension liability associated with the District	71,632,327	157,892,584	154,441,475	159,766,527
Total	\$ 213,993,926	\$ 464,185,164	\$ 437,523,654	\$ 437,786,109
District's covered - employee payroll	\$ 177,803,356	\$ 164,641,837	\$ 167,779,392	\$ 159,303,597
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	80%	186%	169%	175%
Plan fiduciary net position as a percentage of the total pension liability	87%	72%	73%	71%
	Reporting Fiscal Year (Measurement Date)			
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)
CalPERS				
District's proportion of the net pension liability	0.442%	0.438%	0.438%	0.432%
District's proportionate share of the net pension liability	\$ 89,957,412	\$ 134,476,671	\$ 127,672,006	\$ 115,117,610
District's covered - employee payroll	\$ 71,177,357	\$ 71,795,051	\$ 68,920,164	\$ 57,567,208
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	126%	187%	185%	200%
Plan fiduciary net position as a percentage of the total pension liability	81%	70%	70%	71%

*Note: In the future, as data becomes available, ten years of information will be presented.*

**POWAY UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**JUNE 30, 2022**

	Reporting Fiscal Year (Measurement Date)			
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
CalSTRS				
District's proportion of the net pension liability	0.301%	0.313%	0.314%	0.299%
District's proportionate share of the net pension liability	\$ 278,284,160	\$ 252,994,325	\$ 211,162,566	\$ 174,933,388
State's proportionate share of the net pension liability associated with the District	165,255,531	143,483,254	119,701,915	116,756,782
Total	\$ 443,539,691	\$ 396,477,579	\$ 330,864,481	\$ 291,690,170
District's covered - employee payroll	\$ 159,101,733	\$ 155,408,900	\$ 144,944,189	\$ 132,646,206
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	175%	163%	146%	132%
Plan fiduciary net position as a percentage of the total pension liability	69%	70%	74%	77%
	Reporting Fiscal Year (Measurement Date)			
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
CalPERS				
District's proportion of the net pension liability	0.444%	0.459%	0.467%	0.463%
District's proportionate share of the net pension liability	\$ 105,938,179	\$ 90,572,762	\$ 68,858,624	\$ 52,524,824
District's covered - employee payroll	\$ 56,995,845	\$ 55,534,304	\$ 51,950,329	\$ 48,647,990
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	186%	163%	133%	108%
Plan fiduciary net position as a percentage of the total pension liability	72%	74%	79%	83%

*Note: In the future, as data becomes available, ten years of information will be presented.*

**POWAY UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF CONTRIBUTIONS - PENSIONS**  
**JUNE 30, 2022**

CalSTRS	Reporting Fiscal Year			
	2022	2021	2020	2019
Statutorily required contribution	\$ 32,011,894	\$ 28,715,242	\$ 29,849,565	\$ 27,314,485
District's contributions in relation to the statutorily required contribution	32,011,894	28,715,242	29,849,565	27,314,485
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 189,195,591	\$ 177,803,356	\$ 164,641,837	\$ 167,779,392
District's contributions as a percentage of covered-employee payroll	16.92%	16.15%	18.13%	16.28%
CalPERS	Reporting Fiscal Year			
	2022	2021	2020	2019
Statutorily required contribution	\$ 16,817,206	\$ 14,733,713	\$ 14,158,702	\$ 12,448,360
District's contributions in relation to the statutorily required contribution	16,817,206	14,733,713	14,158,702	12,448,360
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 73,405,526	\$ 71,177,357	\$ 71,795,051	\$ 68,920,164
District's contributions as a percentage of covered-employee payroll	22.91%	20.70%	19.72%	18.06%

*Note: In the future, as data becomes available, ten years of information will be presented.*

**POWAY UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF CONTRIBUTIONS - PENSIONS**  
**JUNE 30, 2022**

CalSTRS	Reporting Fiscal Year			
	2018	2017	2016	2015
Statutorily required contribution	\$ 23,181,713	\$ 20,014,998	\$ 16,675,375	\$ 12,871,044
District's contributions in relation to the statutorily required contribution	23,181,713	20,014,998	16,675,375	12,871,044
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 160,649,432	\$ 159,101,733	\$ 155,408,900	\$ 144,944,189
District's contributions as a percentage of covered-employee payroll	14.43%	12.58%	10.73%	8.88%
CalPERS	Reporting Fiscal Year			
	2018	2017	2016	2015
Statutorily required contribution	\$ 8,940,763	\$ 7,915,583	\$ 6,579,149	\$ 6,115,073
District's contributions in relation to the statutorily required contribution	8,940,763	7,915,583	6,579,149	6,115,073
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 57,567,208	\$ 56,995,845	\$ 55,534,304	\$ 51,950,329
District's contributions as a percentage of covered-employee payroll	15.53%	13.89%	11.85%	11.77%

*Note: In the future, as data becomes available, ten years of information will be presented.*

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2022**

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**NOTE 1 – PURPOSE OF SCHEDULES**

**Budgetary Comparison Schedule**

This schedule is required by GASB Statement No. 34 as required supplementary information (RSI) for the General Fund and for each major special revenue fund that has a legally adopted annual budget. The budgetary comparison schedule presents both (a) the original and (b) the final appropriated budgets for the reporting period as well as (c) actual inflows, outflows, and balances, stated on the District's budgetary basis. A separate column to report the variance between the final budget and actual amounts is also presented, although not required.

**Schedule of Changes in the Net OPEB Liability and Related Ratios**

This 10-year schedule is required by GASB Statement No. 75 for all sole and agent employers that provide other postemployment benefits (OPEB). Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 75 was applicable. The schedule presents the sources of change in the total OPEB liability, and the components of the total OPEB liability and related ratios, including the total OPEB liability as a percentage of covered-employee payroll.

**Changes in Benefit Terms**

There were no changes in benefit terms since the previous valuations for other postemployment benefits.

**Changes in Assumptions**

The discount rate as of the June 30, 2021 measurement date was 2.45%, while the discount rate as of the June 30, 2022 measurement date was 3.76%.

**Schedule of Contributions – OPEB**

This schedule presents information on the District's actuarially determined contribution, contributions in relation to the actuarially determined contribution, and any excess or deficiency related to the actuarially determined contribution. In the future, as data becomes available, ten years of information will be presented.

**Schedule of the Proportionate Share of the Net Pension Liability**

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 68 was applicable. The schedule presents the District's proportion (percentage) of the collective net pension liability, the District's proportionate share (amount) of the collective net pension liability, the District's covered payroll, the District's proportionate share (amount) of the collective net pension liability as a percentage of the employer's covered payroll, and the pension plan's fiduciary net position as a percentage of the total pension liability.

**Changes in Benefit Terms**

There were no changes in benefit terms since the previous valuations for CalSTRS and CalPERS.

**Changes in Assumptions**

There were no changes in economic assumptions since the previous valuations for CalSTRS and CalPERS.

**POWAY UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2022**

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**NOTE 1 – PURPOSE OF SCHEDULES, continued**

**Schedule of Contributions – Pensions**

This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution. In the future, as data becomes available, ten years of information will be presented.

**NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

For the year ended June 30, 2022, the District incurred an excess of expenditures over appropriations in individual major funds presented in the Budgetary Comparison Schedule by major object code as follows:

	<b>Expenditures and Other Uses</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Excess</b>
General Fund			
Certificated salaries	\$ 193,688,139	\$ 194,117,103	\$ 428,964
Other outgo			
Transfers of indirect costs	(161,234)	(657,570)	(548,544)



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## **SUPPLEMENTARY INFORMATION**

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**POWAY UNIFIED SCHOOL DISTRICT**  
**LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE**  
**JUNE 30, 2022**

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The Poway Unified School District (the "District") was established in 1962, and encompasses approximately 100 square miles of the central portion of San Diego County, California (the "County"), and serves the City of Poway, a portion of the City of San Diego, as well as the communities of 4S Ranch, Black Mountain Ranch, Carmel Mountain Ranch, Del Sur, Rancho Bernardo, Rancho Peñasquitos, Sabre Springs, Santa Fe Valley, Santaluz and Torrey Highlands. The District currently operates 25 elementary schools, 6 middle schools, 1 K-8 school, 5 high schools, 1 continuation high school, and 1 adult school. During 2021-22, there were no changes in the District's boundaries.

GOVERNING BOARD		
Name	Office	Term Expires
T.J. Zane	President	December 2022
Dr. Darshana Patel	Vice President	December 2022
Michelle O'Connor-Ratcliff	Clerk	December 2024
Dr. Cindy Sytsma	Member	December 2024
Ginger Couvrette	Member	December 2022

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ADMINISTRATION

Marian Kim Phelps, Ed.D.  
*Superintendent*

Jennifer Burks, Ed.D.  
*Associate Superintendent  
 Technology & Innovation*

James Jimenez  
*Associate Superintendent  
 Personnel Support Services*

Ronald D. Little II  
*Associate Superintendent  
 Business Support Services*

Greg Mizel  
*Associate Superintendent  
 Student Support Services*

Carol Osborne  
*Associate Superintendent  
 Learning Support Services*

**POWAY UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

Federal Grantor/Pass-Through Grantor/Program or Cluster	CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
<b>U.S. Department of Agriculture:</b>				
<i>Passed Through State Department of Education:</i>				
Child Nutrition Cluster:				
School Breakfast Program	10.553	13525	\$ 5,237,392	\$ -
National School Lunch Program	10.555	13396	7,765,518	-
Subtotal Child Nutrition Cluster			13,002,910	-
<b>Total U.S. Department of Agriculture</b>			13,002,910	-
<b>U.S. Department of Education:</b>				
<i>Direct Program:</i>				
Impact Aid - P.L. 81.174	84.041	*	16,497	-
<i>Passed Through State Department of Education:</i>				
Special Education Cluster (IDEA):				
IDEA Local Assistance - Private Schools	84.027	10115	138,300	138,300
IDEA Alternate Dispute Resolution	84.027	13007	98,745	-
IDEA Basic Local Assistance	84.027	13379	5,909,305	-
IDEA Mental Health	84.027A	15197	492,000	-
IDEA Quality Assurance & Focused Monitoring	84.027A	13693	15,913	-
IDEA Preschool Grants	84.173	13430	202,305	-
Subtotal Special Education Cluster (IDEA)			6,856,568	138,300
Education for Homeless Children & Youth	84.196	14332	54,247	-
Adult Education: Adult Basic Education & ELA	84.002	14508	115,881	-
Adult Education: Secondary Education	84.002	13978	51,470	-
Adult Education: English Literacy & Civics Education	84.002	14750	35,224	-
Title I Part A	84.010	14329	1,753,875	-
ESSA: School Improvement Funding for LEAs	84.010	15438	235,219	-
Carl D Perkins Career & Technical Education	84.048	14894	141,030	-
Workability II	84.126	10006	234,247	-
IDEA Early Intervention Grant	84.181	23761	117,525	-
Title III, Immigrant Student Program	84.365	15146	67,691	-
Title III, English Learner Student Program	84.365	14346	454,292	-
Title II, Part A, Supporting Effective Instruction	84.367	14341	611,869	-
Title IV Student Support & Academic Enrichment	84.424	15396	28,843	-
<i>COVID-19 - Education Stabilization Fund:</i>				
COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	15536	281,685	-
COVID-19 Elementary and Secondary School Emergency Relief (ESSER II) Fund	84.425D	15547	4,228,727	-
COVID-19 Governor's Emergency Education Relief (GEER) Fund: Learning Loss Mitigation	84.425C	15517	1,343,556	-
COVID-19 Expanded Learning Opportunities Grant (ESSER II) Fund: State Reserve	84.425D	15618	3,402,534	-
COVID-19 Expanded Learning Opportunities Grant (GEER II) Fund	84.425C	15619	780,912	-
COVID-19 Expanded Learning Opportunities Grant (ESSER III) Fund: State Reserve, Emergency Needs	84.425U	15620	2,218,057	-
COVID-19 Expanded Learning Opportunities Grant (ESSER III) Fund: State Reserve, Learning Loss	84.425U	15621	3,823,548	-
COVID-19 American Rescue Plan-Homeless Children and Youth (ARP-HCY) Program	84.425U	15564	12,515	-
Covid-19 American Rescue Plan - Homeless Children and Youth II (ARP HYC II)	84.425U	15566	22,331	-
Subtotal COVID-19 - Education Stabilization Fund			16,113,865	-
<b>Total U.S. Department of Education</b>			26,888,343	138,300
<b>U.S. Department of Treasury:</b>				
Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act- One-time Stipend	93.575	15555	52,857	-
			24,628	-
<b>Total U.S. Department of Treasury</b>			52,857	-
<b>Total Federal Expenditures</b>			\$ 39,944,110	\$ 138,300

\*Pass-Through Entity Identifying Number not available or not applicable

**POWAY UNIFIED SCHOOL DISTRICT  
SCHEDULE OF AVERAGE DAILY ATTENDANCE  
FOR THE YEAR ENDED JUNE 30, 2022**

	<b>Second Period Report</b>	<b>Annual Report</b>
	Certification No. (A140E21)	Certification No. (44774DB9)
Regular ADA		
Transitional Kindergarten through third	9,842.93	9,833.40
Fourth through Sixth	7,352.30	7,338.63
Seventh and Eighth	5,018.63	5,003.74
Ninth through twelfth	10,926.01	10,850.24
Total Regular ADA	33,139.87	33,026.01
Extended Year Special Education		
Transitional Kindergarten through third	20.05	20.05
Fourth through Sixth	11.31	11.31
Seventh and Eighth	5.39	5.39
Ninth through twelfth	11.17	11.17
Total Extended Year Special Education	47.92	47.92
Special Education, Nonpublic, Nonsectarian Schools		
Transitional Kindergarten through third	1.56	1.95
Fourth through Sixth	8.74	8.82
Seventh and Eighth	14.91	15.61
Ninth through twelfth	35.44	35.53
Total Special Education, Nonpublic, Nonsectarian Schools	60.65	61.91
Extended Year Special Education - Nonpublic		
Transitional Kindergarten through third	0.17	0.17
Fourth through Sixth	1.82	1.82
Seventh and Eighth	0.90	0.90
Ninth through twelfth	6.09	6.09
Total Extended Year Special Education - Nonpublic	8.98	8.98
ADA Totals	33,257.42	33,144.82

**POWAY UNIFIED SCHOOL DISTRICT  
SCHEDULE OF INSTRUCTIONAL TIME  
FOR THE YEAR ENDED JUNE 30, 2022**

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Grade Level	Minutes Requirement	2021-22 Actual Minutes	Number of Days		Status
			Traditional Calendar	Multitrack Calendar	
Kindergarten	36,000	50,350	180	N/A	Complied
Grade 1	50,400	51,640	180	N/A	Complied
Grade 2	50,400	51,640	180	N/A	Complied
Grade 3	50,400	51,640	180	N/A	Complied
Grade 4	54,000	54,020	180	N/A	Complied
Grade 5	54,000	54,020	180	N/A	Complied
Grade 6	54,000	59,586	180	N/A	Complied
Grade 7	54,000	59,586	180	N/A	Complied
Grade 8	54,000	59,586	180	N/A	Complied
Grade 9	64,800	64,800	180	N/A	Complied
Grade 10	64,800	64,800	180	N/A	Complied
Grade 11	64,800	64,800	180	N/A	Complied
Grade 12	64,800	64,800	180	N/A	Complied

**POWAY UNIFIED SCHOOL DISTRICT  
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL  
STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

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	<b>General Fund</b>	<b>Special Reserve Fund for Other Than Capital Outlay Projects</b>	<b>Child Care Enterprise Fund</b>	<b>Special Reserve For Capital Outlay Projects Fund</b>
June 30, 2022 annual financial and budget report fund balance	\$ 87,166,944	\$ 1,594,393	\$ (12,662,328)	\$ 20,377,271
Adjustments and reclassifications				
Increase (decrease) in total fund balance				
Fund balance transfer (GASB 54)	1,594,393	(1,594,393)	-	-
Allocation of net pension liability	-	-	1,547,888	-
Allocation of net OPEB liability	-	-	(4,158)	-
Audit adjustmet to accounts payable	-	-	-	(880,959)
Net adjustments and reclassifications	1,594,393	(1,594,393)	1,543,730	(880,959)
June 30, 2022 audited financial statements fund balance	<u>\$ 88,761,337</u>	<u>\$ -</u>	<u>\$ (11,118,598)</u>	<u>\$ 19,496,312</u>

**POWAY UNIFIED SCHOOL DISTRICT  
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2022**

	2023 (Budget)	2022	2021	2020
General Fund - Budgetary Basis**				
Revenues and Other Financing Sources	\$ 480,408,788	\$ 472,019,926	\$ 435,981,239	\$ 406,875,192
Expenditures and Other Financing Uses	482,218,594	457,419,666	417,166,097	413,189,713
Net Change in Fund Balance	(1,809,806)	14,600,260	18,815,142	(6,314,521)
Ending Fund Balance	\$ 85,357,141	\$ 87,166,947	\$ 72,566,687	\$ 53,751,545
Available Reserves*	\$ 30,867,184	\$ 31,624,953	\$ 24,132,910	\$ 44,473,690
Available Reserves as a Percentage of Outgo	6.4%	6.9%	5.8%	10.8%
Long-term Debt	\$ 1,376,053,898	\$ 1,376,053,898	\$ 1,584,987,157	\$ 1,571,630,138
Average Daily Attendance at P-2	33,716	33,257	35,361	35,361

The General Fund balance has increased by \$33,415,402 over the past two years. The fiscal year 2022-23 budget projects a decrease of \$1,809,806. For a District this size, the State recommends available reserves of at least 2% of General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating deficit in two of the past three years and anticipates incurring an operating deficit during the 2022-23 fiscal year. Total long-term obligations related to governmental activities have decreased by \$195,576,240 over the past two years.

Average daily attendance has decreased by 2,104 ADA over the past two years. ADA is projected to increase by 461 ADA during the 2022-23 fiscal year.

\* Available reserves consist of all unassigned fund balance within the General Fund and the Special Reserve Fund for other than Capital Outlay Projects.

\*\* The actual amounts reported in this schedule are for the General Fund only, and do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances because the amounts on that schedule include the financial activity of the Special Reserve Fund for other than Capital Outlay Projects, in accordance with the fund type definitions promulgated by GASB Statement No. 54.

**POWAY UNIFIED SCHOOL DISTRICT  
SCHEDULE OF CHARTER SCHOOLS  
FOR THE YEAR ENDED JUNE 30, 2022**

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No charter schools are chartered by Poway Unified School District.

<b>Charter School</b>	<b>Number</b>	<b>Status</b>	<b>Included in Audit Report</b>
None	N/A	N/A	N/A



**POWAY UNIFIED SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2022**

	Student Activity Special Revenue Fund	Adult Education Fund	Child Development Fund	Cafeteria Special Revenue Fund	Deferred Maintenance Fund	Capital Facilities Fund	Bond Interest and Redemption Fund	Debt Service for Blended Component Units Fund	Total Non-Major Governmental Funds
<b>ASSETS</b>									
Cash and cash equivalents	\$ 1,862,275	\$ 322,652	\$ 192,660	\$ 6,330,441	\$ 402,080	\$ 9,266,651	\$ 24,018,611	\$ -	\$ 42,395,370
Accounts receivable	-	133,473	82,927	2,868,284	930	18,754	-	-	3,104,368
Due from other funds	-	287,465	276	285,463	1,000,000	-	-	-	1,573,204
Stores inventory	-	-	-	532,513	-	-	-	-	532,513
<b>Total Assets</b>	<b>\$ 1,862,275</b>	<b>\$ 743,590</b>	<b>\$ 275,863</b>	<b>\$ 10,016,701</b>	<b>\$ 1,403,010</b>	<b>\$ 9,285,405</b>	<b>\$ 24,018,611</b>	<b>\$ -</b>	<b>\$ 47,605,455</b>
<b>LIABILITIES</b>									
Accounts Payable	\$ -	\$ 134,317	\$ 27,523	\$ 110,455	\$ -	\$ 108,708	\$ -	\$ -	\$ 381,003
Due to grantor governments	177,218	162,459	74,737	435,641	-	102,939	-	-	952,994
Uearned revenue	-	-	-	683,619	-	-	-	-	683,619
<b>Total Liabilities</b>	<b>177,218</b>	<b>296,776</b>	<b>102,260</b>	<b>1,229,715</b>	<b>-</b>	<b>211,647</b>	<b>-</b>	<b>-</b>	<b>2,017,616</b>
<b>FUND BALANCES</b>									
Nonspendable	-	-	-	533,613	-	-	-	-	533,613
Restricted									
Educational Programs	-	220,026	173,603	-	-	-	-	-	393,629
Debt service	-	-	-	-	-	-	24,018,611	-	24,018,611
Capital projects	-	-	-	-	-	9,073,758	-	-	9,073,758
Child nutrition	-	-	-	8,253,373	-	-	-	-	8,253,373
Student activity funds	1,685,057	-	-	-	-	-	-	-	1,685,057
Committed	-	226,788	-	-	1,403,010	-	-	-	1,629,798
<b>Total Fund Balances</b>	<b>1,685,057</b>	<b>446,814</b>	<b>173,603</b>	<b>8,786,986</b>	<b>1,403,010</b>	<b>9,073,758</b>	<b>24,018,611</b>	<b>-</b>	<b>45,587,839</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,862,275</b>	<b>\$ 743,590</b>	<b>\$ 275,863</b>	<b>\$ 10,016,701</b>	<b>\$ 1,403,010</b>	<b>\$ 9,285,405</b>	<b>\$ 24,018,611</b>	<b>\$ -</b>	<b>\$ 47,605,455</b>

See accompanying notes to the supplementary information.

**POWAY UNIFIED SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Student Activity Special Revenue Fund	Adult Education Fund	Child Development Fund	Cafeteria Special Revenue Fund	Deferred Maintenance Fund	Capital Facilities Fund	Bond Interest and Redemption Fund	Debt Service for Blended Component Units Fund	Total Non-Major Governmental Funds
<b>REVENUES</b>									
LCFF sources	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,000,000
Federal sources	-	202,575	100,200	17,466,394	-	-	-	-	17,769,169
Other state sources	-	1,869,867	916,421	1,161,476	-	-	135,890	-	4,083,654
Other local sources	3,923,757	832,610	53,158	1,253,222	(6,054)	3,247,949	23,220,255	-	32,524,897
<b>Total Revenues</b>	3,923,757	2,905,052	1,069,779	19,881,092	993,946	3,247,949	23,356,145	-	55,377,720
<b>EXPENDITURES</b>									
Current									
Instruction	-	1,329,575	836,636	-	-	-	-	-	2,166,211
Instruction-related services									
Instructional supervision and administration	-	1,358,731	160,524	-	-	-	-	-	1,519,255
Pupil services									
Food services	-	-	-	12,514,377	-	-	-	-	12,514,377
All other pupil services	-	143,227	-	-	-	-	-	-	143,227
General administration									
All other general administration	-	129,704	50,971	367,869	-	-	-	-	548,544
Plant services	-	4,600	-	96,750	845,245	332,275	-	-	1,278,870
Facilities acquisition and maintenance	-	-	-	-	225,421	1,006,114	-	-	1,231,535
Ancillary services	3,769,358	-	-	-	-	-	-	-	3,769,358
Debt service									
Principal	-	-	5,074	-	-	27,648	11,616,412	18,140,000	29,789,134
Interest and other	-	-	-	-	-	-	8,659,847	20,448,397	29,108,244
<b>Total Expenditures</b>	3,769,358	2,965,837	1,053,205	12,978,996	1,070,666	1,366,037	20,276,259	38,588,397	82,068,755
<b>Excess (Deficiency) of Revenues</b>									
<b>Over Expenditures</b>	154,399	(60,785)	16,574	6,902,096	(76,720)	1,881,912	3,079,886	(38,588,397)	(26,691,035)
<b>Other Financing Sources (Uses)</b>									
Transfers in	-	86,400	-	19,132	-	-	-	38,588,397	38,693,929
Other sources	-	-	-	-	-	-	-	58,847,144	58,847,144
Transfers out	-	(9,297)	(3,624)	(23,914)	-	(102,939)	-	-	(139,774)
Other Uses	-	-	-	-	-	-	-	(58,847,144)	(58,847,144)
<b>Net Financing Sources (Uses)</b>	-	77,103	(3,624)	(4,782)	-	(102,939)	-	38,588,397	38,554,155
<b>NET CHANGE IN FUND BALANCE</b>	154,399	16,318	12,950	6,897,314	(76,720)	1,778,973	3,079,886	-	11,863,120
<b>Fund Balance - Beginning</b>	1,530,658	430,496	160,653	1,889,672	1,479,730	7,294,785	20,938,725	-	33,724,719
<b>Fund Balance - Ending</b>	\$ 1,685,057	\$ 446,814	\$ 173,603	\$ 8,786,986	\$ 1,403,010	\$ 9,073,758	\$ 24,018,611	\$ -	\$ 45,587,839

See accompanying notes to the supplementary information.

**POWAY UNIFIED SCHOOL DISTRICT  
NOTES TO THE SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 1 – PURPOSE OF SCHEDULES**

**Local Education Agency Organization Structure**

This schedule provides information about the District's boundaries and schools operated, members of the governing board, and members of the administration.

**Schedule of Expenditures of Federal Awards**

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

The District has not elected to use the 10 percent de minimis indirect cost rate.

**Schedule of Instructional Time**

This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of Education Code Sections 46200 through 46208. During the year ended June 30, 2022, the District participated in the Longer Day incentive funding program. As of June 30, 2022, the District had met its target funding.

**Schedule of Financial Trends and Analysis**

This schedule discloses the District's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the District's ability to continue as a going concern for a reasonable period of time.

**Reconciliation of Annual Financial and Budget Report with Audited Financial Statements**

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Annual Financial and Budget Report Unaudited Actuals to the audited financial statements.

**Schedule of Charter Schools**

This schedule lists all Charter Schools chartered by the District and displays information for each Charter School on whether or not the Charter School is included in the District audit.

**Combining Statements – Non-Major Funds**

These statements provide information on the District's non-major funds.

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## **OTHER INDEPENDENT AUDITORS' REPORTS**

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Trustees  
Poway Unified School District  
San Diego, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Poway Unified School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Poway Unified School District's basic financial statements, and have issued our report thereon dated November 3, 2022.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Poway Unified School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Poway Unified School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Poway Unified School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Poway Unified School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

San Diego, California  
November 3, 2022

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; AND  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Trustees  
Poway Unified School District  
San Diego, California

**Report on Compliance for Each Major Federal Program**

**Opinion on Each Major Federal Program**

We have audited Poway Unified School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Poway Unified School District's major federal programs for the year ended June 30, 2022. Poway Unified School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Poway Unified School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

**Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Poway Unified School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Poway Unified School District's compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Poway Unified School District's federal programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Poway Unified School District's compliance based on our audit

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate it would influence the judgment made by a reasonable user of the report on compliance about Poway Unified School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Poway Unified School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Poway Unified School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Poway Unified School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.



Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

San Diego, California  
November 3, 2022

## INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Trustees  
Poway Unified School District  
San Diego, California

### **Report on State Compliance**

#### **Opinion on State Compliance**

We have audited Poway Unified School District's compliance with the types of compliance requirements described in the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, California Code of Regulations, section 19810, that could have a direct and material effect on each of Poway Unified School District's state programs for the fiscal year ended June 30, 2022, as identified below.

In our opinion, Poway Unified School District complied, in all material respects, with the types of compliance requirements referred to above that are applicable to the state programs noted in the table below for the year ended June 30, 2022

#### **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

#### **Auditors' Responsibilities for the Audit of Compliance**

Our responsibility is to express an opinion on compliance for each of Poway Unified School District's state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, California Code of Regulations, section 19810. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the state programs noted below occurred. An audit includes examining, on a test basis, evidence about Poway Unified School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with the requirements referred to above. However, our audit does not provide a legal determination of Poway Unified School District's compliance with those requirements.

**Other Matters**

The results of our auditing procedures disclosed an instances of noncompliance with the statutory requirements for programs noted above, which is required to be reported in accordance with the State's audit guide, *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting prescribed in Title 5, California Code of Regulations*, Section 19810 and which is described in the accompanying Schedule of Findings and Questioned Costs as item #2022-001.

**Poway Unified School District's Response to Findings**

Poway Unified School District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Poway Unified School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Procedures Performed**

In connection with the audit referred to above, we selected and tested transactions and records to determine Poway Unified School District's compliance with the state laws and regulations applicable to the following items:

<b>PROGRAM NAME</b>	<b>PROCEDURES PERFORMED</b>
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	Yes
Continuation Education	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratios of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not applicable
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Not applicable
Middle or Early College High Schools	Not applicable
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	Not applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not applicable
California Clean Energy Jobs Act	Yes
After/Before School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes

<b>PROGRAM NAME</b>	<b>PROCEDURES PERFORMED</b>
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not applicable
Immunizations	Not applicable
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Yes
In Person Instruction Grant	Yes
Charter Schools:	
Attendance	Not applicable
Mode of Instruction	Not applicable
Nonclassroom-Based Instruction/Independent Study	Not applicable
Determination of Funding for Nonclassroom-Based Instruction	Not applicable
Annual Instructional Minutes - Classroom Based	Not applicable
Charter School Facility Grant Program	Not applicable

The term Not Applicable is used above to mean either the District did not offer the program during the current fiscal year or the program applies to a different type of local education agency.

San Diego, California  
November 3, 2022

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## **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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**POWAY UNIFIED SCHOOL DISTRICT  
SUMMARY OF AUDITORS' RESULTS  
FOR THE YEAR ENDED JUNE 30, 2022**

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**FINANCIAL STATEMENTS**

Type of auditors' report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Non-compliance material to financial statements noted?	<u>No</u>

**FEDERAL AWARDS**

Internal control over major program:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Type of auditors' report issued:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)?	<u>No</u>
Identification of major programs:	

<u>CFDA Number(s)</u>	<u>Name of Federal Program of Cluster</u>
<u>84.425C, 84.425D, 84.425U</u>	<u>COVID-19 Funds</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 1,198,323</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

**STATE AWARDS**

Type of auditors' report issued on compliance for state programs:	<u>Unmodified</u>
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**POWAY UNIFIED SCHOOL DISTRICT  
FINANCIAL STATEMENT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2022**

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<b>FIVE DIGIT CODE</b>	<b>AB3627 FINDING TYPES</b>
20000	Inventory of Equipment
30000	Internal Control
60000	Miscellaneous

***There were no financial statement findings for the year ended June 30, 2022.***

**POWAY UNIFIED SCHOOL DISTRICT  
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2022**

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**FIVE DIGIT CODE**

50000

**AB3627 FINDING TYPES**

Federal Compliance

*There were no federal award findings or questioned costs for the year ended June 30, 2022.*



**POWAY UNIFIED SCHOOL DISTRICT  
STATE AWARD FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2022**

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<b>FIVE DIGIT CODE</b>	<b>AB3627 FINDING TYPES</b>
10000	Attendance
40000	State Compliance
42000	Charter School Facilities Program
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Missassignments
72000	School Accountability Report Card

**FINDING #2022-001 – ATTENDANCE REPORTING (10000) (40000)**

**Criteria or Specific Requirement**

Education Code Section 46000 requires that attendance in all schools and classes be recorded and kept according to regulations prescribed by the State Board of Education. Education Code Section 44809 and the California Code of Regulations, Title 5, Section 401 require that the California Department of Education approve forms and procedures that constitute a District's attendance accounting system. Poway Unified School District has an approved attendance system in place which requires teachers to take attendance daily in each period they have students.

**Condition**

At two elementary schools and the continuation school, there were six instances in which there were no manual rosters obtained if the teacher missed their attendance submission. However, the system reports in the attendance software provided details on individual student attendance within the teachers roster module.

Additionally, for period attendance at the middle and high schools, the attendance offices send out daily reminders for all teachers to submit their attendance. For attendance not submitted, there was not follow-up happening to ensure a manual roster was obtained if the teacher missed their attendance submission.

**Cause**

Some school sites are not following district established processes and obtaining manual rosters if a teacher is unable to take attendance in the online attendance system.

**Effect**

The District is at risk of misstating attendance and would have difficulty detecting and correcting an error without teacher attendance to support the correction.

**Context**

We tested five elementary schools, two middle schools, two high schools and the continuation school and noted the condition existed at two of the elementary schools and at all the middle, high and continuation schools.

**Questioned Costs**

None noted.

**POWAY UNIFIED SCHOOL DISTRICT  
STATE AWARD FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2022**

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**FINDING #2022-001 – ATTENDANCE REPORTING (10000) (40000), continued**

**Recommendation**

Establish monitoring procedures to ensure that all teachers at all school sites are taking attendance daily. Establish enforcement processes, including evaluation of teachers and principals, based on meeting the requirement of taking attendance daily.

**Corrective Action Plan**

In response to the 2021-22 Attendance Audit Findings, the following action plan will be taken to address the concern of teachers not taking attendance daily:

- A memo will be sent to all PUSD regarding Education Code Section 46000 requirements that attendance in all schools and classes be recorded and kept according to regulations prescribed by the State Board of Education. The memo will be from Associate Superintendents of Learning Support Services and will also be shared with our Bargaining Unit leaders.
- A review of established processes and procedures will be provided to include monitoring systems, attendance taking procedures when a teacher is absent, as well as enforcement processes related to professional responsibilities and evaluation of these responsibilities.
- Finance Department will continue to monitor and provide Learning Support Services Executive Directors monthly attendance reports showing teachers not taking attendance.
- Learning Support Services Executive Directors will review the monthly attendance reports and follow-up during principal coaching sessions to address identified issues that require correction.
- The District will conduct trainings relaying attendance reporting responsibilities to staff.
- Finance staff will visit each school site to review attendance monitoring procedures, assisting schools in setting forth internal checkpoints related to teachers taking attendance; written recommendations will be provided to attendance staff and administrators at the conclusion of each visit.

**POWAY UNIFIED SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2022**

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**FINDING #2021-001 – ATTENDANCE REPORTING (10000) (40000)**

**Criteria**

Auditors are required to verify compliance pursuant to Education Code Sections 43500-43504. For Districts that offered distance learning during 2020-21, each pupil's attendance should be documented with records over weekly engagement as well as daily participation. Districts may meet the daily participation verification requirement from the weekly engagement record by indicating how participation was verified.

**Condition**

From our testing of student days of attendance across ten (10) school sites, we noted the following:

- Auditor noted there were forty-seven (47) instances where students did not have a completed weekly engagement record on file. All but one instance involved five (5) student days of attendance.
- The breakdown of the days of overstated attendance by grade span is as follows:
  - Grades K-3 – 90 overstated days of attendance
  - Grades 4-6 – 36 overstated days of attendance
  - Grades 9-12 – 105 overstated days of attendance

**Effect**

The effect of the finding is an overstatement average daily attendance (ADA).

**Cause**

Improper controls related to review of completed weekly engagement records.

**Fiscal Impact**

Based on the two hundred and thirty one (231) days of attendance determined to be out of compliance divided by one hundred and eighty (180) days of instruction required to be offered, multiplied by the derived value of ADA by grade span, we arrive at a fiscal impact of 1.28 ADA valued at \$11,398.77.

**POWAY UNIFIED SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2022**

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**FINDING #2021-001 – ATTENDANCE REPORTING (10000) (40000), continued**

**Recommendation**

We recommend that the District implement controls to ensure that all students have completed weekly engagement records on file.

**District's Response**

The requirements for Weekly Engagement Logs were announced for the 2020-21 school year at the end of August 2020. Poway Unified along with school districts across the country were working to reopen schools during the COVID Pandemic. Poway Unified School District (PUSD) postponed the opening of school to September 2, 2020. Guidelines for Attendance Reporting were sent to all PUSD teachers on September 1, 2020 with an interim process in place for confirming instructional minutes and maintaining assignments for learning (weekly engagement) in PUSD's Learning Management System, Canvas.

During the school year, communication was shared with site principals regarding changes to the attendance taking process using Synergy to verify Instructional Minutes and the process for maintaining Weekly Engagement records via Canvas.

Following the initial Audit Finding 2021-001, Poway's IT Department created a program to search assignment logs for students in Canvas due to the fact that the Learning Management System was not utilized during the audit. Several assignments were identified and verified.

**Corrective Action**

Each year, Learning Support Services (LSS) and Attendance and Discipline review the processes for attendance record keeping. The following actions have occurred during the 2021-22 school year.

- LSS Associate Superintendent and Executive Directors responsible for supervision of schools met with Finance to review procedures for monitoring attendance records and communication with school sites.
- Executive Directors are receiving monthly reports for each of their schools and reviewing with principals. Corrections are being made within the month for missing attendance by individual teachers.
- Director of Attendance has met with all Attendance Clerks to review reports and expectations for daily reporting.
- Attendance Clerks are expected to provide a phone call to teachers during the day if they have not completed attendance. Attendance Clerks are expected to provide a weekly report to principals of missing attendance so principals can follow up with teachers and ensure substitute hard copy attendance records are maintained.
- Communication has been provided to all teachers regarding maintaining assignments in Canvas and providing electronic assignments to students.

During the 2021-22 Audit, PUSD will make tech support available to the Audit team to ensure access to Canvas to review assignment logs for students.

**Current Status:**

See finding #2022-1.

# Exhibit B

## Rate and Method of Apportionments

# **FIRST AMENDED RATE AND METHOD OF APPORTIONMENT FOR COMMUNITY FACILITIES DISTRICT NO. 4 OF THE POWAY UNIFIED SCHOOL DISTRICT**

The following sets forth the First Amended Rate and Method of Apportionment for the levy and collection of Special Taxes of Poway Unified School District ("District") Community Facilities District No. 4 ("CFD No. 4"). Special Taxes as herein provided will be levied on and collected in CFD No. 4 each Fiscal Year, in an amount determined through the application of the First Amended Rate and Method of Apportionment described below. All the real property in CFD No. 4, unless exempted by law or by the provisions hereof, will be taxed for the purposes, to the extent, and in the manner herein provided.

## **A. DEFINITIONS**

**"Acreage"** means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final map, parcel map, condominium plan, or other map recorded at the County.

**"Act"** means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the California Government Code.

**"Actual EDU Deficit"** means, for each Final Map Area, the difference between (i) the Actual Final Map Area Quotient and (ii) the Average EDU times the number of Planned Units, provided such result is negative.

**"Actual EDU Surplus"** means, for each Final Map Area, the difference between (i) the Actual Final Map Area Quotient and (ii) the Average EDU times the number of Planned Units, provided such result is positive.

**"Actual Final Map Area Quotient"** means the sum of the Projected Development Block Quotients within a Final Map Area.

**"Administrative Expenses"** means any ordinary and necessary expense incurred by the School District on behalf of CFD No. 4 related to the determination of the amount of the levy of Special Taxes, the collection of Special Taxes including the expenses of collecting delinquencies, the administration of CFD No. 4 including the Bonds, the payment of salaries and benefits of any School District employee whose duties are directly related to the administration of CFD No. 4, and costs otherwise incurred in order to carry out the authorized purposes of CFD No. 4.

**"Affordable Unit"** means any Unit subject to deed restrictions, resale restrictions, and/or regulatory agreements recorded in favor of the City or County providing for affordable housing.

**"Annual Special Tax"** means the Special Tax levied in any Fiscal Year on any Assessor's Parcel pursuant to Section K below.

**"Annual Special Tax Requirement"** means the amount required in any Fiscal Year to pay: (i) the debt service on all outstanding Bonds and other periodic costs on all outstanding Bonds or other obligations of CFD No. 4, (ii) Administrative Expenses of CFD No. 4, (iii) the costs associated with the release of funds from an escrow account, (iv) any amount required to establish or replenish any reserve funds established in association with the Bonds or other obligations of CFD No. 4, (v) lease payments for existing or future Facilities, and (vi) the accumulation of funds reasonably required for future debt service or for the construction, expansion, or rehabilitation of existing or future Facilities, less (vi) any amounts available to pay for debt service and Administrative Expenses pursuant to any bond indenture, fiscal agent, or trust agreement.

**"Assessor's Parcel"** means a lot or parcel of land designated on an Assessor's Parcel Map with an assigned Assessor's Parcel Number within the boundaries of CFD No. 4.

**"Assessor's Parcel Map"** means an official map of the Assessor of the County designating parcels by Assessor's Parcel Number.

**"Assessor's Parcel Number"** means that number assigned to an Assessor's Parcel by the County for purposes of identification.

**"Assigned Annual Special Tax"** means the Special Tax of that name described in Section I below.

**"Assigned Unit"** means any of up to 119 Units assigned to this Special Tax Class in writing to the Assistant Superintendent at the Developer's election at the time the applicable Building Permit is issued, provided that each such Unit is an Affordable Unit and/or a Companion Unit. Under no circumstances may the Developer assign more than 119 Units to this Special Tax Class.

**"Assistant Superintendent"** means the Assistant Superintendent, Business Support Services of the School District, or his designee.

**"Average EDU"** means 1.057.

**"Board"** means the Governing Board of Poway Unified School District or its designee as the legislative body of CFD No. 4.

**"Bonds"** means any obligation to repay a sum of money, including obligations in the form of bonds; notes; loans from government agencies, banks, other financial institutions, private businesses, or individuals; long-term contracts; or any other obligations, including any refunding thereof, which may be incurred by CFD No. 4 or the School District and to which Special Taxes are pledged.

**"Building Permit"** means a permit for the construction of one or more Units. For purposes of this definition, "Building Permit" will not include permits for construction or installation of commercial/industrial structures, parking structures, retaining walls, utility improvements, or other such improvements not intended for human habitation.

**"Building Square Feet" or "BSF"** means the square footage of assessable internal living space of a Unit, exclusive of garages or other structures not used as living space, as determined by reference to the Building Permit for such Unit.

**"Calendar Year"** means the period commencing January 1 of any year and ending the following December 31.

**"Certificate of Improved Status"** means a written certificate provided to the Assistant Superintendent by the Developer attesting to the completion and acceptance of all necessary infrastructure with respect to an Assessor's Parcel on which a Custom Unit is expected to be constructed.

**"CFD No. 4"** means Community Facilities District No. 4 established by the School District under the Act.

**"City"** means the City of San Diego.

**"Companion Unit"** means a Unit that is not a Senior Unit and which is (i) the second Unit for which a Building Permit is issued on an Assessor's Parcel if the Building Permits for the first two (2) Units are issued sequentially, or (ii) the smaller Unit, measured in terms of Building Square Feet, if the Building Permits are issued simultaneously for the first two (2) Units on an Assessor's Parcel. Additional Units after the second Unit on an Assessor's Parcel will not be classified as a Companion Unit, nor will any Unit on an Assessor's Parcel be classified as a Companion Unit if Building Permits are initially issued for more than two (2) Units on such Assessor's Parcel. In either such case described in the immediately preceding sentence, the Units that may not be classified as Companion Units will be classified as Production Units, provided that such Units are not classifiable as Affordable Units, Custom Units, or Senior Units.

**"County"** means the County of San Diego.

**"Custom Unit"** means a Unit identified in writing by the Developer to the Assistant Superintendent at the time a Final Map is recorded as a Unit which is owned or expected to be owned by a party not in the regular course of business of constructing Units or developing property.

**"Developed Property"** means all Assessor's Parcels for which a Building Permit was issued on or before January 1 of the prior Fiscal Year.

**"Developer"** means Santaluz, LLC.

**"Developer's Account"** means the account of that name established and maintained by the Assistant Superintendent which will be credited and debited as described in Section D below.

**"Development Block"** means any geographical region within a Final Map Area identified by the Developer no later than the time of the recordation of the first Final Map within a Final Map Area as sold or intended to be sold to a single purchaser.

**"Development Block Special Tax"** means the Special Tax of that name as described and calculated in Section G.



**"Equivalent Dwelling Unit" or "EDU"** means that number assigned to each Special Tax Class in accordance with Table 1.

**"Excess Affordable Unit"** means any Affordable Unit which is not an Assigned Unit.

**"Excess Companion Unit"** means any Companion Unit which is not an Assigned Unit.

**"Exempt Property"** means all Assessor's Parcels designated as being exempt from Special Taxes in Section O.

**"Facilities"** means those school facilities (including land, equipment, furniture and technology) and other facilities which the School District is authorized by law to construct, own or operate.

**"Final Map"** means (i) that portion of a final tract map, parcel map, lot line adjustment, or functionally equivalent map or instrument that creates individual lots for which Building Permits could be issued or (ii) a condominium plan recorded pursuant to California Civil Code Section 1352 that creates individual lots for which Building Permits could be issued. The term "Final Map" will not include any parcel map or subdivision map or a portion thereof that does not create individual lots for which a Building Permit may be issued. The term "Final Map" will not include an interim final map or parcel map approved pursuant to provisions of law authorizing or permitting subdivision of land subject to restrictions requiring further subdivision before Building Permits may be issued.

**"Final Map Area"** means any of the geographical regions within CFD No. 4 which are shown as Final Map Areas in Exhibit A.

**"Final Map Area Special Tax"** means the Special Tax of that name as described and calculated in Section F.

**"Fiscal Year"** means the period commencing on July 1 of any year and ending the following June 30.

**"Golf Course Property"** means any Assessor's Parcel utilized or expected to be utilized, as determined by the Assistant Superintendent, for golf course purposes, including fairways, greens, driving ranges, tennis facilities, club houses, locker rooms, maintenance facilities, garages, pro shops, restaurants, or banquet facilities.

**"Gross Floor Area" or "GFA"** means the covered and enclosed space determined to be within the perimeter of a commercial/industrial structure, not including any storage areas incidental to the principal use of the development, garage, parking structure, enclosed walkway, or utility or disposal area, as determined by reference to the building permit application for such Assessor's Parcel.

**"Gross Prepayment Amount"** means any of the amounts of that name shown in Table 5 below.

**"Improved Property"** means all Assessor's Parcels for which a Final Map has been recorded and on which one or more Custom Units will be built and for which the

Developer has completed a Certificate of Improved Status, attesting to the completion and acceptance of all necessary infrastructure.

**"Index"** means the Marshall & Swift Western Region Class D Wood Frame Index, or if the Marshall & Swift Western Region Class D Wood Frame Index ceases to be published, a reasonably comparable index determined by the Board to estimate changes in school construction costs, or in the absence of such an index, the Engineering News Record, Construction Cost Index (Los Angeles Area) published by McGraw-Hill, Inc.

**"Inflator"** means the greater of (i) two percent (2.00%) or (ii) the percentage generated from the following equation:

$$(4.00\% \text{ H } 14.13\%) + (\text{I Index} \times 85.87\%)$$

For purposes of this calculation, the change in the Index will be measured between the Index published in December of the prior Calendar Year and the Index published in December of the Calendar Year immediately preceding the prior Calendar Year.

**"Lot"** means an individual legal lot created by a Final Map for which a Building Permit has been or could be issued, provided that land for which one or more Building Permits have been or could be issued for the construction of one or more model Units shall not be construed as a Lot until such land has been subdivided by a Final Map.

**"Maximum Annual Special Tax"** means the maximum Special Tax that can be levied by CFD No. 4 in any Fiscal Year on any Assessor's Parcel as defined in Section E.

**"Minimum Gross Prepayment Amount"** or **"MGPA"** means \$15,100.46 per EDU in Calendar Year 2000. In each Calendar Year thereafter, the MGPA will be increased by the Inflator.

**"Net Prepayment Amount"** means any of the amounts of that name shown in Table 5 below.

**"One-Time Special Tax"** means the single payment Special Tax which will be paid with respect to an Assessor's Parcel prior to a Building Permit being issued by the City or County for such Assessor's Parcel as shown in Table 3 below.

**"Planned Unit"** means any of the Units listed on the development plan from which the Assistant Superintendent calculated the Projected Development Block Quotient for a Development Block.

**"Prepayment Amount"** means the amount required to prepay the Annual Special Tax obligation in full for an Assessor's Parcel, as described in Section L.

**"Production Unit"** means a Unit which is not an Affordable Unit, a Companion Unit, a Custom Unit, or a Senior Unit.

**"Projected Development Block Quotient"** means the sum of the EDUs of the Planned Units within a Development Block.

**"Projected EDU Deficit"** means any of those amounts of that name listed in Table 2 below.

**"Projected EDU Surplus"** means any of those amounts of that name listed in Table 2 below.

**"Projected Final Map Area Quotient"** means any of those amounts of that name listed in Table 2 below.

**"Proportionately"** means that the ratio of the actual Annual Special Tax levy to the applicable Special Tax is equal for all applicable Assessor's Parcels.

**"Running EDU Total"** means, for each Development Block, that number calculated and updated by the Assistant Superintendent pursuant to Section G.

**"Running EDU Total Account"** means the account of that name established and maintained by the Assistant Superintendent which will be credited and debited as described in Section G below.

**"Senior Unit"** means a Unit designated as senior citizen housing, residential care facilities for the elderly, or multi-level care facilities for the elderly as referred to in California Government Code Section 65995.1. For purposes hereof, it will be sufficient to designate units as Senior Citizen Housing if Senior Citizen Restrictions have been effected.

**"Senior Citizen Restriction"** means (i) a restriction limiting the use of Units to senior citizen housing under the Subarea Plan, a final map or other governmental entitlements, or a declaration of covenants, conditions and restrictions or any similar recorded instrument or (ii) licensing from appropriate agencies received for residential care facilities for the elderly or multi-level care facilities as those terms are defined in Health and Safety Code Section 1569.2 and Government Code Section 15432(d)(9), respectively.

**"Special Tax"** means any of the special taxes authorized to be levied by CFD No. 4 pursuant to the Act.

**"Special Tax Class"** means any of the special tax classes listed in Table 1 below.

**"Taxable Property"** means all Assessor's Parcels within the boundaries of CFD No. 4 which are not exempt from the Special Tax pursuant to law or Section O below.

**"Undeveloped Property"** means all Taxable Property which is not Developed Property, Improved Property, or Golf Course Property.

**"Unit"** means each separate residential dwelling unit which comprises an independent facility capable of conveyance separate from adjacent residential dwelling units.

## **B. CLASSIFICATION OF PROPERTY**

### **1. Classification of Assessor's Parcels by Land Use**

Each Fiscal Year, each Assessor's Parcel will be classified as Exempt Property (as described in Section O) or Taxable Property. All Taxable Property will be further classified as Developed Property (i.e., Assessor's Parcels for which a Building Permit was issued on or before January 1 of the prior Fiscal Year); Improved Property (see definition of Improved Property in Section A); Golf Course Property (see definition of Golf Course Property in Section A; or Undeveloped Property (i.e., all other Assessor's Parcels of Taxable Property).

### **2. Classification of Units by Special Tax Class**

Each Unit will be assigned to a Special Tax Class in accordance with Table 1 below. The EDUs for each Unit is also provided in Table 1 below.

**Table 1**

**Special Tax Classes**

<b>Special Tax Class</b>	<b>Description</b>	<b>EDU</b>
1	Production Unit (< 1,500 BSF)	0.25
2	Production Unit (1,500 – 2,249 BSF)	0.50
3	Production Unit (2,250 – 2,749 BSF)	0.75
4	Production Unit (2,750 – 3,149 BSF)	0.75
5	Production Unit (3,150 – 3,749 BSF)	0.75
6	Production Unit (3,750 – 4,049 BSF)	0.75
7	Production Unit (4,050 – 4,499 BSF)	0.85
8	Production Unit (4,500 – 4,999 BSF)	1.10
9	Production Unit (5,000 – 5,499 BSF)	1.40
10	Production Unit (5,500 – 5,999 BSF)	1.50
11	Production Unit (6,000 – 6,499 BSF)	1.60
12	Production Unit (6,500 + BSF)	1.80
13	Custom Unit	2.20
14	Assigned Unit	0.00
15	Excess Companion Unit	0.25
16	Excess Affordable Unit	0.00
17	Senior Unit	0.00

### **3. Classification of Assessor's Parcels by Final Map Area**

Each Assessor's Parcel will be assigned to a Final Map Area in accordance with Exhibit A.

The Projected Final Map Area Quotient for each Final Map Area, as shown in Table 2 below, reflects the sum of the EDUs projected to be constructed within such Final Map Area. The Projected EDU Surplus or Projected EDU Deficit, as applicable, for each Final Map Area, as shown in Table 2 below, reflects the extent to which such Final Map Area is expected to subsidize or be subsidized by other Final Map Areas. A Projected EDU Surplus indicates that the Final Map Area is expected to generate more Special Taxes than needed to mitigate its school facilities impact. Conversely, a Projected EDU Deficit indicates that the Final Map Area is expected to generate insufficient Special Taxes to mitigate its school facilities impact. Therefore, a Projected EDU Surplus indicates that the Final Map Area is subsidizing other Final Map Areas while a Projected EDU Deficit indicates that the Final Map Area is being subsidized by other Final Map Areas. For the entire CFD No. 4, the sum of all the Projected EDU Surpluses and Projected EDU Deficits is approximately zero (0). Therefore, as a whole, CFD No. 4 is expected to produce exactly the amount of Special Taxes needed to mitigate its school facilities impact.

**Table 2**

**Projected Final Map Area Quotients  
and Projected EDU Surpluses/(Deficits)**

<b>Final Map Area</b>	<b>Projected Final Map Area Quotient</b>	<b>Projected EDU Surplus/(Deficit) <sup>1</sup></b>
1	162.30	(56.42)
2	104.85	(16.66)
3	104.25	3.87
4	134.10	24.21
5	41.70	5.77
6	63.80	33.16
7	61.60	32.01
8	55.00	28.58
9	30.80	16.01
10	0.00	0.00
11	48.00	(19.62)
12	47.25	(19.32)
13	55.65	(19.37)
14	56.45	(12.23)
1. These amounts do not sum exactly to zero (0) because of rounding.		

**4. Classification of Assessor's Parcels by Development Block**

At the recordation of the first Final Map in a Final Map Area, each Assessor's Parcel within such Final Map Area will be assigned to a Development Block (i.e., a geographical region within a Final Map Area that has been sold or is intended to be sold by the Developer to a single purchaser). In most cases, there will be several Development Blocks within a Final Map Area. In all cases, the Development Blocks within a Final Map Area, taken together, will make up the entire Final Map Area.

## **C. DEVELOPMENT PLAN CALCULATIONS**

At or before the recordation of the first Final Map in a Final Map Area, the Developer must provide the Assistant Superintendent with a development plan for each Development Block within such Final Map Area. The development plan must be in a form satisfactory to the Assistant Superintendent and must identify the expected EDUs of each Planned Unit (i.e., each Unit expected to be constructed) in such Development Block. Based upon this information (or, if the Developer fails to provide the required information in a form satisfactory to the Assistant Superintendent, then at his own reasonable discretion), the Assistant Superintendent will calculate for each such Development Block (i) a Projected Development Block Quotient (i.e., the sum of the EDUs of the Planned Units within a Development Block), (ii) an Actual EDU Surplus or Actual EDU Deficit, as applicable (see definitions of Actual EDU Surplus and Actual EDU Deficit in Section A), and (iii) an Actual Final Map Area Quotient (i.e., the sum of the Projected Development Block Quotients).

For each Development Block, the Projected Development Block Quotient will be used in calculating the Development Block Special Taxes, if any, that will be due, as described in Section G. Prior to the issuance of all Bonds, the Actual EDU Surplus or Actual EDU Deficit, as applicable, will be used in calculating the Final Map Area Special Taxes, if any, that will be due for such Final Map Area, as described in Section F. After the issuance of all Bonds, the Actual Final Map Area Quotient will be used in calculating the Final Map Area Special Taxes, if any, that will be due for such Final Map Area, as described in Section F. In addition, prior to the issuance of all Bonds, the Actual EDU Surplus or Actual EDU Deficit, as applicable, will be used in determining the amount, if any, which the Developer's Account must be credited, as described in Section D.

## **D. DEVELOPER'S ACCOUNT**

Prior to the recordation of the first Final Map in CFD No. 4, a Developer's Account will be established, and thereafter will be maintained by the Assistant Superintendent. The Developer's Account will be credited and debited as described below.

### **1. Credits to Developer's Account**

#### **a. Prior to Issuance of All Bonds**

Prior to the issuance of all Bonds, as determined by the Assistant Superintendent, CFD No. 4 will credit the Developer's Account at the recordation of the first Final Map within a Final Map Area when an Actual EDU Surplus or Actual EDU Deficit is greater (i.e., more positive) than a Projected EDU Surplus or Projected EDU Deficit. The amount of the credit will be equal to the dollar equivalent of such excess (i.e., unexpectedly positive) EDUs and will be calculated as described below:

Step One: Subtract the Projected EDU Surplus or Projected EDU Deficit, as applicable, from the Actual EDU Surplus or Actual EDU Deficit, as applicable.

Step Two: Multiply the result of the Step One by the Minimum Gross Prepayment Amount in effect at the current Calendar Year. The result is the credit to the Developer's Account.

For convenience, an example of a Developer's Account credit calculation is provided below:

Actual EDU Surplus	4.0
Projected EDU Surplus	2.5
Minimum GPA	\$15,100.46
Credit	= (4.0– 2.5) H \$15,100.46
	= \$22,650.69

**b. After Issuance of All Bonds**

After the issuance of all Bonds, as determined by the Assistant Superintendent, the Developer's Account will not be credited.

**2. Debits to the Developer's Account**

**a. Debits for Final Map Area Special Taxes**

Prior to the issuance of all Bonds, as determined by the Assistant Superintendent, a Final Map Area Special Tax will be due for a Final Map Area when an Actual EDU Surplus or Actual EDU Deficit is less than (i.e., more negative) than a Projected EDU Surplus or Projected EDU Deficit. Similarly, after the issuance of all Bonds, as determined by the Assistant Superintendent, a Final Map Area Special Tax will be due for a Final Map Area when an Actual Final Map Area Quotient is less than a Projected Final Map Area Quotient. Whenever a Final Map Area Special Tax is due, the Developer may debit the Developer's Account to pay for some or all of such Final Map Area Special Tax, provided that the Developer's Account contains sufficient credits to cover such debits. If the balance of the Developer's Account is insufficient to cover such debits at such time, the unsatisfied portion of such Final Map Area Special Tax must be paid in cash.

**b. Debits After Final Map Recordations**

If credits remain in the Developer's Account after at least one Final Map has been recorded in every Final Map Area, the entire balance of the Developer's Account will be debited, the Developer's Account will be closed, and such balance will be reimbursed to the Developer in cash from the next available Bond proceeds after all other obligations have been satisfied.

**c. Debits After Issuance of All Bonds**

If credits remain in the Developer's Account after the issuance of all Bonds, as determined by the Assistant Superintendent, the entire balance of the Developer's Account will be debited, the Developer's Account will be closed, and such balance will be reimbursed to the Developer in cash from the next available Bond proceeds after all other obligations have been satisfied.

**E. MAXIMUM ANNUAL SPECIAL TAX**

**1. Developed Property**

The Maximum Annual Special Tax for each Assessor's Parcel of Developed Property in each Fiscal Year will be the sum of (i) the Assigned Annual Special Tax and (ii) the amount of any portion of any Special Tax previously levied and not collected with respect to the Assessor's Parcel.

**2. Improved Property**

The Maximum Annual Special Tax for each Assessor's Parcel of Improved Property in each Fiscal Year will be the sum of (i) the Final Map Area Special Tax, (ii) the Development Block Special Tax, (iii) the One-Time Special Tax, and (iv) the greater of (a) the Assigned Annual Special Tax or (b) the Back-Up Annual Special Tax.

**3. Golf Course Property**

The Maximum Annual Special Tax for each Assessor's Parcel of Golf Course Property in each Fiscal Year will be the One-Time Special Tax.

**4. Undeveloped Property**

The Maximum Annual Special Tax for each Assessor's Parcel of Undeveloped Property in each Fiscal Year will be the sum of (i) the Final Map Area Special Tax, (ii) the Development Block Special Tax, (iii) the One-Time Special Tax, and (iv) the Assigned Annual Special Tax.

**F. FINAL MAP AREA SPECIAL TAX**

At the recordation of the first Final Map in a Final Map Area, a Final Map Area Special Tax for the Assessor's Parcels within that Final Map Area will be calculated as described below.

**1. Prior to Issuance of All Bonds**

Prior to the issuance of all Bonds, as determined by the Assistant Superintendent, a Final Map Area Special Tax will be due for a Final Map Area when an Actual EDU Surplus or Actual EDU Deficit is less than (i.e., more negative) than a Projected EDU Surplus or Projected EDU Deficit. The amount of the Final Map



Area Special Tax will be equal to the dollar equivalent of such deficit (i.e., unexpectedly negative) EDUs and will be calculated as described below:

Step One: Subtract the Actual EDU Surplus or Actual EDU Deficit, as applicable, from the Projected EDU Surplus or Projected EDU Deficit, as applicable.

Step Two: Multiply the result of the Step One by the Minimum Gross Prepayment Amount in effect at the current Calendar Year. The result is the Final Map Area Special Tax.

For convenience, an example of a Final Map Area Special Tax calculation prior to the issuance of all Bonds is provided below:

Projected EDU Deficit	(1.5)
Actual EDU Deficit	(3.0)
MGPA	\$15,100.46

Final Map Area Special Taxes	=	$((-1.5) - (-3.0)) \times \$15,100.46$
	=	\$22,650.69

It should be noted that neither locating a Custom Unit on more than one (1) Lot nor combining Lots for the placement of a Custom Unit will necessarily trigger the levy of a Final Map Area Special Tax prior to the issuance of all Bonds. Such occurrences will trigger the levy a Final Map Area Special Tax prior to the issuance of all Bonds only to the extent that they cause the Actual EDU Surplus or Actual EDU Deficit for the applicable Final Map Area to be less than (i.e., more negative) than the Projected EDU Surplus or Projected EDU Deficit for such Final Map Area.

## **2. After Issuance of All Bonds**

After the issuance of all Bonds, as determined by the Assistant Superintendent, a Final Map Area Special Tax will be due for a Final Map Area when an Actual Final Map Area Quotient is less than a Projected Final Map Area Quotient. The amount of the Final Map Area Special Tax will be equal to the dollar equivalent of such deficit (i.e., unexpectedly negative) EDUs and will be calculated as described below:

Step One: Subtract the Actual Final Map Area Quotient from the Projected Final Map Area Quotient.

Step Two: Multiply the result of the Step One by the Minimum Gross Prepayment Amount in effect at the current Calendar Year. The result is the Final Map Area Special Tax.

For convenience, an example of a Final Map Area Special Tax calculation after the issuance of all Bonds is provided below:

Projected Final Map Area Quotient	32.0
Actual Final Map Area Quotient	25.5
MGPA	\$15,100.46

$$\begin{aligned} \text{Final Map Area Special Taxes} &= (32.0 - 25.5) \times \$15,100.46 \\ &= \$98,152.99 \end{aligned}$$

It should be noted that neither locating a Custom Unit located on more than one (1) Lot nor combining Lots for the placement of a Custom Unit will necessarily trigger the levy of a Final Map Area Special Tax after the issuance of all Bonds. Such occurrences will trigger the levy a Final Map Area Special Tax after the issuance of all Bonds to the extent that it is causes the Actual Final Map Area Quotient for the applicable Final Map Area to be less than the Projected Final Map Area Quotient for such Final Map Area.

## **G. DEVELOPMENT BLOCK SPECIAL TAX**

Prior to the issuance of a Building Permit for the construction of a Unit on an Assessor's Parcel, the Development Block Special Tax for such Assessor's Parcel will be calculated as described below.

### **1. Assignment of Units to Planned Units**

Each time a Building Permit is issued for the construction of a Unit, the Assistant Superintendent will assign such Unit to a Planned Unit in such Development Block, provided that no more than one (1) Unit may be assigned to any Planned Unit. In addition, each time a Building Permit is issued for the construction of a Unit, the Assistant Superintendent will update the Running EDU Total for such Development Block. The Assistant Superintendent will perform such assignment and such update as described below.

#### **a. Assignment of Units to Planned Units**

The Assistant Superintendent will assign each Unit to a Planned Unit in the following order of priority:

- i. The Assistant Superintendent shall assign the Unit to a Planned Unit with the same number of EDUs as the Unit.
- ii. The Assistant Superintendent shall assign the Unit to a Planned Unit with a lower number of EDUs than the Unit.
- iii. The Assistant Superintendent shall assign the Unit to a Planned Unit with a greater number of EDUs than the Unit.

#### **b. Update of Running EDU Total**

The Assistant Superintendent will update the Running EDU Total for each Development Block as follows:

- i. If the Unit is assigned pursuant to Section G.1.a.i. above, then no adjustment shall be made to the Running EDU Total.
- ii. If the Unit is assigned pursuant to Section G.1.a.ii. above, then the Running EDU Total shall be increased by the difference between the EDUs of the Unit and the EDUs of the Planned Unit.
- iii. If the Unit is assigned pursuant to Section G.1.a.iii. above, then the Running EDU Total shall be decreased by the difference between the EDUs of the Planned Unit and the EDUs of the Unit, provided that if such decrease would otherwise reduce the Running EDU Total below zero (0), then the Running EDU Total will be reduced to zero and Development Block Special Tax will be due. In this event, the amount of the Development Block Special Tax will be calculated pursuant to Section G.2 below, and will be paid first by credits in the Running EDU Total Account (see Section G.3. below) to the extent such credits are available, and then, when such credits are not available, in cash, as described in Section G.3.b. below.

It should be noted that a Custom Lot located on more than one (1) Lot will not necessarily trigger the levy a Development Block Special Tax. Such a Custom Unit will only trigger the levy of a Development Block Special Tax to the extent that it reduces the Running EDU Total below zero (0).

## 2. **Calculation of Development Block Special Tax**

Subject to the foregoing, the Development Block Special Tax with respect to each Building Permit will be equal to the dollar equivalent of the EDU deficit described in Section G.1.B.iii. above and will be calculated as described below:

- Step One: Add the EDUs of the Unit and the Running EDU Total.
- Step Two: Subtract the result of Step One from the EDUs of the Planned Unit.
- Step Three: Multiply the result of the Step One by the Minimum Gross Prepayment Amount in effect at the current Calendar Year. The result is the Development Block Special Tax.

For convenience, an example of a Development Block Special Tax calculation is provided below:

EDUs of Planned Unit:	4.0
EDUs of Unit:	2.0
Running EDU Total	1.0
MGPA	\$15,100.46

Development Block Special Taxes	=	$(4.0 - (2.0 + 1.0))$	H	\$15,100.46
	=	\$15,100.46		

### **3. Running EDU Total Account**

The Assistant Superintendent will establish and maintain a Running EDU Total Account as follows:

#### **a. Credits to Running EDU Total Account**

After all the Building Permits expected to be issued within a Development Block have been issued, as determined by the Assistant Superintendent, the Assistant Superintendent will credit Running EDU Total Account in an amount equal to (i) the full amount of the Running EDU Total applicable to such Development Block at such time times (ii) the Minimum Gross Prepayment Amount in effect at such time.

#### **b. Debits to Running EDU Total Account**

Whenever a Development Block Special Tax is due, the Assistant Superintendent shall debit the Running EDU Total Account to pay for such Development Block Special Tax, provided that the Running EDU Total Account contains sufficient credits to cover such debits. If the balance of the Running EDU Total Account is insufficient to cover such debits at such time, the unsatisfied portion of such Development Block Special Tax must be paid in cash.

## **H. ONE-TIME SPECIAL TAX**

Prior to the issuance of a Building Permit for any Assessor's Parcel of Undeveloped Property or Improved Property, a One-Time Special Tax will be due. The One-Time Special Tax in each Calendar Year will be calculated in accordance with Table 3 below, subject to adjustment as described below.

**Table 3**

**Calendar Year 2000 One-Time Special Tax**

<b>Special Tax Class</b>	<b>Description</b>	<b>CY 2000 One-Time Special Tax</b>
1	Production Unit (< 1,500 BSF)	\$2,000.00 per Unit
2	Production Unit (1,500 – 2,249 BSF)	\$3,444.52 per Unit
3	Production Unit (2,250 – 2,749 BSF)	\$3,927.27 per Unit
4	Production Unit (2,750 – 3,149 BSF)	\$4,768.05 per Unit
5	Production Unit (3,150 – 3,749 BSF)	\$5,445.09 per Unit
6	Production Unit (3,750 – 4,049 BSF)	\$6,242.07 per Unit
7	Production Unit (4,050 – 4,499 BSF)	\$6,857.54 per Unit
8	Production Unit (4,500 – 4,999 BSF)	\$7,674.37 per Unit
9	Production Unit (5,000 – 5,499 BSF)	\$8,320.00 per Unit
10	Production Unit (5,500 – 5,999 BSF)	\$9,198.40 per Unit
11	Production Unit (6,000 – 6,499 BSF)	\$9,998.40 per Unit
12	Production Unit (6,500 + BSF)	\$10,398.40 per Unit
13	Custom Unit	\$13,325.00 per Unit
14	Assigned Unit	\$1,000.00 per Unit
15	Excess Companion Unit	\$2,000.00 per Unit
16	Excess Affordable Unit	\$7,057.21 per Unit
17	Senior Unit	\$0.3314 per BSF
NA	NA	\$0.3314 per GFA

For each Calendar Year after Calendar Year 2000, the One-Time Special Tax will be increased by the Inflator.

**I. ASSIGNED ANNUAL SPECIAL TAX**

**1. Developed Property**

The Assigned Annual Special Tax for each Assessor's Parcel of Developed Property in the Fiscal Year in which such Assessor's Parcel is first classified as Developed Property will be calculated in accordance with Table 4 below, subject to adjustment as described below.

**Table 4**

**Fiscal Year 2000-01 Assigned Annual Special Tax**

<b>Special Tax Class</b>	<b>Description</b>	<b>FY 2000-01 Assigned Annual Special Tax</b>
1	Production Unit (< 1,500 BSF)	\$239.75 per Unit
2	Production Unit (1,500 – 2,249 BSF)	\$479.50 per Unit
3	Production Unit (2,250 – 2,749 BSF)	\$719.25 per Unit
4	Production Unit (2,750 – 3,149 BSF)	\$719.25 per Unit
5	Production Unit (3,150 – 3,749 BSF)	\$719.25 per Unit
6	Production Unit (3,750 – 4,049 BSF)	\$719.25 per Unit
7	Production Unit (4,050 – 4,499 BSF)	\$815.15 per Unit
8	Production Unit (4,500 – 4,999 BSF)	\$1,054.90 per Unit
9	Production Unit (5,000 – 5,499 BSF)	\$1,342.60 per Unit
10	Production Unit (5,500 – 5,999 BSF)	\$1,438.50 per Unit
11	Production Unit (6,000 – 6,499 BSF)	\$1,534.40 per Unit
12	Production Unit (6,500 + BSF)	\$1,726.20 per Unit
13	Custom Unit	\$2,109.80 per Unit
14	Assigned Unit	\$0.00 per Unit
15	Excess Companion Unit	\$239.75 per Unit
16	Excess Affordable Unit	\$0.00 per Unit
17	Senior Unit	\$0.00 per Unit
NA	NA	\$0.00 per GFA

For Custom Units which are located on more than one (1) Assessor's Parcel, the Assigned Annual Special Tax shall be allocated to each Assessor's Parcel *prorata* based upon the Acreage of each applicable Assessor's Parcel.

For each Fiscal Year after Fiscal Year 2000-01, the Assigned Annual Special Tax for each Assessor's Parcel of Developed Property in the Fiscal Year in which such Assessor's Parcel is first classified as Developed Property will be increased by the Inflation. For each Fiscal Year after the first Fiscal Year in which each Assessor's Parcel was classified as Developed Property, the Assigned Annual Special Tax for such Assessor's Parcel in such Fiscal Year will be increased by two percent (2.00%) of the amount in effect in the prior Fiscal Year, provided that no such increase shall occur more than 15 Fiscal Years after the issuance of all Bonds, and in no event shall any such increase occur after Fiscal Year 2030-31.

**2. Improved Property**

For Fiscal Year 2000-01, the Assigned Annual Special Tax for each Assessor's Parcel of Improved Property will be \$719.25 per Assessor's Parcel. For each Fiscal Year thereafter, the Assigned Annual Special Tax for such Assessor's Parcel will be increased by two percent (2.00%) of the amount in effect in the prior Fiscal Year, provided that no such increase shall occur more than 15 Fiscal Years after the issuance of all Bonds, and in no event shall any such increase occur after Fiscal Year 2030-31.

### **3. Undeveloped Property**

For Fiscal Year 2000-01, the Assigned Annual Special Tax for each Assessor's Parcel of Undeveloped Property will be \$2,660.00 per acre of Acreage. For each Fiscal Year thereafter, the Assigned Annual Special Tax for such Assessor's Parcel will be increased by two percent (2.00%) of the amount in effect in the prior Fiscal Year, provided that no such increase shall occur more than 15 Fiscal Years after the issuance of all Bonds, and in no event shall any such increase occur after Fiscal Year 2030-31.

## **J. BACK-UP ANNUAL SPECIAL TAX FOR IMPROVED PROPERTY**

Backup-Annual Special Taxes are required in order to ensure that CFD No. 4 will be able to levy a sufficient amount of Annual Special Taxes to satisfy the Annual Special Tax Requirement in the event that development plans change significantly after the issuance of Bonds. Annual Special Taxes will be levied pursuant to the third step of Section K only to the extent necessary to satisfy the Annual Special Tax Requirement.

For Fiscal Year 2000-01, the Back-Up Annual Special Tax for each Assessor's Parcel of Improved Property will be \$2,660.00 per acre of Acreage, provided that no Back-Up Annual Special Tax shall be in effect (i) prior to the issuance of Bonds or (ii) after the issuance of all Bonds. Subject to the foregoing, for each Fiscal Year after Fiscal Year 2000-01, the Back-Up Annual Special Tax for such Assessor's Parcel will be increased by two percent (2.00%) of the amount in effect in the prior Fiscal Year.

## **K. METHOD OF APPORTIONMENT OF THE ANNUAL SPECIAL TAX**

Commencing Fiscal Year 2001-02 and for each subsequent Fiscal Year, the Assistant Superintendent will determine the Annual Special Tax Requirement to be collected from Taxable Property in such Fiscal Year. The Special Tax will be levied as follows until the amount of the levy equals the Annual Special Tax Requirement:

**First:** The Annual Special Tax will be levied on each Assessor's Parcel of Developed Property and Improved Property at the Assigned Annual Special Tax.

**Second:** If the sum of the amounts levied on Assessor's Parcels in the first step is less than the Annual Special Tax Requirement, then an Annual Special Tax will be levied Proportionately on each Assessor's Parcel of Undeveloped Property up to the Assigned Annual Special Tax to satisfy the Annual Special Tax Requirement.

**Third:** If the sum of the amounts levied on Assessor's Parcels in the first and second step is less than the Annual Special Tax Requirement, then the Annual Special Tax on each Assessor's Parcel of Improved Property shall be increased Proportionately up to the Back-Up Annual Special Tax to satisfy the Annual Special Tax Requirement.

## **L. PREPAYMENT OF ANNUAL SPECIAL TAX OBLIGATION**

If there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to an Assessor's Parcel, the Annual Special Tax obligation of an Assessor's Parcel for which a Building Permit has been issued may be prepaid in full in the manner described below. An owner of an Assessor's Parcel intending to prepay the Annual Special Tax obligation shall provide CFD No. 4 with written notice of intent to prepay. Within thirty (30) days of receipt of such written notice, the Assistant Superintendent shall determine the Prepayment Amount of such Assessor's Parcel as described below and shall notify such owner of such Prepayment Amount.

### **1. Prior to Issuance of All Bonds**

Prior to the issuance of all Bonds, as determined by the Assistant Superintendent, the Prepayment Amount for an eligible Assessor's Parcel shall be the applicable Net Prepayment Amount less any Partial Prepayment Amounts actually made with respect to such Assessor's Parcel. Table 5 below shows the Net Prepayment Amounts applicable in Calendar Year 2000. For convenience, Table 5 below also shows the derivation of each Net Prepayment Amount, which was determined by subtracting the applicable One-Time Special Tax from the applicable Gross Prepayment Amount.

**TABLE 5**

**Calendar Year 2000 Net Prepayment Amounts**

<b>Special Tax Class</b>	<b>CY 2000 Gross Prepayment Amount</b>	<b>CY 2000 One-Time Special Tax</b>	<b>CY 200 Net Prepayment Amount</b>
1	\$15,955.43 per Unit	\$2,000.00 per Unit	\$13,955.43 per Unit
2	\$15,955.43 per Unit	\$3,444.52 per Unit	\$12,510.91 per Unit
3	\$15,955.43 per Unit	\$3,927.27 per Unit	\$12,028.16 per Unit
4	\$15,955.43 per Unit	\$4,768.05 per Unit	\$11,187.38 per Unit
5	\$15,955.43 per Unit	\$5,445.09 per Unit	\$10,510.34 per Unit
6	\$15,955.43 per Unit	\$6,242.07 per Unit	\$9,713.37 per Unit
7	\$15,955.43 per Unit	\$6,857.54 per Unit	\$9,097.89 per Unit
8	\$16,945.50 per Unit	\$7,674.37 per Unit	\$9,271.13 per Unit
9	\$20,119.62 per Unit	\$8,320.00 per Unit	\$11,799.62 per Unit
10	\$21,840.85 per Unit	\$9,198.40 per Unit	\$12,642.45 per Unit
11	\$23,483.68 per Unit	\$9,998.40 per Unit	\$13,485.28 per Unit
12	\$25,569.34 per Unit	\$10,398.40 per Unit	\$15,170.94 per Unit
13	\$31,867.26 per Unit	\$13,325.00 per Unit	\$18,542.26 per Unit
14	\$1,000.00 per Unit	\$1,000.00 per Unit	\$0.00 per Unit
15	\$15,955.43 per Unit	\$2,000.00 per Unit	\$13,955.43 per Unit
16	\$7,057.21 per Unit	\$7,057.21 per Unit	\$0.00 per Unit
17	\$0.3314 per BSF	\$0.3314 per BSF	\$0.00 per Unit

For each Calendar Year after Calendar Year 2000, the Net Prepayment Amounts will be increased by the Inflator.



## 2. After Issuance of All Bonds

After the issuance of all Bonds, as determined by the Assistant Superintendent, the Prepayment Amount for each eligible Assessor's Parcel shall be the amount calculated as shown below.

Bond Redemption Amount	
plus	Redemption Premium
plus	Defeasance
plus	Administrative Fee
<u>less</u>	<u>Reserve Fund Credit</u>
equals	Prepayment Amount

As of the date of prepayment, the Prepayment Amount shall be calculated as follows:

1. Divide the Assigned Annual Special Tax for the Assessor's Parcel by the estimated Assigned Annual Special Taxes applicable to all Assessor's Parcels of Developed Property at buildout, as reasonably determined by the Assistant Superintendent.
2. Multiply the result of paragraph 1 above by the principal amount of Bonds outstanding. The result is the "Bond Redemption Amount."
3. Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the outstanding Bonds to be redeemed with the proceeds of the Bond Redemption Amount. This product is the "Redemption Premium."
4. Compute the amount needed to pay interest on the Bond Redemption Amount, the Redemption Premium, and the Reserve Fund Credit (see step 8) to be redeemed with the proceeds of the Prepayment Amount until the earliest call date for the outstanding Bonds.
5. Estimate the amount of interest earnings to be derived from the reinvestment of the Bond Redemption Amount plus the Redemption Premium until the earliest call date for the outstanding Bonds.
6. Subtract the amount computed pursuant to paragraph 5 from the amount computed pursuant to paragraph 4. This difference is the "Defeasance."
7. Estimate the administrative fees and expenses associated with the prepayment, including the costs of computation of the Prepayment Amount, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption. This amount is the "Administrative Fee."
8. Determine the lesser of: (a) the expected reduction in the applicable reserve requirement, if any, associated with the redemption of outstanding Bonds as a result of the prepayment, or (b) the amount derived by

subtracting the new reserve requirement in effect after the redemption of outstanding Bonds as a result of the prepayment from the balance in the applicable reserve fund on the prepayment date. If the result is greater than zero, then the result is the "Reserve Fund Credit." If the result is less than zero, then no Reserve Fund Credit shall be given.

9. The Prepayment Amount is equal to the sum of the Bond Redemption Amount, the Redemption Premium, the Defeasance, and the Administrative Fee, less the Reserve Fund Credit.

Notwithstanding any of the foregoing, no prepayment will be allowed unless the sum of the Assigned Annual Special Taxes applicable to Taxable Property, net of Administrative Expenses, shall be at least 1.1 times the regularly scheduled annual interest and principal payments on all currently outstanding Bonds in each future Fiscal Year.

#### **M. PARTIAL PREPAYMENT OF ANNUAL SPECIAL TAX OBLIGATION**

Prior to the issuance of the first Building Permit in a Development Block, the owner of all the Assessor's Parcels in the Development Block may elect to prepay a portion of the applicable Annual Special Tax obligation for all the Assessor's Parcels in such Development Block. The owner desiring such a partial prepayment shall notify the Assistant Superintendent of (i) such owner's intent to partially prepay the Annual Special Tax obligation and (ii) the percentage by which the Annual Special Tax obligation shall be prepaid. The partial prepayment of the Annual Special Tax obligation for each such Assessor's Parcel shall be collected prior to the issuance of a Building Permit.

The Partial Prepayment Amount shall be calculated as follows:

$$PP = P_L H F$$

These terms have the following meanings:

PP = the Partial Prepayment Amount

P<sub>L</sub> = the Prepayment Amount calculated according to Section L

F = the percent by which the owner of the Assessor's Parcel is partially prepaying the Annual Special Tax obligation

With respect to an Annual Special Tax obligation that is partially prepaid, the Assistant Superintendent shall indicate in the records of CFD No. 4 that there has been a partial prepayment of the Annual Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act within thirty (30) days of receipt of such partial prepayment of the Annual Special Tax obligation to indicate the partial prepayment of the Annual Special Tax obligation and the partial release of the Annual Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such prepaid portion of the Annual Special Tax obligation shall cease.

Notwithstanding any of the foregoing, no prepayment will be allowed unless the sum of the Assigned Annual Special Taxes applicable to Taxable Property, net of Administrative Expenses, shall be at least 1.1 times the regularly scheduled annual interest and principal payments on all currently outstanding Bonds in each future Fiscal Year.

**N. TERMINATION OF ANNUAL SPECIAL TAX**

The Annual Special Tax will be levied no later than Fiscal Year 2045-46, provided that the Annual Special Tax will cease to be levied in an earlier Fiscal Year if the Assistant Superintendent has determined that (i) all required interest and principal payments on all issued Bonds have been paid and (ii) CFD No. 4 will issue no additional Bonds.

**O. EXEMPTIONS**

The Assistant Superintendent will classify as Exempt Property (i) properties owned by the State of California, Federal or other local governments except as otherwise provided in Sections 53317.3, 53317.5 and 53340.1 of the Government Code, (ii) properties used as places of worship and which are exempt from *ad valorem* property taxes because they are owned by a religious organization, (iii) properties owned or designated for use by a homeowners' association, (iv) properties encumbered with public or utility or access easements making impractical their utilization for purposes other than those set forth in the easement, or (v) other properties not used or expected not to be used for commercial/industrial or residential use, as determined at the reasonable discretion of the Assistant Superintendent, provided that no such classification would reduce the Acreage of Taxable Property to less than 522.44 acres.

**P. APPEALS**

Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the Assistant Superintendent not later than one (1) Calendar Year after having paid the first installment of the Special Tax that is disputed. The Assistant Superintendent will promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and rule on the appeal. If the Assistant Superintendent's decision requires that the Special Tax for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund will not be made (except for the last Fiscal Year of levy), but an adjustment will be made to the Annual Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s).

**Q. MANNER OF COLLECTION**

**1. Final Map Area Special Taxes**

The Final Map Area Special Tax applicable to a Final Map Area, if any, will be due prior to the issuance of the first Building Permit in such Final Map Area, and shall be levied *pro rata* on each Assessor's Parcel of Taxable Property within such Final Map Area based upon the Acreage of such Assessor's Parcels. Notwithstanding the foregoing, the Assistant Superintendent shall give the

Developer written notice of the amount of the Final Map Area Special Tax due at least fifteen (15) days prior to enrolling such Final Map Area Special Tax with the County, provided that the first Building Permit is issued in such Final Map Area at least thirty (30) days prior to the due date for enrolling Special Taxes with the County, and if such written notice is given, then the Developer shall have ten (10) days to pay the Final Map Area Special Taxes before the Assistant Superintendent may enroll the Final Map Area Special Taxes with the County. Moreover, notwithstanding the foregoing, no Building Permits will be issued in such Final Map Area until all Final Map Area Special Taxes which are due for such Final Map Area are paid.

**2. Development Block Special Taxes**

Development Block Special Taxes due for any Assessor's Parcel in a Final Map Area will be due prior to the issuance of the first Building Permit for such Assessor's Parcel. No Building Permits will be issued for any Assessor's Parcels in such Final Map Area until such Development Block Special Taxes are paid.

**3. One-Time Special Taxes**

One-Time Special Taxes due for any Assessor's Parcel will be due prior to the issuance of the applicable Building Permit for such Assessor's Parcel.

**4. Annual Special Taxes**

The Annual Special Taxes will be collected in the same manner and at the same time as regular *ad valorem* property taxes, provided, however, that Annual Special Taxes may be collected at a different time or in a different manner if necessary to meet its financial obligations.

# **FIRST AMENDED RATE AND METHOD OF APPORTIONMENT FOR COMMUNITY FACILITIES DISTRICT NO. 12 OF POWAY UNIFIED SCHOOL DISTRICT**

The following sets forth the First Amended Rate and Method of Apportionment for the levy and collection of Special Taxes of Poway Unified School District ("School District") Community Facilities District No. 12 ("CFD No. 12"). An Annual Special Tax shall be levied on and collected in CFD No. 12 each Fiscal Year, in an amount determined through the application of the First Amended Rate and Method of Apportionment described below. All of the real property in CFD No. 12, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

## **SECTION A DEFINITIONS**

The terms hereinafter set forth have the following meanings:

**"Acreage"** means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map or as calculated from the applicable Assessor's Parcel Map by the Board.

**"Act"** means the Mello-Roos Communities Facilities Act of 1982 as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

**"Administrative Expenses"** means any ordinary and necessary expense incurred by the School District on behalf of CFD No. 12 related to the determination of the amount of the levy of Special Taxes, the collection of Special Taxes including the expenses of collecting delinquencies, the administration of Bonds, the payment of salaries and benefits of any School District employee whose duties are directly related to the administration of CFD No. 12, and costs otherwise incurred in order to carry out the authorized purposes of CFD No. 12.

**"Affordable Unit"** means any of up to 42 Units in CFD No. 12 designated as Affordable Units in writing to the Deputy Superintendent at the Developer's election at the time the applicable Building Permit is issued, provided that each such Unit is (i) subject to affordable housing restrictions under any applicable law and (ii) not a Senior Citizen Unit. Under no circumstances may the Developer designate more than 42 Units as Affordable Units in CFD No. 12.

**"Annual Special Tax"** means the Special Tax actually levied in any Fiscal Year on any Assessor's Parcel.

**"Assessor's Parcel"** means a lot or parcel of land designated on an Assessor's Parcel Map with an assigned Assessor's Parcel Number within the boundaries of CFD No. 12.

**"Assessor's Parcel Map"** means an official map of the Assessor of the County designating parcels by Assessor's Parcel Number.

**"Assessor's Parcel Number"** means that number assigned to an Assessor's Parcel by the County for purposes of identification.

**"Assigned Annual Special Tax"** means the Special Tax of that name described in Section D.

**"Attached Unit"** means a Unit that (i) is located or shall be located within a building in which each of the individual Units has or shall have at least one common wall with another Unit and (ii) is not an Affordable Unit or a Senior Citizen Unit.

**"Backup Annual Special Tax"** means the Special Tax of that name described in Section E.

**"Board"** means the Board of Education of Poway Unified School District, or its designee, acting as the Legislative Body of CFD No. 12.

**"Bonds"** means any obligation to repay a sum of money, including obligations in the form of bonds, notes, certificates of participation, long-term leases, loans from government agencies, or loans from banks, other financial institutions, private businesses, or individuals, or long-term contracts, or any refunding thereof, to which Special Taxes have been pledged by CFD No. 12 or the School District.

**"Building Permit"** means a permit for the construction of one or more Units. For purposes of this definition, "Building Permit" shall not include permits for construction or installation of commercial/industrial structures, parking structures, retaining walls, utility improvements, or other such improvements not intended for human habitation.

**"Building Square Footage" or "BSF"** means the square footage of assessable internal living space of a Unit, exclusive of any carports, walkways, garages, overhangs, patios, enclosed patios, detached accessory structure, or other structures not used as living space, as determined by reference to the Building Permit for such Unit.

**"Calendar Year"** means the period commencing January 1 of any year and ending the following December 31.

**"CFD No. 12"** means Community Facilities District No. 12 established by the School District under the Act.

**Commercial/Industrial Building"** means all Assessor's Parcels in CFD No. 12 for which a building permit was issued on or before January 1 of the prior Fiscal Year for the construction of a commercial/industrial structure, excluding utility improvements, retaining walls, parking structures or other such improvements not intended for commercial/industrial use.

**"County"** means the County of San Diego.

**"Deputy Superintendent"** means the Deputy Superintendent of the School District or his/her designee.

**"Detached Unit"** means a Unit that is not an Attached Unit, an Affordable Unit, or a Senior Citizen Unit.

**"Developed Property"** means all Assessor's Parcels of Taxable Property for which Building Permits were issued on or before January 1 of the prior Fiscal Year, provided that such Assessor's Parcel is associated with a Lot, as determined reasonably by the Board.

**"Developer"** means Shea Homes, a California limited partnership and its successors and assigns, as applicable.

**"Exempt Property"** means all Assessor's Parcels designated as being exempt from Special Taxes in Section J.

**"Final Map"** means a final tract map, parcel map, lot line adjustment, or functionally equivalent map or instrument that creates building sites, recorded in the County Office of the Recorder.

**"Fiscal Year"** means the period commencing on July 1 of any year and ending the following June 30.

**"Golf Course Property"** means any Assessor's Parcel utilized or expected to be utilized, as determined by the Deputy Superintendent, for golf course purposes, including fairways, greens, driving ranges, tennis facilities, club houses, locker rooms, maintenance facilities, garages, pro shops, restaurants, or banquet facilities.

**"Gross Floor Area" or "GFA"** means, for an Assessor's Parcel of Commercial/Industrial Property, the covered and enclosed space determined to be within the perimeter of a commercial or industrial structure, not including any storage areas incidental to the principal use of the development, garage, parking structure, unenclosed walkway, or utility or disposal area, as used in Section 65995 of the Government Code. The determination of Gross Floor Area shall be made by the Deputy Superintendent in accordance with the standard practice of the building department of the City.

**"Gross Prepayment Amount"** means the Prepayment Amount for an Assessor's Parcel prior to Bonds being issued by CFD No. 12, as determined in accordance with Section G.

**"Index"** means the Marshall & Swift Western Region Class D Wood Frame Index, or if the Marshall & Swift Western Region Class D Wood Frame Index ceases to be used by the State Allocation Board, a reasonably comparable index used by the State Allocation Board to estimate changes in school construction costs, or in the absence of such an index, the Engineering News Record, Construction Cost Index (Los Angeles Area) published by McGraw-Hill, Inc.

**"Inflator"** means the greater of (i) 2.00% or (ii) the percentage generated from the following equation:  $4.00\% \times 17.45\% + \Delta \text{ Index} \times 82.55\%$ , where  $\Delta \text{ Index}$  is the change in the Index as measured between the Index published in December of the prior Calendar Year and the Index published in December of the Calendar Year immediately preceding the prior Calendar Year.

**"Lot"** means an individual legal lot created by a Final Map for which a Building Permit could be issued.

**"Maximum Special Tax"** means the Maximum Special Tax, determined in accordance with Section C, that can be levied by CFD No. 12 in any Fiscal Year on any Assessor's Parcel.

**"Minimum Annual Special Tax Requirement"** means the amount required in any Fiscal Year to pay: (i) the debt service or the periodic costs on all outstanding Bonds, (ii) Administrative Expenses of CFD No. 12, (iii) the costs associated with the release of funds from an escrow account, and (iv) any amount required to establish or replenish any reserve funds established in association with the Bonds, less (v) any amount available to pay debt service or other periodic costs on the Bonds pursuant to any applicable bond indenture, fiscal agent agreement, or trust agreement.

**"Minimum Taxable Acreage"** means, for either Zone, the applicable Acreage listed in Table 4.

**"Partial Prepayment Amount"** means the amount required to prepay a portion of the Annual Special Tax obligation for an Assessor's Parcel, as described in Section H.

**"Prepayment Amount"** means the amount required to prepay the Annual Special Tax obligation in full for an Assessor's Parcel, as described in Section G.

**"Proportionately"** means that the ratio of the actual Annual Special Tax levy to the applicable Special Tax is equal for all applicable Assessor's Parcels.

**"Residential Property"** means all Assessor's Parcels of Developed Property for which the Building Permit was issued for the construction of one or more Units.

**"School District"** means Poway Unified School District.

**"Senior Citizen Unit"** means a Unit designated as senior citizen housing, part of a residential care facility for the elderly, or part of a multi-level care facility for the elderly as referred to in California Government Code Section 65995.1. For purposes hereof, it shall be sufficient to designate a Unit as a Senior Citizen Unit if Senior Citizen Restrictions have been affected with respect to such Unit.

**"Senior Citizen Restriction"** means (i) a restriction limiting the use of Units to senior citizen housing under specific plan, a final map or other governmental entitlements, or a declaration of covenants, conditions and restrictions or any similar recorded instrument or (ii) licensing from appropriate agencies received for residential care facilities for the elderly or multi-level care facilities as those terms are defined in Health and Safety Code Section 1569.2 and Government Code Section 15432(d)(9), respectively.

**"Special Tax"** means any of the special taxes authorized to be levied by CFD No. 12 pursuant to the Act.

**"Taxable Property"** means all Assessor's Parcels which are not Exempt Property.

**"Undeveloped Property"** means all Assessor's Parcels of Taxable Property which are not Developed Property.

**"Unit"** means each separate residential dwelling unit which comprises an independent facility capable of conveyance separate from adjacent residential dwelling units. Each Unit shall be classified as an Affordable Unit, an Attached Unit, a Detached Unit, or a Senior Citizen Unit.

**"Zone"** means the areas identified as a Zone in Exhibit A to this Rate and Method of Apportionment.

**"Zone 1"** means all property located within the area identified as Zone 1 in Exhibit A to this Rate and Method of Apportionment, subject to interpretation by the Board as described in Section B.

**"Zone 2"** means all property located within the area identified as Zone 2 in Exhibit A to this Rate and Method of Apportionment, subject to interpretation by the Board as described in Section B.



**"Zone 3"** means all property located within the area identified as Zone 3 in Exhibit A to this Rate and Method of Apportionment, subject to interpretation by the Board as described in Section B.

**"Zone 4"** means all property located within the area identified as Zone 4 in Exhibit A to this Rate and Method of Apportionment, subject to interpretation by the Board as described in Section B.

## **SECTION B CLASSIFICATION OF ASSESSOR'S PARCELS**

Each Fiscal Year, beginning with Fiscal Year 2001-02, each Assessor's Parcel shall be classified as Taxable Property or Exempt Property. In addition, each Assessor's Parcel of Taxable Property shall be further classified as Developed Property or Undeveloped Property. Finally, in the event that CFD No. 12 is required to levy the Backup Annual Special Tax in a given Fiscal Year, each Assessor's Parcel of Developed Property shall be assigned to a Zone in accordance with Exhibit A at the reasonable discretion of the Board.

## **SECTION C MAXIMUM SPECIAL TAXES**

### **1. Developed Property**

The Maximum Special Tax for each Assessor's Parcel classified as Developed Property in any Fiscal Year shall be the amount determined by the greater of (i) the application of the Assigned Annual Special Tax or (ii) the application of the Backup Annual Special Tax.

### **2. Undeveloped Property**

The Maximum Special Tax for each Assessor's Parcel classified as Undeveloped Property in any Fiscal Year shall be the amount determined by the application of the Assigned Annual Special Tax.

## **SECTION D ASSIGNED ANNUAL SPECIAL TAXES**

### **1. Developed Property**

Each Fiscal Year, each Assessor's Parcel of Developed Property shall be subject to an Assigned Annual Special Tax. The Assigned Annual Special Tax applicable to an Assessor's Parcel of Developed Property for Fiscal Year 2001-02 shall be determined pursuant to Table 1.

**TABLE 1**

**ASSIGNED ANNUAL SPECIAL TAX FOR  
DEVELOPED PROPERTY  
FISCAL YEAR 2001-02**

<b>Unit Type</b>	<b>Building Square Feet</b>	<b>Rate</b>
Detached	> 3,750 BSF	\$2,012.48 per Unit
Detached	3,501 – 3,750 BSF	\$1,876.68 per Unit
Detached	3,251 – 3,500 BSF	\$1,740.88 per Unit
Detached	3,001 – 3,250 BSF	\$1,605.09 per Unit
Detached	2,751 – 3,000 BSF	\$1,469.29 per Unit
Detached	2,501 – 2,750 BSF	\$1,333.49 per Unit
Detached	2,251 – 2,500 BSF	\$1,116.21 per Unit
Detached	2,001 – 2,250 BSF	\$989.46 per Unit
Detached	1,751 – 2,000 BSF	\$862.72 per Unit
Detached	1,501 – 1,750 BSF	\$735.97 per Unit
Detached	≤ 1,500 BSF	\$609.23 per Unit
Attached	NA	\$609.23 per Unit
Affordable	NA	\$0.00 per Unit
Senior Citizen	NA	\$0.00 per Unit

For each Fiscal Year after Fiscal Year 2001-02, the Assigned Annual Special Tax for each Assessor's Parcel of Developed Property in the Fiscal Year in which such Assessor's Parcel is first classified as Developed Property will be increased by the Inflator. For each Fiscal Year after the first Fiscal Year in which each Assessor's Parcel was classified as Developed Property, the Assigned Annual Special Tax for such Assessor's Parcel in such Fiscal Year will be increased by two percent (2.00%) of the amount in effect in the prior Fiscal Year.

**2. Undeveloped Property**

Each Fiscal Year, each Assessor's Parcel of Undeveloped Property shall be subject to an Assigned Annual Special Tax. The Assigned Annual Special Tax rate for an Assessor's Parcel of Undeveloped Property for Fiscal Year 2001-02 shall be \$8,238.00 per acre of Acreage. For each Fiscal Year thereafter, the Special Tax rate for Undeveloped property shall be increased by two percent (2.00%) of the amount in effect in the prior Fiscal Year.

**SECTION E**  
**BACKUP ANNUAL SPECIAL TAXES**

The Backup Annual Special Tax for an Assessor's Parcel of Developed Property for each Zone in Fiscal Year 2001-02 shall be determined pursuant to Table 2. For each Fiscal Year after Fiscal Year 2001-02, the Backup Annual Special Tax for each Assessor's Parcel of Developed Property shall increase by two percent (2.00%) of the amount in effect in the prior Fiscal Year.

**TABLE 2**

**BACKUP ANNUAL SPECIAL TAX**

<b>Zone</b>	<b>Backup Annual Special Tax</b>
Zone 1	\$2,227.58 per acre of Acreage
Zone 2	\$5,732.71 per acre of Acreage
Zone 3	\$9,533.35 per acre of Acreage
Zone 4	\$11,705.42 per acre of Acreage

**SECTION F**  
**METHOD OF APPORTIONMENT OF THE ANNUAL SPECIAL TAX**

Commencing Fiscal Year 2001-02 and for each subsequent Fiscal Year, the Board shall levy Annual Special Taxes as follows:

- Step One: The Board shall levy an Annual Special Tax on each Assessor's Parcel of Developed Property in an amount equal to the Assigned Annual Special Tax applicable to each such Assessor's Parcel.
- Step Two: If the sum of the amounts collected in step one is insufficient to satisfy the Minimum Annual Special Tax Requirement, then the Board shall additionally levy an Annual Special Tax Proportionately on each Assessor's Parcel of Undeveloped Property, up to the Assigned Annual Special Tax applicable to each such Assessor's Parcel, to satisfy the Minimum Annual Special Tax Requirement.
- Step Three: If the sum of the amounts collected in steps one and two is insufficient to satisfy the Minimum Annual Special Tax Requirement, then the Board shall additionally levy an Annual Special Tax Proportionately on each Assessor's Parcel of Developed Property up to the Maximum Special Tax applicable to each such Assessor's Parcel to satisfy the Minimum Annual Special Tax Requirement.

## SECTION G PREPAYMENT OF ANNUAL SPECIAL TAXES

The Annual Special Tax obligation of an Assessor's Parcel of Developed Property or an Assessor's Parcel of Undeveloped Property for which a Building Permit has been issued may be prepaid in full, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel at the time the Annual Special Tax obligation would be prepaid. The Prepayment Amount for an Assessor's Parcel eligible for prepayment shall be determined as described below.

### 1. Prior to Issuance of Bonds

Prior to the issuance of Bonds, the Prepayment Amount for each Assessor's Parcel of Developed Property and each Assessor's Parcel of Undeveloped Property for which a Building Permit has been issued shall be the applicable Gross Prepayment Amount. The Gross Prepayment Amount for Fiscal Year 2001-02 shall be determined by reference to Table 3, subject to adjustment as described below.

**TABLE 3**  
**GROSS PREPAYMENT AMOUNTS PRIOR  
TO THE ISSUANCE OF BONDS  
FISCAL YEAR 2001-02**

Unit Type	Building Square Feet	Prepayment Amount
Detached	> 3,750 BSF	\$25,511.78 per Unit
Detached	3,501 – 3,750 BSF	\$23,810.99 per Unit
Detached	3,251 – 3,500 BSF	\$22,110.21 per Unit
Detached	3,001 – 3,250 BSF	\$20,409.42 per Unit
Detached	2,751 – 3,000 BSF	\$18,708.64 per Unit
Detached	2,501 – 2,750 BSF	\$17,007.85 per Unit
Detached	2,251 – 2,500 BSF	\$17,007.85 per Unit
Detached	2,001 – 2,250 BSF	\$17,007.85 per Unit
Detached	1,751 – 2,000 BSF	\$17,007.85 per Unit
Detached	1,501 – 1,750 BSF	\$17,007.85 per Unit
Detached	≤ 1,500 BSF	\$17,007.85 per Unit
Attached	NA	\$7,552.70 per Unit
Affordable	NA	\$0.00 per Unit
Senior Citizen	NA	\$0.00 per Unit

Each Fiscal Year, commencing Fiscal Year 2002-03, the Gross Prepayment Amounts shall be increased by the Inflation. For each Fiscal Year after the first Fiscal Year in which each Assessor's Parcel was classified as Developed Property, the Gross Prepayment Amount for such Assessor's Parcel in such Fiscal Year will be increased by two percent (2.00%) of the amount in effect in the prior Fiscal Year.

## 2. **Subsequent to Issuance of Bonds**

Subsequent to the issuance of Bonds, the Prepayment Amount for each applicable Assessor's Parcel shall be calculated according to the following formula (capitalized terms defined below):

	Bond Redemption Amount
plus	Redemption Premium
plus	Defeasance
plus	Administrative Fee
<u>less</u>	<u>Reserve Fund Credit</u>
equals	Prepayment Amount

As of the date of prepayment, the Prepayment Amount shall be calculated as follows:

1. For Assessor's Parcels of Developed Property, compute the sum of the Assigned Annual Special Taxes and the Backup Annual Special Taxes applicable to the Assessor's Parcel. For Assessor's Parcels of Undeveloped Property, compute the sum of the Assigned Annual Special Taxes and the Backup Annual Special Taxes applicable to the Assessor's Parcel as though it was already designated as Developed Property, based upon the Building Permit issued for that Assessor's Parcel.
2. For each Assessor's Parcel of Developed Property or Undeveloped Property to be prepaid, (a) divide the sum of the Assigned Annual Special Taxes computed pursuant to paragraph 1 for such Assessor's Parcel by the sum of the estimated Assigned Annual Special Taxes applicable to all Assessor's Parcels of Developed Property at build out, as reasonably determined by the Board, and (b) divide the sum of Backup Annual Special Tax computed pursuant to paragraph 1 for such Assessor's Parcel by the sum of the estimated Backup Annual Special Taxes applicable to all Assessor's Parcels of Developed Property at build out, as reasonably determined by the Board.
3. The amount determined pursuant to Section G.1. shall be (a) increased by the portion of the Bonds allocable to costs of issuance, reserve fund deposits, and capitalized interest with respect to the applicable Assessor's Parcel and (b) reduced by the amount of regularly retired principal which is allocable to the applicable Assessor's Parcel, as determined by the Board. The result is the "Outstanding Gross Prepayment Amount." In no event shall any Annual Special Taxes determined to have been used to make a regularly scheduled principal payment on the Bonds be adjusted for any increase in any cost index or other basis subsequent to the date of the applicable principal payment.

4. Multiply the larger quotient computed pursuant to paragraph 2(a) or 2(b) by the

face value of all outstanding Bonds. If the product is greater than the Outstanding Gross Prepayment Amount, then the product shall be the "Bond Redemption Amount." If the product is less than the Outstanding Gross Prepayment Amount, then the Outstanding Gross Prepayment Amount shall be the "Bond Redemption Amount."

5. Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the outstanding Bonds to be redeemed with the proceeds of the Bond Redemption Amount. This product is the "Redemption Premium."
6. Compute the amount needed to pay interest on the Bond Redemption Amount, the Redemption Premium, and the Reserve Fund Credit (see step 10) to be redeemed with the proceeds of the Prepayment Amount until the earliest call date for the outstanding Bonds.
7. Estimate the amount of interest earnings to be derived from the reinvestment of the Bond Redemption Amount plus the Redemption Premium until the earliest call date for the outstanding Bonds.
8. Subtract the amount computed pursuant to paragraph 7 from the amount computed pursuant to paragraph 6. This difference is the "Defeasance."
9. Estimate the administrative fees and expenses associated with the prepayment, including the costs of computation of the Prepayment Amount, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption. This amount is the "Administrative Fee."
10. Calculate the "Reserve Fund Credit" as the lesser of: (a) the expected reduction in the applicable reserve requirements, if any, associated with the redemption of outstanding Bonds as a result of the prepayment, or (b) the amount derived by subtracting the new reserve requirements in effect after the redemption of outstanding Bonds as a result of the prepayment from the balance in the applicable reserve funds on the prepayment date. Notwithstanding the foregoing, if a surety bond or other instrument satisfies the reserve fund requirement at the time of the prepayment, then no Reserve Fund Credit shall be given. Notwithstanding the foregoing, the Reserve Fund Credit shall in no event be less than 0.
11. The Prepayment Amount is equal to the sum of the Bond Redemption Amount, the Redemption Premium, the Defeasance, and the Administrative Fee, less the Reserve Fund Credit.

With respect to an Annual Special Tax obligation that is prepaid pursuant to this Section G, the Board shall indicate in the records of CFD No. 12 that there has been a prepayment of the Annual Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act within thirty (30) days of receipt of such prepayment to indicate the prepayment of the Annual Special Tax obligation and the release of the Annual Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such Annual Special Taxes shall cease.

Notwithstanding the foregoing, no prepayment will be allowed unless the amount of Annual Special Taxes that may be levied on Taxable Property, net of Administrative Expenses, shall be at least 1.1 times the regularly scheduled annual interest and principal payments on all currently outstanding Bonds in each future Fiscal Year, as reasonably determined by the Board.

## **SECTION H**

### **PARTIAL PREPAYMENT OF ANNUAL SPECIAL TAXES**

The Annual Special Tax obligation of an Assessor's Parcel, as calculated in Section H.2. below, may be partially prepaid at the times and under the conditions set forth in this section, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel at the time the Annual Special Tax obligation would be prepaid.

#### **1. Partial Prepayment Times and Conditions**

Prior to the issuance of the first Building Permit for the construction of a production Unit on a Lot within a Final Map area, the owner of no less than all the Taxable Property within such Final Map area may elect in writing to the Board to prepay a portion of the Annual Special Tax obligations for all the Assessor's Parcels within such Final Map area, as calculated in Section H.2. below. The partial prepayment of each Annual Special Tax obligation shall be collected prior to the issuance of the first Building Permit with respect to each Assessor's Parcel.

#### **2. Partial Prepayment Amount**

The Partial Prepayment Amount shall be calculated according to the following formula:

$$PP = P_G \times F$$

The terms above have the following meanings:

PP = the Partial Prepayment Amount

$P_G$  = the Prepayment Amount calculated according to Section G

F = the percent by which the owner of the Assessor's Parcel is partially prepaying the Annual Special Tax obligation.

#### **3. Partial Prepayment Procedures and Limitations**

With respect to any Assessor's Parcel that is partially prepaid, the Board shall indicate in the records of CFD No. 12 that there has been a partial prepayment of the Annual Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act within thirty (30) days of receipt of such partial prepayment of the Annual Special Tax obligation, to indicate the partial prepayment of the Annual Special Tax obligation and the partial

release of the Annual Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such prepaid portion of the Annual Special Tax shall cease.

Notwithstanding the foregoing, no partial prepayment will be allowed unless the amount of Annual Special Taxes that may be levied on Taxable Property after such partial prepayment, net of Administrative Expenses, shall be at least 1.1 times the regularly scheduled annual interest and principal payments on all currently outstanding Bonds in each future Fiscal Year.

## **SECTION I TERMINATION OF SPECIAL TAX**

Annual Special Taxes shall be levied for a period of thirty-three (33) Fiscal Years after the last series of Bonds has been issued, as determined by the Board, provided that Annual Special Taxes shall not be levied after Fiscal Year 2042-43.

## **SECTION J EXEMPTIONS**

The Board shall classify as Exempt Property (i) Assessor's Parcels owned by the State of California, Federal or other local governments, (ii) Assessor's Parcels which are used as places of worship and are exempt from *ad valorem* property taxes because they are owned by a religious organization, (iii) Assessor's Parcels used exclusively by a homeowners' association, (iv) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement, (v) Assessor's Parcels classified as Golf Course Property or containing a Commercial/Industrial Building with no Units, and (vi) any other Assessor's Parcels at the reasonable discretion of the Board, provided that no such classification would reduce the sum of all Developed Property and Undeveloped Property in such Zone to less than the Minimum Taxable Acreage. Notwithstanding the above, the Board shall not classify an Assessor's Parcel as Exempt Property if such classification would reduce the sum of all Taxable Property in such Zone to less than the Minimum Taxable Acreage. Assessor's Parcels which cannot be classified as Exempt Property because such classification would reduce the Acreage of all Taxable Property in such Zone to less than the Minimum Taxable Acreage will continue to be classified as Developed Property or Undeveloped Property, as applicable, and will continue to be subject to Special Taxes accordingly.

**TABLE 4**

### **MINIMUM TAXABLE ACREAGE**

<b>Zone</b>	<b>Minimum Taxable Acreage</b>
Zone 1	110.43
Zone 2	21.45
Zone 3	18.13
Zone 4	31.61



## **SECTION K APPEALS**

Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the Board not later than twelve months after having paid the first installment of the Special Tax that is disputed. A representative(s) of CFD No. 12 shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and rule on the appeal. If the representative's decision requires that the Special Tax for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund shall not be made (except for the last year of levy), but an adjustment shall be made to the Annual Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s).

## **SECTION L MANNER OF COLLECTION**

The Annual Special Tax shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes, provided, however, that CFD No. 12 may collect Annual Special Taxes at a different time or in a different manner if necessary to meet its financial obligations.

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# **FIRST AMENDED RATE AND METHOD OF APPORTIONMENT FOR COMMUNITY FACILITIES DISTRICT NO. 13 OF POWAY UNIFIED SCHOOL DISTRICT**

The following sets forth the First Amended Rate and Method of Apportionment for the levy and collection of Special Taxes ("Rate and Method of Apportionment") of Community Facilities District No. 13 ("CFD No. 13") of the Poway Unified School District ("School District"). An Annual Special Tax shall be levied on and collected on Taxable Property (defined below) located within the boundaries of CFD No. 13 each Fiscal Year in an amount determined through the application of the First Amended Rate and Method of Apportionment described below. All of the real property in CFD No. 13, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

## **SECTION A DEFINITIONS**

For purposes of this Rate and Method of Apportionment the terms hereinafter set forth have the following meanings:

**"Acreage"** means the number of acres of land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the Board may rely on the land area shown on the applicable final map, parcel map, condominium plan, or other recorded County parcel map.

**"Act"** means the Mello-Roos Communities Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

**"Administrative Expenses"** means any ordinary and necessary expense incurred by the School District on behalf of CFD No. 13 related to the determination of the amount of the levy of Special Taxes, the collection of Special Taxes, including the reasonable expenses of collecting delinquencies, the administration of Bonds, the proportionate payment of salaries and benefits of any School District employee whose duties are directly related to the administration of CFD No. 13, and reasonable costs otherwise incurred in order to carry out the authorized purposes of CFD No. 13.

**"Annual Special Tax"** means the Special Tax actually levied in any Fiscal Year on any Assessor's Parcel.

**"Approved Property"** means an Assessor's Parcel in CFD No. 13 which represents a Lot in a Final Subdivision Map that was recorded prior to January 1 of the prior Fiscal Year, but for which a Building Permit has not been issued on or before May 1 of the prior Fiscal Year. Notwithstanding the above, once an Assessor's Parcel has been classified Approved Property, it shall remain Approved Property until such time as a Building Permit is issued.

**"Assessor's Parcel"** means a lot or parcel of land designated on an Assessor's Parcel Map with an assigned Assessor's Parcel Number within the boundaries of CFD No. 13.

**"Assessor's Parcel Map"** means an official map of the Assessor of the County designating parcels by Assessor's Parcel Number.

**"Assessor's Parcel Number" or "APN"** means that number assigned to an Assessor's Parcel by the County for purposes of identification.

**"Assigned Annual Special Tax"** means the Special Tax of that name described in Section D.

**"Backup Annual Special Tax"** means the Special Tax of that name described in Section E.

**"Board"** means the Board of Education of Poway Unified School District, or its designee, in certain cases acting as the legislative body of CFD No. 13.

**"Bond Index"** means the national Bond Buyer Revenue Index, commonly referenced as the 25-Bond Revenue Index. In the event the Bond Index ceases to be published, the index used shall be based on a comparable index for revenue bonds maturing in 30 year with an average rating equivalent to Moody's A1 and/or S&P's A+, as reasonably determined by the Board.

**"Bond Yield"** means the yield of the last series of Bonds issued, for purposes of this calculation the yield of the Bonds shall be the yield calculated at the time such Bonds are issued, pursuant to Section 148 of the Internal Revenue Code of 1986, as amended for the purpose of the Non-Arbitrage Certificate or other similar bond issuance document.

**"Bonds"** means any obligation to repay a sum of money, including obligations in the form of bonds, notes, certificates of participation, long-term leases, loans from government agencies, or loans from banks, other financial institutions, private businesses, or individuals, or long-term contracts, or any refunding thereof, to which the Special Taxes have been pledged for repayment.

**"Building Permit"** means a permit for the construction of one or more Units issued by the County, or another public agency in the event the County no longer issues said permits for the construction of Units within CFD No. 13. For purposes of this definition, "Building Permit" shall not include permits for construction or installation of structures, parking structures, retaining walls, utility improvements, or other such improvements not intended for human habitation or commercial/industrial use.

**"Building Square Footage" or "BSF"** means the square footage of assessable internal living space of a Unit, exclusive of any carports, walkways, garages, overhangs, patios, enclosed patios, detached accessory structure, other structures not used as living space, or any other square footage excluded under Government Code Section 65995 as determined by reference to the Building Permit for such Unit.

**"Calendar Year"** means the period commencing January 1 of any year and ending the following December 31.

**"County"** means the County of San Diego.

**"Developed Property"** means all Assessor's Parcels of Taxable Property for which Building Permits were issued on or before May 1 of the prior Fiscal Year, provided that such Assessor's Parcels were created on or before January 1 of the prior Fiscal Year and that each such Assessor's Parcel is associated with a Lot, as determined reasonably by the Board.

**"Exempt Property"** means all Assessor's Parcels designated as being exempt from Special Taxes in Section K each Fiscal Year as determined May 1 of the previous Fiscal Year.

**"Final Subdivision Map"** means a final tract map, parcel map, lot line adjustment, or functionally equivalent map or instrument that creates individual Lots, recorded in the County Office of the Recorder.

**"Fiscal Year"** means the period commencing on July 1 of any year and ending the following June 30.

**"Homeowner"** means any owner of a completed Unit constructed and sold within CFD No. 13.

**"Index"** means the Marshall & Swift eight (8) California Cities Class B Construction Cost Index, or if the Marshall & Swift eight (8) California Cities Class B Construction Cost Index ceases to be used by the State Allocation Board, a reasonably comparable index used by the State Allocation Board to estimate changes in school construction costs, or in the absence of such an Index, the Engineering News Record, Construction Cost Index (Los Angeles Area) published by McGraw-Hill, Inc.

**"Inflator"** means the greater of (i) 2.00% or (ii) the percentage change in the Index as measured between the Index published in December of the prior Calendar Year and the Index published in December of the Calendar Year immediately preceding the prior Calendar Year.

**"Lot"** means an individual legal lot created by a Final Subdivision Map for which a Building Permit for residential construction has been or could be issued. Notwithstanding the foregoing, in the case of an individual legal lot created by such a Final Subdivision Map upon which condominium units are entitled to be developed but for which a condominium plan has not been recorded, the number of Lots allocable to such legal lot for purposes of calculating the Backup Special Tax applicable to such Final Subdivision Map shall equal the number of condominium units which are permitted to be constructed on such legal lot as shown on such Final Subdivision Map.

**"Maximum Special Tax"** means the maximum Special Tax, determined in accordance with Section C, that can be levied by CFD No. 13 in any Fiscal Year on any Assessor's Parcel.

**"Minimum Annual Special Tax Requirement"** means the amount required in any Fiscal Year to pay: (i) the debt service or the periodic costs on all outstanding Bonds, (ii) Administrative Expenses of CFD No. 13, (iii) the costs associated with the release of funds from an escrow account(s) established in association with the Bonds, and (iv) any amount required to establish or replenish any reserve funds (or accounts thereof) established in association with the Bonds, less (v) any amount(s) available to pay debt service or other periodic costs on the Bonds pursuant to any applicable bond indenture, fiscal agent agreement, trust agreement, or equivalent agreement or document. In arriving at the Minimum Annual Special Tax requirement, the Board shall take into account the reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year.

**"Minimum Taxable Acreage"** means the applicable Acreage listed in Table 4 set forth in Section K.

**"Net Taxable Acreage"** means the total Acreage of all Taxable Property expected to exist in CFD No. 13 after all Final Subdivision Maps are recorded.

**"Partial Prepayment Amount"** means the amount required to prepay a portion of the Annual Special Tax obligation for an Assessor's Parcel as described in Section H.

**"Prepayment Administrative Fees"** means any fees or expenses of the School District or CFD No. 13 associated with the prepayment of the Special Tax obligation of an Assessor's Parcel. Prepayment Administrative Fees shall include among other things the cost of computing the Prepayment Amount, redeeming Bonds, and recording any notices to evidence the prepayment and redemption of Bonds.

**"Prepayment Amount"** means the amount required to prepay the Annual Special Tax obligation in full for an Assessor's Parcel as described in Section G.

**"Present Value of Taxes"** means for any Assessor's Parcel the present value of (i) the unpaid portion, if any, of the Special Tax applicable to such Assessor's Parcel in the current Fiscal Year and (ii) the Annual Special Taxes expected to be levied on such Assessor's Parcel in each remaining Fiscal Year, as determined by the Board, until the earlier of (a) 30 Fiscal Years after the current Fiscal Year or (b) the termination date specified in Section J. The discount rate used for this calculation shall be equal to the (i) Bond Yield after Bond issuance or (ii) most recently published Bond Index prior to Bond issuance.

**"Proportionately"** means that the ratio of the actual Annual Special Tax levy to the applicable Assigned Annual Special Tax or Maximum Annual Special Tax is equal for all applicable Assessor's Parcels.

**"Reserve Fund Credit"** means an amount equal to the reduction in the applicable reserve fund requirement(s) resulting from the redemption of Bonds with the Prepayment Amount. In the event that a surety bond or other credit instrument satisfies the reserve requirement or the reserve requirement is under funded at the time of the prepayment no Reserve Fund Credit shall be given.

**"Residential Property"** means all Assessor's Parcels of Developed Property which a Building Permit was issued for the construction of one or more Units.

**"Special Tax(es)"** means any of the special taxes authorized to be levied by CFD No. 13 pursuant to the Act.

**"Taxable Property"** means all Assessor's Parcels which are not Exempt Property.

**"Undeveloped Property"** means all Assessor's Parcels of Taxable Property which are not Developed Property or Approved Property.

**"Unit"** means each separate residential dwelling unit which comprises an independent facility capable of conveyance separate from adjacent residential dwelling units.

**"Zone"** means the areas identified as a Zone of CFD No. 13 as in Section N of this Rate and Method of Apportionment.

**"Zone 1"** means all property located within the area identified as Zone 1 of CFD No. 13 as in Section N, subject to interpretation by the Board as described in Section B.

**"Zone 2"** means all property located within the area identified as Zone 2 of CFD No. 13 as in Section N, subject to interpretation by the Board as described in Section B.

## **SECTION B CLASSIFICATION OF ASSESSOR'S PARCELS**

For each Fiscal Year, beginning with Fiscal Year 2007-08, each Assessor's Parcel within CFD No. 13 shall be assigned to a Zone in accordance with Section N at the reasonable discretion of the Board and each Assessor's Parcel within each Zone shall be classified as Taxable Property or Exempt Property. Furthermore, each Assessor's Parcel of Taxable Property shall be classified as Developed Property, Approved Property, or Undeveloped Property. Developed Property within Zone 1 shall be further classified based on the Building Square Footage of the Unit. The classification of Exempt Property within each Zone shall take into consideration Minimum Taxable Acreage for such Zone as determined pursuant to Section K.

## **SECTION C MAXIMUM SPECIAL TAXES**

### **1. Developed Property**

The Maximum Special Tax for each Assessor's Parcel classified as Developed Property within a particular Zone in each Fiscal Year shall be the greater of (i) the application of the Assigned Annual Special Tax for such Zone or (ii) the application of the Backup Annual Special Tax for a given Final Subdivision Map for such Zone.

**2. Approved Property or Undeveloped Property**

The Maximum Special Tax for each Assessor's Parcel classified as Approved Property or Undeveloped Property within a particular Zone in each Fiscal Year shall be the amount determined by the application of the Assigned Annual Special Tax for such Zone.

**SECTION D  
ASSIGNED ANNUAL SPECIAL TAXES**

**1. Developed Property**

**A. Assigned Annual Special Tax For Newly Developed Property**

The Assigned Annual Special Tax for an Assessor's Parcel of Developed Property within a particular Zone in the first Fiscal Year in which such Assessor's Parcel is classified as Developed Property shall be determined by reference to Tables 1 and 2 for such Zone, subject to increases as described below.

**TABLE 1**

**ASSIGNED ANNUAL SPECIAL TAX FOR  
NEWLY DEVELOPED PROPERTY IN ZONE 1  
FISCAL YEAR 2007-08**

<b>Building Square Footage</b>	<b>Assigned Annual Special Tax</b>
< 4,000	\$2,260.50 per Unit
4,000 – 4,300	\$2,637.25 per Unit
4,301 – 4,600	\$2,888.41 per Unit
4,601 – 4,900	\$3,139.58 per Unit
4,901 – 5,200	\$3,233.77 per Unit
> 5,200	\$3,327.95 per Unit

**TABLE 2**

**ASSIGNED ANNUAL SPECIAL TAX FOR  
NEWLY DEVELOPED PROPERTY IN ZONE 2  
FISCAL YEAR 2007-08**

<b>Building Square Footage</b>	<b>Assigned Annual Special Tax</b>
NA	\$2,806.35 per Unit

Each July 1, commencing July 1, 2008, the Assigned Annual Special Tax for each Assessor's Parcel of Developed Property within a particular Zone in the first Fiscal Year in which such Assessor's Parcel is classified as Developed Property shall be increased by the Inflator for such Zone.

## **B. Assigned Annual Special Tax for Existing Developed Property**

Each July 1, commencing the July 1 immediately following the Fiscal Year in which the Assessor's Parcel was first classified as Developed Property within a particular Zone, the Assigned Annual Special Tax applicable to such Assessor's Parcel shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year for such Zone.

## **2. Approved Property or Undeveloped Property**

The Assigned Annual Special Tax per Acre for an Assessor's Parcel of Approved Property or Undeveloped Property each Fiscal Year shall be the amount determined by reference to Table 3 according to the Zone within which the Assessor's Parcel is located.

**TABLE 3**

**ASSIGNED ANNUAL SPECIAL TAX FOR  
APPROVED PROPERTY OR UNDEVELOPED PROPERTY  
FISCAL YEAR 2007-08**

<b>Location</b>	<b>Assigned Annual Special Tax</b>
Zone 1	\$5,619.14 per Acre
Zone 2	\$5,619.13 per Acre

Each July 1, commencing July 1, 2008, the Assigned Annual Special Tax per acre of Acreage for each Assessor's Parcel of Approved Property or Undeveloped Property shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year.

## **SECTION E BACKUP ANNUAL SPECIAL TAXES**

Each Fiscal Year, each Assessor's Parcel of Developed Property within a particular Zone shall be subject to a Backup Annual Special Tax. The Backup Annual Special Tax rate for an Assessor's Parcel of Developed Property within a Final Subdivision Map in Fiscal Year 2007-08 or such later Fiscal Year within a particular Zone in which such Final Subdivision Map is created shall be the rate per Lot calculated according to the following formula:

$$B = \frac{U \times A}{L}$$



The terms above have the following meanings:

B	=	Backup Annual Special Tax per Lot
U	=	Assigned Annual Special Tax per acre of Acreage for Undeveloped Property or Approved Property in the Fiscal Year which the calculation is performed for such Zone
A	=	Acreage of Taxable Property in such Final Subdivision Map at time of calculation, as determined by the Board pursuant to Section K
L	=	Lots in the Final Subdivision Map at the time of calculation for such Zone.

Each July 1, commencing the July 1 first following the initial calculation of the Backup Annual Special Tax rate for an Assessor's Parcel of Developed Property with a Final Subdivision Map, the Backup Annual Special Tax for each Lot within such Final Subdivision Map shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year.

Notwithstanding the foregoing, if all or any portion of the Final Subdivision Map(s) described in the preceding paragraph is subsequently changed or modified, then the Backup Annual Special Tax for each Assessor's Parcel of Developed Property in such Final Subdivision Map that is changed or modified shall be a rate per square foot of Acreage calculated as follows:

1. Determine the total Backup Annual Special Taxes anticipated to apply to the changed or modified area in the Final Subdivision Map prior to the change or modification in the current Fiscal Year.
2. The result of paragraph 1 above shall be divided by the Acreage of Taxable Property which is ultimately expected to exist in such changed or modified area in the Final Subdivision Map, as reasonably determined by the Board.
3. The result of paragraph 2 above shall be divided by 43,560. The result is the Backup Annual Special Tax per square foot of Acreage which shall be applicable to Assessor's Parcels of Developed Property in such changed or modified area of the Final Subdivision Map. Each July 1, commencing the July 1 first following the change or modification to the Final Subdivision Map the amount determined by this Section shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year.

## **SECTION F**

### **METHOD OF APPORTIONMENT OF THE ANNUAL SPECIAL TAX**

Commencing Fiscal Year 2007-08, and for each subsequent Fiscal Year, the Board shall levy Annual Special Taxes as follows:

- Step One: The Board shall levy an Annual Special Tax on each Assessor's Parcel of Developed Property in an amount equal to the Assigned Annual Special Tax applicable to each such Assessor's Parcel.
- Step Two: If the sum of the amounts collected in step one is insufficient to satisfy the Minimum Annual Special Tax Requirement, then the Board shall Proportionately levy an Annual Special Tax on each Assessor's Parcel of Approved Property in an amount up to the Assigned Annual Special Tax applicable to each such Assessor's Parcel to satisfy the Minimum Annual Special Tax Requirement.
- Step Three: If the sum of the amounts collected in steps one and two is insufficient to satisfy the Minimum Annual Special Tax Requirement, then the Board shall Proportionately levy an Annual Special Tax on each Assessor's Parcel of Undeveloped Property up to the Assigned Annual Special Tax applicable to each such Assessor's Parcel to satisfy the Minimum Annual Special Tax Requirement.
- Step Four: If the sum of the amounts collected in steps one, two, and three is insufficient to satisfy the Minimum Annual Special Tax Requirement, then the Board shall Proportionately levy an Annual Special Tax on each Assessor's Parcel of Developed Property up to the Maximum Special Tax applicable to each such Assessor's Parcel to satisfy the Minimum Annual Special Tax Requirement.

## **SECTION G PREPAYMENT OF ANNUAL SPECIAL TAXES**

The Annual Special Tax obligation of an Assessor's Parcel of Developed Property, or an Assessor's Parcel of Approved Property or Undeveloped Property for which a Building Permit has been issued, may be prepaid in full provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel at the time the Annual Special Tax obligation would be prepaid. The Prepayment Amount for an Assessor's Parcel eligible for prepayment shall be determined as described below.

An owner of an Assessor's Parcel intending to prepay the Annual Special Tax obligation shall provide CFD No. 13 with written notice of intent to prepay. Within thirty (30) days of receipt of such written notice, the Board shall reasonably determine the Prepayment Amount of such Assessor's Parcel and shall notify such owner of such Prepayment Amount. The Prepayment Amount shall be calculated according to the following formula:

$$P = PVT - RFC + PAF$$

The terms above have the following meanings:

P	=	Prepayment Amount
PVT	=	Present Value of Taxes
RFC	=	Reserve Fund Credit
PAF	=	Prepayment Administrative Fees

A-9

Notwithstanding the foregoing, no prepayment will be allowed unless the amount of Annual Special Taxes that may be levied on Taxable Property, net of Administrative Expenses, shall be at least 1.1 times the regularly scheduled annual interest and principal payments on all currently outstanding Bonds in each future Fiscal Year and such prepayment will not impair the security of all currently outstanding Bonds, as reasonably determined by the Board. Such determination shall include identifying all Assessor's Parcels that are expected to become Exempt Property.

With respect to any Assessor's Parcel that is prepaid, the Board shall indicate in the records of CFD No. 13 that there has been a prepayment of the Annual Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act to indicate the prepayment of the Annual Special Tax obligation and the release of the Annual Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such Annual Special Tax shall cease.

## **SECTION H**

### **PARTIAL PREPAYMENT OF ANNUAL SPECIAL TAXES**

The Annual Special Tax obligation of an Assessor's Parcel may be partially prepaid at the times and under the conditions set forth in this section, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel at the time the Annual Special Tax obligation would be prepaid.

#### **1. Partial Prepayment Times and Conditions**

Prior to the conveyance of the first production Unit on a Lot within a Final Subdivision Map to a Homeowner, the owner of no less than all the Taxable Property within such Final Subdivision Map may elect in writing to the Board to prepay a portion of the Annual Special Tax obligations for all the Assessor's Parcels within such Final Subdivision Map, as calculated in Section H.2. below. The partial prepayment of each Annual Special Tax obligation shall be collected for all Assessor's Parcels prior to the conveyance of the first production Unit to a Homeowner with respect to such Final Subdivision Map.

#### **2. Partial Prepayment Amount**

The Partial Prepayment Amount shall be calculated according to the following formula:

$$PP = P_G \times F$$

The terms above have the following meanings:

PP = the Partial Prepayment Amount  
P<sub>G</sub> = the Prepayment Amount calculated according to Section G  
F = the percent by which the owner of the Assessor's Parcel is partially prepaying the Annual Special Tax obligation

### **3. Partial Prepayment Procedures and Limitations**

With respect to any Assessor's Parcel that is partially prepaid, the Board shall indicate in the records of CFD No. 13 that there has been a partial prepayment of the Annual Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act to indicate the partial prepayment of the Annual Special Tax obligation and the partial release of the Annual Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such prepaid portion of the Annual Special Tax shall cease. Additionally, the notice shall indicate that the Assigned Annual Special Tax and the Backup Annual Special Tax if applicable for the Assessor's Parcel has been reduced by an amount equal to the percentage which was partially prepaid.

Notwithstanding the foregoing, no partial prepayment will be allowed unless the amount of Annual Special Taxes that may be levied on Taxable Property after such partial prepayment, net of Administrative Expenses, shall be at least 1.1 times the regularly scheduled annual interest and principal payments on all currently outstanding Bonds in each future Fiscal Year and such partial prepayment will not impair the security of all currently outstanding Bonds, as reasonably determined by the Board. Such determination shall include identifying all Assessor's Parcels that are expected to become Exempt Property.

## **SECTION I EXCESS ASSIGNED ANNUAL SPECIAL TAXES**

In any Fiscal Year which the Annual Special Taxes collected from Developed Property, pursuant to Step 1 of Section F, exceeds the Minimum Annual Special Tax Requirement, the School District shall use such amount for acquisition, construction or financing of school facilities in accordance with the Act, CFD No. 13 proceedings, and other applicable laws as determined by the Board.

## **SECTION J TERMINATION OF SPECIAL TAX**

Annual Special Taxes shall be levied for a period of thirty-five (35) Fiscal Years after the last series of bonds have been issued, provided that Annual Special Taxes shall not be levied after Fiscal Year 2051-2052.

## **SECTION K EXEMPTIONS**

The Board shall classify as Exempt Property (i) Assessor's Parcels owned by the State of California, Federal or other local governments, (ii) Assessor's Parcels which are used as places of worship and are exempt from *ad valorem* property taxes because they are owned by a religious organization, (iii) Assessor's Parcels owned by a homeowners' association, (iv) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement, (v) Assessor's Parcels developed or expected to be developed exclusively for non-residential use, including any use directly servicing any non-residential property, such as parking, as reasonably determined by the Board, and (vi) any other Assessor's Parcels at the reasonable discretion of the Board, provided that no such classification would reduce the Net Taxable Acreage within a given Zone to less than the Minimum Taxable Acreage for such Zone. Notwithstanding the above, the Board shall not classify an Assessor's Parcel as Exempt Property if such classification would reduce the sum of all Taxable Property in a given Zone to less than the Minimum Taxable Acreage for such Zone. Assessor's Parcels which cannot be classified as Exempt Property because such classification would reduce the Acreage of all Taxable Property in a given Zone to less than the Minimum Taxable Acreage for such Zone will continue to be classified as Developed Property, Undeveloped Property, or Approved Property, as applicable, and will continue to be subject to Special Taxes accordingly.

**TABLE 4**

### **MINIMUM TAXABLE ACREAGE**

<b>Location</b>	<b>Minimum Taxable Acreage</b>
Zone 1	175.80 Acres
Zone 2	14.98 Acres

## **SECTION L APPEALS**

Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the Board not later than twelve months after having paid the first installment of the Special Tax that is disputed. In order to be considered sufficient, any notice of appeal must: (i) specifically identify the property by address and Assessor's Parcel Number; (ii) state the amount in dispute and whether it is the whole amount or only a portion of the Special Tax; (iii) state all grounds on which the property owner is disputing the amount or application of the Special Tax, including a reasonably detailed explanation as to why the amount or application of such Special Tax is incorrect; (iv) include all documentation, if any, in support of the claim; and (v) be verified under penalty of perjury by the person who paid the Special Tax or his or her guardian, executor or administrator. A representative(s) of CFD No. 13 shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and rule on the appeal. If the representative's decision requires that the Special Tax for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund shall not be made (except for the last year of levy), but an adjustment shall be made to the Annual Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s) as the representative's decision shall indicate.

## **SECTION M MANNER OF COLLECTION**

The Annual Special Tax shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes and shall be subject to the same penalties, the same procedure, sale and lien priority in the case of delinquency; provided, however, that CFD No. 13 may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations, and if so collected, a delinquent penalty of 10% of the Special Tax will attach at 5:00 p.m. on the date the Special Tax becomes delinquent and interest at 1.5% per month of the Special Tax will attach on the July 1 after the delinquency date and the first of each month thereafter until such Special Taxes are paid.

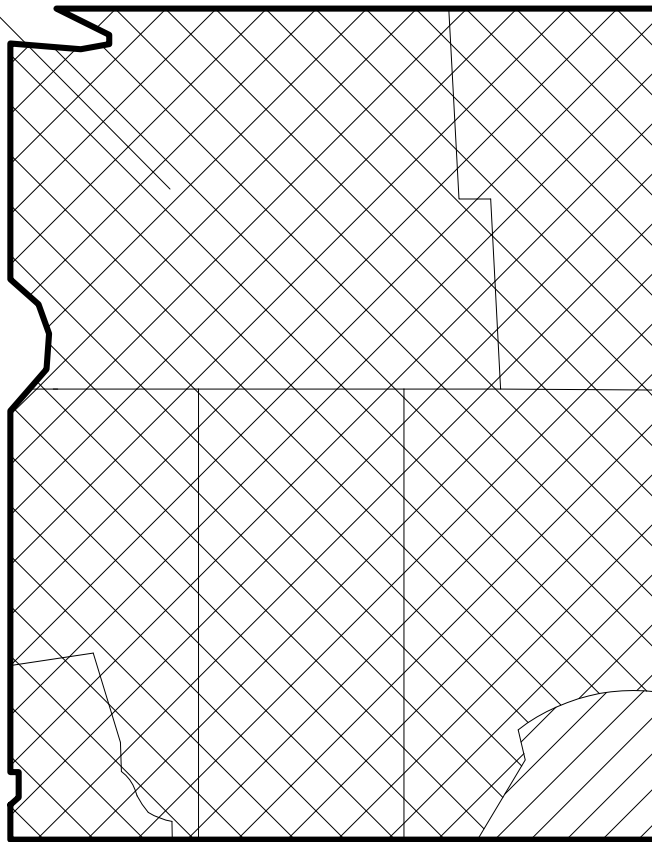
## **SECTION N MAP OF ZONES**

J:\CLIENTS\POWAY.USD\Mello\CFD No. 13 - Rancho Santa Fe Lakes\Formation\Final Docs\Amended RMA\_FINAL.doc

AMENDED SECTION N  
POWAY UNIFIED SCHOOL DISTRICT  
COMMUNITY FACILITIES DISTRICT NO. 13  
MAP OF ZONES

(The boundaries of this APN  
exclude Lot 1 of Map No.  
15365 recorded in the office  
of the Recorder of the  
County of San Diego, State of  
California on June 23, 2006  
as File No. 2006-0447425.)

Bing Crosby  
Blvd



Camino Del Norte

LEGEND

- |  |  |
|--|--|
|  | Boundaries of Community Facilities District No. 13 |
|  | Assessor's Parcel Line                             |
|  | Zone 1   |
|  | Zone 2   |

Reference is hereby made to  
the Assessor maps of the  
County of San Diego for an  
exact description of the  
lines and dimensions of  
each lot and parcel.

PREPARED BY  
DOLINKA GROUP, INC.

# **Exhibit C**

## **California Debt and Investment Advisory Commission Reports**





Information as of Reporting Year End: 06/30/2022

## Issuance

Authority Issuer:	Poway Unified School District Public Financing Authority
Issue Name:	2013 Special Tax Revenue Bonds
Senior Issue:	
Subordinate Issue:	
Project Name:	CFD Nos 4, 12, & 13 Series B
Actual Sale Date:	05/22/2013
Settlement Date:	05/22/2013
Original Principal Amount:	\$17,795,000.00
Date of Filing:	10/25/2022
Total Issuance Costs:	\$470,957.75
Total Cost of Issuance from Report of Final Sale:	\$470,957.75
Was a Reserve Fund established with proceeds of this debt issue?:	No
Reserve Fund Minimum Balance Amount:	

## Fund Balance

Principal Amount of Bonds Outstanding:	\$16,015,000.00
Capitalized Interest Fund:	\$0.00
Cash Reserve:	\$10.60
Surety Bond Reserve:	\$0.00
Total Bond Reserve Fund:	\$10.60

## Professional Fees

Type of service	Other Text	Service Fee
No Data Available		

## Local Obligors



**MARKS ROOS AUTHORITY REPORT**  
California Debt and Investment Advisory Commission, 915 Capitol Mall,  
Room 400, Sacramento, CA 95814 P.O. Box 942809, Sacramento, CA  
94209-0001 Tel.: (916) 653-3269 Fax: (916) 654-7440

CDIAC # : 2013-1194  
10/25/2022

CDIAC Number	Issuer Name	Principal Amount	Obligor Type	Administration Fee
2013-1196	Poway Unified School District CFD No 4	\$7,990,000.00	BP	\$0.00
2013-1197	Poway Unified School District CFD No 12	\$4,430,000.00	BP	\$0.00
2013-1198	Poway Unified School District CFD No 13	\$5,375,000.00	BP	\$0.00
Total:		\$17,795,000.00		\$0.00

## Investment Contracts

Final Maturity of the Investment Contract:

Commission/Fee for Contract (total): \$0.00

Interest Earnings on Contract (current): \$0.00

## Retired Issues

Indicate Reason for Retirement: Not Retired

## Filing Contact

Filing Contact Name: Nehal Thumar

Agency/Organization Name: David Taussig & Associates Inc

Address: 100 Bayview Circle, Suite 100

City: Newport Beach

State: CA

Zip Code: 92660

Telephone: 949-9551500

Fax Number:

E-mail: nehal@financedta.com

## Comments



# MARKS ROOS AUTHORITY REPORT

California Debt and Investment Advisory Commission, 915 Capitol Mall,  
Room 400, Sacramento, CA 95814 P.O. Box 942809, Sacramento, CA  
94209-0001 Tel.: (916) 653-3269 Fax: (916) 654-7440

CDIAC # : 2013-1194  
10/25/2022

Issuer Comments:



Information as of Reporting Year End: 06/30/2022

## Issuance

Authority Issuer:	Poway Unified School District Public Financing Authority
Issue Name:	2022 Ref RBs
Senior Issue:	
Subordinate Issue:	
Project Name:	Series A-1, A-2 & A-3 (Taxable)
Actual Sale Date:	03/24/2022
Settlement Date:	03/25/2022
Original Principal Amount:	\$15,565,000.00
Date of Filing:	10/25/2022
Total Issuance Costs:	\$0.00
Total Cost of Issuance from Report of Final Sale:	\$276,173.67
Was a Reserve Fund established with proceeds of this debt issue?:	Yes
Reserve Fund Minimum Balance Amount:	\$161,741.00

## Fund Balance

Principal Amount of Bonds Outstanding:	\$15,565,000.00
Capitalized Interest Fund:	\$0.00
Cash Reserve:	\$161,780.26
Surety Bond Reserve:	\$0.00
Total Bond Reserve Fund:	\$161,780.26

## Professional Fees

Type of service	Other Text	Service Fee
No Data Available		

## Local Obligors



**MARKS ROOS AUTHORITY REPORT**  
California Debt and Investment Advisory Commission, 915 Capitol Mall,  
Room 400, Sacramento, CA 95814 P.O. Box 942809, Sacramento, CA  
94209-0001 Tel.: (916) 653-3269 Fax: (916) 654-7440

CDIAC # : 2022-0319  
10/25/2022

CDIAC Number	Issuer Name	Principal Amount	Obligor Type	Administration Fee
2022-0325	Poway Unified School District CFD No 12	\$3,765,000.00	BP	\$0.00
2022-0324	Poway Unified School District CFD No 4	\$6,985,000.00	BP	\$0.00
2022-0326	Poway Unified School District CFD No 13	\$4,815,000.00	BP	\$0.00
Total:		\$15,565,000.00		\$0.00

## Investment Contracts

Final Maturity of the Investment Contract:

Commission/Fee for Contract (total): \$0.00

Interest Earnings on Contract (current): \$0.00

## Retired Issues

Indicate Reason for Retirement: Not Retired

## Filing Contact

Filing Contact Name: Nehal Thumar

Agency/Organization Name: David Taussig & Associates Inc

Address: 100 Bayview Circle, Suite 100

City: Newport Beach

State: CA

Zip Code: 92660

Telephone: 949-9551500

Fax Number:

E-mail: nehal@financedta.com

## Comments



# MARKS ROOS AUTHORITY REPORT

California Debt and Investment Advisory Commission, 915 Capitol Mall,  
Room 400, Sacramento, CA 95814 P.O. Box 942809, Sacramento, CA  
94209-0001 Tel.: (916) 653-3269 Fax: (916) 654-7440

CDIAC # : 2022-0319  
10/25/2022

Issuer Comments:



Information as of Reporting Year End: 06/30/2022

## Issuance

Issuer Name:	Poway Unified School District CFD No 4
Issue Name:	2013 Spec Tax Bonds
Project Name:	Black Mountain Ranch
Date of Bond Issue/Loans:	05/22/2013
Settlement Date:	05/22/2013
Original Principal Amount:	\$7,990,000.00
Date of Filing:	10/23/2022
Total Issuance Costs:	\$0.00
Total Cost of Issuance from Report of Final Sale:	\$211,461.22
Name of Authority that purchased debt:	Poway Unified School District Public Financing Authority
Date of Authority Bond(s) Issuance:	05/22/2013
Total Costs of Issuance from Authority Report of Final Sale:	\$470,957.75
Is the Reserve Fund held at Authority level?:	No
Reserve Fund Minimum Balance Amount:	
Part of Authority Reserve Fund:	Yes
Percent of Reserve Fund:	44.96

## Fund Balance

Principal Amount of Bonds Outstanding:	\$7,200,000.00
Bond Reserve Fund:	\$0.00
Capitalized Interest Fund:	\$0.00
Administrative Fee Charged by Authority:	\$0.00

## Delinquent Reporting

Have Delinquent Taxes been reported?	Y
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**MARKS ROOS LOCAL OBLIGOR REPORT**  
California Debt and Investment Advisory Commission, 915 Capitol Mall,  
Room 400, Sacramento, CA 95814 P.O. Box 942809, Sacramento, CA  
94209-0001 Tel.: (916) 653-3269 Fax: (916) 654-7440

CDIAC # : 2013-1196  
10/23/2022

Delinquent Parcel Information Reported as of Equalized Tax Roll of:	09/29/2022
Delinquency Rate:	0.78
Does this agency participate in the County's Teeter Plan?	N
Taxes Due:	\$1,787,597.84
Taxes Unpaid:	\$13,883.81

## Retired Issues

Indicate Reason for Retirement:	Not Retired
---------------------------------	-------------

## Filing Contact

Filing Contact Name:	Nehal Thumar
Agency/Organization Name:	David Taussig & Associates Inc
Address:	100 Bayview Circle, Suite 100
City:	Newport Beach
State:	CA
Zip Code:	92660
Telephone:	949-9551500
Fax Number:	
E-mail:	nehal@financedta.com

## Comments

Issuer Comments:





Information as of Reporting Year End: 06/30/2022

## Issuance

Issuer Name:	Poway Unified School District CFD No 4
Issue Name:	2022 Special Tax Bonds
Project Name:	Black Mountain Ranch Series A (Taxable)
Date of Bond Issue/Loans:	03/24/2022
Settlement Date:	03/25/2022
Original Principal Amount:	\$6,985,000.00
Date of Filing:	10/23/2022
Total Issuance Costs:	\$0.00
Total Cost of Issuance from Report of Final Sale:	\$0.00
Name of Authority that purchased debt:	Poway Unified School District Public Financing Authority
Date of Authority Bond(s) Issuance:	03/25/2022
Total Costs of Issuance from Authority Report of Final Sale:	\$276,173.67
Is the Reserve Fund held at Authority level?:	No
Reserve Fund Minimum Balance Amount:	
Part of Authority Reserve Fund:	No
Percent of Reserve Fund:	

## Fund Balance

Principal Amount of Bonds Outstanding:	\$6,985,000.00
Bond Reserve Fund:	\$0.00
Capitalized Interest Fund:	\$0.00
Administrative Fee Charged by Authority:	\$0.00

## Delinquent Reporting

Have Delinquent Taxes been reported?	Y
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**MARKS ROOS LOCAL OBLIGOR REPORT**  
California Debt and Investment Advisory Commission, 915 Capitol Mall,  
Room 400, Sacramento, CA 95814 P.O. Box 942809, Sacramento, CA  
94209-0001 Tel.: (916) 653-3269 Fax: (916) 654-7440

CDIAC # : 2022-0324  
10/23/2022

Delinquent Parcel Information Reported as of Equalized Tax Roll of:	09/29/2022
Delinquency Rate:	0.78
Does this agency participate in the County's Teeter Plan?	N
Taxes Due:	\$1,787,597.84
Taxes Unpaid:	\$13,883.81

## Retired Issues

Indicate Reason for Retirement:	Not Retired
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## Filing Contact

Filing Contact Name:	Nehal Thumar
Agency/Organization Name:	David Taussig & Associates Inc
Address:	100 Bayview Circle, Suite 100
City:	Newport Beach
State:	CA
Zip Code:	92660
Telephone:	949-9551500
Fax Number:	
E-mail:	nehal@financedta.com

## Comments

Issuer Comments:



**MARKS ROOS LOCAL OBLIGOR REPORT**  
California Debt and Investment Advisory Commission, 915 Capitol Mall,  
Room 400, Sacramento, CA 95814 P.O. Box 942809, Sacramento, CA  
94209-0001 Tel.: (916) 653-3269 Fax: (916) 654-7440

CDIAC # : 2013-1197  
10/25/2022

Information as of Reporting Year End: 06/30/2022

## Issuance

Issuer Name:	Poway Unified School District CFD No 12
Issue Name:	2013 Special Tax Bonds
Project Name:	Black Mtn Ranch Phase II - Southern Village & The Clusters
Date of Bond Issue/Loans:	05/22/2013
Settlement Date:	05/22/2013
Original Principal Amount:	\$4,430,000.00
Date of Filing:	10/25/2022
Total Issuance Costs:	\$0.00
Total Cost of Issuance from Report of Final Sale:	\$117,243.20
Name of Authority that purchased debt:	Poway Unified School District Public Financing Authority
Date of Authority Bond(s) Issuance:	05/22/2013
Total Costs of Issuance from Authority Report of Final Sale:	\$470,957.75
Is the Reserve Fund held at Authority level?:	No
Reserve Fund Minimum Balance Amount:	
Part of Authority Reserve Fund:	Yes
Percent of Reserve Fund:	24.13

## Fund Balance

Principal Amount of Bonds Outstanding:	\$3,865,000.00
Bond Reserve Fund:	\$0.00
Capitalized Interest Fund:	\$0.00
Administrative Fee Charged by Authority:	\$0.00

## Delinquent Reporting

Have Delinquent Taxes been reported?	Y
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**MARKS ROOS LOCAL OBLIGOR REPORT**  
California Debt and Investment Advisory Commission, 915 Capitol Mall,  
Room 400, Sacramento, CA 95814 P.O. Box 942809, Sacramento, CA  
94209-0001 Tel.: (916) 653-3269 Fax: (916) 654-7440

CDIAC # : 2013-1197  
10/25/2022

Delinquent Parcel Information Reported as of Equalized Tax Roll of:	09/29/2022
Delinquency Rate:	0.68
Does this agency participate in the County's Teeter Plan?	N
Taxes Due:	\$1,541,998.80
Taxes Unpaid:	\$10,429.90

## Retired Issues

Indicate Reason for Retirement:	Not Retired
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## Filing Contact

Filing Contact Name:	Nehal Thumar
Agency/Organization Name:	David Taussig & Associates Inc
Address:	100 Bayview Circle, Suite 100
City:	Newport Beach
State:	CA
Zip Code:	92660
Telephone:	949-9551500
Fax Number:	
E-mail:	nehal@financedta.com

## Comments

Issuer Comments:



**MARKS ROOS LOCAL OBLIGOR REPORT**  
California Debt and Investment Advisory Commission, 915 Capitol Mall,  
Room 400, Sacramento, CA 95814 P.O. Box 942809, Sacramento, CA  
94209-0001 Tel.: (916) 653-3269 Fax: (916) 654-7440

CDIAC # : 2022-0325  
10/25/2022

Information as of Reporting Year End: 06/30/2022

## Issuance

Issuer Name:	Poway Unified School District CFD No 12
Issue Name:	2022 Special Tax Bonds
Project Name:	Black Mountain Ranch Phase II - So Village & The Clusters Series A (Taxable)
Date of Bond Issue/Loans:	03/24/2022
Settlement Date:	03/25/2022
Original Principal Amount:	\$3,765,000.00
Date of Filing:	10/25/2022
Total Issuance Costs:	\$0.00
Total Cost of Issuance from Report of Final Sale:	\$0.00
Name of Authority that purchased debt:	Poway Unified School District Public Financing Authority
Date of Authority Bond(s) Issuance:	03/25/2022
Total Costs of Issuance from Authority Report of Final Sale:	\$276,173.67
Is the Reserve Fund held at Authority level?:	No
Reserve Fund Minimum Balance Amount:	
Part of Authority Reserve Fund:	No
Percent of Reserve Fund:	

## Fund Balance

Principal Amount of Bonds Outstanding:	\$3,765,000.00
Bond Reserve Fund:	\$0.00
Capitalized Interest Fund:	\$0.00
Administrative Fee Charged by Authority:	\$0.00

## Delinquent Reporting

Have Delinquent Taxes been reported?	Y
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**MARKS ROOS LOCAL OBLIGOR REPORT**  
California Debt and Investment Advisory Commission, 915 Capitol Mall,  
Room 400, Sacramento, CA 95814 P.O. Box 942809, Sacramento, CA  
94209-0001 Tel.: (916) 653-3269 Fax: (916) 654-7440

CDIAC # : 2022-0325  
10/25/2022

Delinquent Parcel Information Reported as of Equalized Tax Roll of:	09/29/2022
Delinquency Rate:	0.68
Does this agency participate in the County's Teeter Plan?	N
Taxes Due:	\$1,541,998.80
Taxes Unpaid:	\$10,429.90

## Retired Issues

Indicate Reason for Retirement:	Not Retired
---------------------------------	-------------

## Filing Contact

Filing Contact Name:	Nehal Thumar
Agency/Organization Name:	David Taussig & Associates Inc
Address:	100 Bayview Circle, Suite 100
City:	Newport Beach
State:	CA
Zip Code:	92660
Telephone:	949-9551500
Fax Number:	
E-mail:	nehal@financedta.com

## Comments

Issuer Comments:



**MARKS ROOS LOCAL OBLIGOR REPORT**  
California Debt and Investment Advisory Commission, 915 Capitol Mall,  
Room 400, Sacramento, CA 95814 P.O. Box 942809, Sacramento, CA  
94209-0001 Tel.: (916) 653-3269 Fax: (916) 654-7440

CDIAC # : 2013-1198  
10/25/2022

Information as of Reporting Year End: 06/30/2022

## Issuance

Issuer Name:	Poway Unified School District CFD No 13
Issue Name:	2013 Spec Tax Bonds
Project Name:	The Lakes
Date of Bond Issue/Loans:	05/22/2013
Settlement Date:	05/22/2013
Original Principal Amount:	\$5,375,000.00
Date of Filing:	10/25/2022
Total Issuance Costs:	\$0.00
Total Cost of Issuance from Report of Final Sale:	\$142,253.33
Name of Authority that purchased debt:	Poway Unified School District Public Financing Authority
Date of Authority Bond(s) Issuance:	05/22/2013
Total Costs of Issuance from Authority Report of Final Sale:	\$470,957.75
Is the Reserve Fund held at Authority level?:	No
Reserve Fund Minimum Balance Amount:	
Part of Authority Reserve Fund:	No
Percent of Reserve Fund:	

## Fund Balance

Principal Amount of Bonds Outstanding:	\$4,950,000.00
Bond Reserve Fund:	\$0.00
Capitalized Interest Fund:	\$0.00
Administrative Fee Charged by Authority:	\$0.00

## Delinquent Reporting

Have Delinquent Taxes been reported?	Y
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California Debt and Investment Advisory Commission, 915 Capitol Mall,  
Room 400, Sacramento, CA 95814 P.O. Box 942809, Sacramento, CA  
94209-0001 Tel.: (916) 653-3269 Fax: (916) 654-7440

CDIAC # : 2013-1198  
10/25/2022

Delinquent Parcel Information Reported as of Equalized Tax Roll of:	09/28/2022
Delinquency Rate:	1.1
Does this agency participate in the County's Teeter Plan?	N
Taxes Due:	\$1,590,587.88
Taxes Unpaid:	\$17,488.78

## Retired Issues

Indicate Reason for Retirement:	Not Retired
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## Filing Contact

Filing Contact Name:	Nehal Thumar
Agency/Organization Name:	David Taussig & Associates Inc
Address:	100 Bayview Circle, Suite 100
City:	Newport Beach
State:	CA
Zip Code:	92660
Telephone:	949-9551500
Fax Number:	
E-mail:	nehal@financedta.com

## Comments

Issuer Comments:





Information as of Reporting Year End: 06/30/2022

## Issuance

Issuer Name:	Poway Unified School District CFD No 13
Issue Name:	2022 Special Tax Bonds
Project Name:	The Lakes Series A (Taxable)
Date of Bond Issue/Loans:	03/24/2022
Settlement Date:	03/25/2022
Original Principal Amount:	\$4,815,000.00
Date of Filing:	10/25/2022
Total Issuance Costs:	\$0.00
Total Cost of Issuance from Report of Final Sale:	\$0.00
Name of Authority that purchased debt:	Poway Unified School District Public Financing Authority
Date of Authority Bond(s) Issuance:	03/25/2022
Total Costs of Issuance from Authority Report of Final Sale:	\$276,173.67
Is the Reserve Fund held at Authority level?:	No
Reserve Fund Minimum Balance Amount:	
Part of Authority Reserve Fund:	Yes
Percent of Reserve Fund:	30.91

## Fund Balance

Principal Amount of Bonds Outstanding:	\$4,815,000.00
Bond Reserve Fund:	\$0.00
Capitalized Interest Fund:	\$0.00
Administrative Fee Charged by Authority:	\$0.00

## Delinquent Reporting

Have Delinquent Taxes been reported?	Y
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Room 400, Sacramento, CA 95814 P.O. Box 942809, Sacramento, CA  
94209-0001 Tel.: (916) 653-3269 Fax: (916) 654-7440

CDIAC # : 2022-0326  
10/25/2022

Delinquent Parcel Information Reported as of Equalized Tax Roll of:	09/28/2022
Delinquency Rate:	1.1
Does this agency participate in the County's Teeter Plan?	N
Taxes Due:	\$1,590,587.88
Taxes Unpaid:	\$17,488.78

## Retired Issues

Indicate Reason for Retirement:	Not Retired
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## Filing Contact

Filing Contact Name:	Nehal Thumar
Agency/Organization Name:	David Taussig & Associates Inc
Address:	100 Bayview Circle, Suite 100
City:	Newport Beach
State:	CA
Zip Code:	92660
Telephone:	949-9551500
Fax Number:	
E-mail:	nehal@financedta.com

## Comments

Issuer Comments:



Information as of Reporting Year End: 06/30/2022

## Issuance

Issuer Name:	Poway Unified School District CFD No 4
Issue Name:	2013 Spec Tax Bonds
Project Name:	Black Mountain Ranch
Actual Sale Date:	05/22/2013
Settlement Date:	05/22/2013
Original Principal Amount:	\$7,990,000.00
Date of Filing:	10/23/2022
Reserve Fund Minimum Balance:	No
Reserve Fund Minimum Balance Amount:	

### Credit Rating from Report of Final Sale

Credit Rating:	Not Rated
Standard & Poor:	
Fitch:	
Moody's:	
Other:	

### Credit Rating from Mello-Roos Last Yearly Fiscal Status Report

Credit Rating:	Not Rated
Standard & Poor:	
Fitch:	
Moody's:	
Other:	

### Credit Rating for This Reporting Period

Credit Rating:	Not Rated
Standard & Poor:	



Fitch:

Moody's:

Other:

## Fund Balance

Principal Amount of Bonds Outstanding:	\$7,200,000.00
Bond Reserve Fund:	\$0.00
Capitalized Interest Fund:	\$0.00
Construction Fund(s):	\$0.00

## Assessed Value

Assessed or Appraised Value Reported as of:	01/01/2022
Use Appraised Value only in first year or before annual tax roll billing commences:	From Equalized Tax Roll
Total Assessed Value of All Parcels:	\$1,763,961,648.00

## Tax Collection

Total Amount of Special Taxes Due Annually:	\$1,787,597.84
Total Amount of Unpaid Special Taxes Annually:	\$13,883.81
Does this agency participate in the County's Teeter Plan?	No

## Delinquent Reporting

Delinquent Parcel Information Reported as of Equalized Tax Roll of:	09/29/2022
Total Number of Delinquent Parcels:	8
Total Amount of Special Taxes Due on Delinquent Parcels:	\$13,883.81

## Foreclosure

Date Foreclosure Commenced	Total Number of Foreclosure Parcels	Total Amount of Tax on Foreclosure Parcels
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## Retired Issues



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CDIAC # : 2013-1196  
10/23/2022

Indicate Reason for Retirement:

Not Retired

### Filing Contact

Filing Contact Name:

Nehal Thumar

Agency/Organization Name:

David Taussig & Associates Inc

Address:

100 Bayview Circle, Suite 100

City:

Newport Beach

State:

CA

Zip Code:

92660

Telephone:

949-9551500

Fax Number:

E-mail:

nehal@financedta.com

### Comments

Issuer Comments:



Information as of Reporting Year End: 06/30/2022

## Issuance

Issuer Name:	Poway Unified School District CFD No 4
Issue Name:	2022 Special Tax Bonds
Project Name:	Black Mountain Ranch Series A (Taxable)
Actual Sale Date:	03/24/2022
Settlement Date:	03/25/2022
Original Principal Amount:	\$6,985,000.00
Date of Filing:	10/23/2022
Reserve Fund Minimum Balance:	No
Reserve Fund Minimum Balance Amount:	
Credit Rating from Report of Final Sale	
Credit Rating:	Not Rated
Standard & Poor:	
Fitch:	
Moody's:	
Other:	
Credit Rating from Mello-Roos Last Yearly Fiscal Status Report	
Credit Rating:	--
Standard & Poor:	
Fitch:	
Moody's:	
Other:	
Credit Rating for This Reporting Period	
Credit Rating:	Not Rated
Standard & Poor:	



Fitch:

Moody's:

Other:

## Fund Balance

Principal Amount of Bonds Outstanding:	\$6,985,000.00
Bond Reserve Fund:	\$0.00
Capitalized Interest Fund:	\$0.00
Construction Fund(s):	\$0.00

## Assessed Value

Assessed or Appraised Value Reported as of:	01/01/2022
Use Appraised Value only in first year or before annual tax roll billing commences:	From Equalized Tax Roll
Total Assessed Value of All Parcels:	\$1,763,961,648.00

## Tax Collection

Total Amount of Special Taxes Due Annually:	\$1,787,597.84
Total Amount of Unpaid Special Taxes Annually:	\$13,883.81
Does this agency participate in the County's Teeter Plan?	No

## Delinquent Reporting

Delinquent Parcel Information Reported as of Equalized Tax Roll of:	09/29/2022
Total Number of Delinquent Parcels:	8
Total Amount of Special Taxes Due on Delinquent Parcels:	\$13,883.81

## Foreclosure

Date Foreclosure Commenced	Total Number of Foreclosure Parcels	Total Amount of Tax on Foreclosure Parcels
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## Retired Issues



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CDIAC # : 2022-0324  
10/23/2022

Indicate Reason for Retirement:

Not Retired

### Filing Contact

Filing Contact Name:

Nehal Thumar

Agency/Organization Name:

David Taussig & Associates Inc

Address:

100 Bayview Circle, Suite 100

City:

Newport Beach

State:

CA

Zip Code:

92660

Telephone:

949-9551500

Fax Number:

E-mail:

nehal@financedta.com

### Comments

Issuer Comments:





Information as of Reporting Year End: 06/30/2022

## Issuance

Issuer Name: Poway Unified School District CFD No 12

Issue Name: 2013 Special Tax Bonds

Project Name: Black Mtn Ranch Phase II - Southern Village & The Clusters

Actual Sale Date: 05/22/2013

Settlement Date: 05/22/2013

Original Principal Amount: \$4,430,000.00

Date of Filing: 10/25/2022

Reserve Fund Minimum Balance: No

Reserve Fund Minimum Balance Amount:

Credit Rating from Report of Final Sale

Credit Rating: Not Rated

Standard & Poor:

Fitch:

Moody's:

Other:

Credit Rating from Mello-Roos Last Yearly Fiscal Status Report

Credit Rating: Not Rated

Standard & Poor:

Fitch:

Moody's:

Other:

Credit Rating for This Reporting Period

Credit Rating: Not Rated

Standard & Poor:



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CDIAC # : 2013-1197  
10/25/2022

Fitch:

Moody's:

Other:

### Fund Balance

Principal Amount of Bonds Outstanding:	\$3,865,000.00
Bond Reserve Fund:	\$0.00
Capitalized Interest Fund:	\$0.00
Construction Fund(s):	\$0.00

### Assessed Value

Assessed or Appraised Value Reported as of:	01/01/2022
Use Appraised Value only in first year or before annual tax roll billing commences:	From Equalized Tax Roll
Total Assessed Value of All Parcels:	\$728,895,450.00

### Tax Collection

Total Amount of Special Taxes Due Annually:	\$1,541,998.80
Total Amount of Unpaid Special Taxes Annually:	\$10,429.90
Does this agency participate in the County's Teeter Plan?	No

### Delinquent Reporting

Delinquent Parcel Information Reported as of Equalized Tax Roll of:	09/29/2022
Total Number of Delinquent Parcels:	4
Total Amount of Special Taxes Due on Delinquent Parcels:	\$18,100.13

### Foreclosure

Date Foreclosure Commenced	Total Number of Foreclosure Parcels	Total Amount of Tax on Foreclosure Parcels
12/16/2021	1	\$7,671.00



## MELLO ROOS REPORT

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CDIAC # : 2013-1197  
10/25/2022

### Retired Issues

Indicate Reason for Retirement:

Not Retired

### Filing Contact

Filing Contact Name:

Nehal Thumar

Agency/Organization Name:

David Taussig & Associates Inc

Address:

100 Bayview Circle, Suite 100

City:

Newport Beach

State:

CA

Zip Code:

92660

Telephone:

949-9551500

Fax Number:

E-mail:

nehal@financedta.com

### Comments

Issuer Comments:



Information as of Reporting Year End: 06/30/2022

## Issuance

Issuer Name: Poway Unified School District CFD No 12

Issue Name: 2022 Special Tax Bonds

Project Name: Black Mountain Ranch Phase II - So Village & The Clusters Series A  
(Taxable)

Actual Sale Date: 03/24/2022

Settlement Date: 03/25/2022

Original Principal Amount: \$3,765,000.00

Date of Filing: 10/25/2022

Reserve Fund Minimum Balance: No

Reserve Fund Minimum Balance  
Amount:

Credit Rating from Report of Final Sale

Credit Rating: Not Rated

Standard & Poor:

Fitch:

Moody's:

Other:

Credit Rating from Mello-Roos Last Yearly Fiscal Status Report

Credit Rating: --

Standard & Poor:

Fitch:

Moody's:

Other:

Credit Rating for This Reporting Period

Credit Rating: Not Rated



Standard & Poor:

Fitch:

Moody's:

Other:

## Fund Balance

Principal Amount of Bonds Outstanding:	\$3,765,000.00
Bond Reserve Fund:	\$0.00
Capitalized Interest Fund:	\$0.00
Construction Fund(s):	\$0.00

## Assessed Value

Assessed or Appraised Value Reported as of:	01/01/2022
Use Appraised Value only in first year or before annual tax roll billing commences:	From Equalized Tax Roll
Total Assessed Value of All Parcels:	\$728,895,450.00

## Tax Collection

Total Amount of Special Taxes Due Annually:	\$1,541,998.80
Total Amount of Unpaid Special Taxes Annually:	\$10,429.90
Does this agency participate in the County's Teeter Plan?	No

## Delinquent Reporting

Delinquent Parcel Information Reported as of Equalized Tax Roll of:	09/29/2022
Total Number of Delinquent Parcels:	4
Total Amount of Special Taxes Due on Delinquent Parcels:	\$18,100.13

## Foreclosure

Date Foreclosure Commenced	Total Number of Foreclosure Parcels	Total Amount of Tax on Foreclosure Parcels
12/16/2021	1	\$7,671.00



## MELLO ROOS REPORT

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CDIAC # : 2022-0325  
10/25/2022

### Retired Issues

Indicate Reason for Retirement:

Not Retired

### Filing Contact

Filing Contact Name:

Nehal Thumar

Agency/Organization Name:

David Taussig & Associates Inc

Address:

100 Bayview Circle, Suite 100

City:

Newport Beach

State:

CA

Zip Code:

92660

Telephone:

949-9551500

Fax Number:

E-mail:

nehal@financedta.com

### Comments

Issuer Comments:



Information as of Reporting Year End: 06/30/2022

## Issuance

Issuer Name:	Poway Unified School District CFD No 13
Issue Name:	2013 Spec Tax Bonds
Project Name:	The Lakes
Actual Sale Date:	05/22/2013
Settlement Date:	05/22/2013
Original Principal Amount:	\$5,375,000.00
Date of Filing:	10/25/2022
Reserve Fund Minimum Balance:	No
Reserve Fund Minimum Balance Amount:	
Credit Rating from Report of Final Sale	
Credit Rating:	Not Rated
Standard & Poor:	
Fitch:	
Moody's:	
Other:	
Credit Rating from Mello-Roos Last Yearly Fiscal Status Report	
Credit Rating:	Not Rated
Standard & Poor:	
Fitch:	
Moody's:	
Other:	
Credit Rating for This Reporting Period	
Credit Rating:	Not Rated
Standard & Poor:	



Fitch:

Moody's:

Other:

## Fund Balance

Principal Amount of Bonds Outstanding:	\$4,950,000.00
Bond Reserve Fund:	\$0.00
Capitalized Interest Fund:	\$0.00
Construction Fund(s):	\$0.00

## Assessed Value

Assessed or Appraised Value Reported as of:	01/01/2022
Use Appraised Value only in first year or before annual tax roll billing commences:	From Equalized Tax Roll
Total Assessed Value of All Parcels:	\$684,159,392.00

## Tax Collection

Total Amount of Special Taxes Due Annually:	\$1,590,587.88
Total Amount of Unpaid Special Taxes Annually:	\$17,488.78
Does this agency participate in the County's Teeter Plan?	No

## Delinquent Reporting

Delinquent Parcel Information Reported as of Equalized Tax Roll of:	09/28/2022
Total Number of Delinquent Parcels:	9
Total Amount of Special Taxes Due on Delinquent Parcels:	\$35,111.49

## Foreclosure

Date Foreclosure Commenced	Total Number of Foreclosure Parcels	Total Amount of Tax on Foreclosure Parcels
12/16/2021	3	\$20,212.00





## MELLO ROOS REPORT

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CDIAC # : 2013-1198  
10/25/2022

### Retired Issues

Indicate Reason for Retirement:

Not Retired

### Filing Contact

Filing Contact Name:

Nehal Thumar

Agency/Organization Name:

David Taussig & Associates Inc

Address:

100 Bayview Circle, Suite 100

City:

Newport Beach

State:

CA

Zip Code:

92660

Telephone:

949-9551500

Fax Number:

E-mail:

nehal@financedta.com

### Comments

Issuer Comments:



Information as of Reporting Year End: 06/30/2022

## Issuance

Issuer Name:	Poway Unified School District CFD No 13
Issue Name:	2022 Special Tax Bonds
Project Name:	The Lakes Series A (Taxable)
Actual Sale Date:	03/24/2022
Settlement Date:	03/25/2022
Original Principal Amount:	\$4,815,000.00
Date of Filing:	10/25/2022
Reserve Fund Minimum Balance:	No
Reserve Fund Minimum Balance Amount:	
Credit Rating from Report of Final Sale	
Credit Rating:	Not Rated
Standard & Poor:	
Fitch:	
Moody's:	
Other:	
Credit Rating from Mello-Roos Last Yearly Fiscal Status Report	
Credit Rating:	--
Standard & Poor:	
Fitch:	
Moody's:	
Other:	
Credit Rating for This Reporting Period	
Credit Rating:	Not Rated
Standard & Poor:	



## MELLO ROOS REPORT

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CDIAC # : 2022-0326  
10/25/2022

Fitch:

Moody's:

Other:

### Fund Balance

Principal Amount of Bonds Outstanding:	\$4,815,000.00
Bond Reserve Fund:	\$0.00
Capitalized Interest Fund:	\$0.00
Construction Fund(s):	\$0.00

### Assessed Value

Assessed or Appraised Value Reported as of:	01/01/2022
Use Appraised Value only in first year or before annual tax roll billing commences:	From Equalized Tax Roll
Total Assessed Value of All Parcels:	\$684,159,392.00

### Tax Collection

Total Amount of Special Taxes Due Annually:	\$1,590,587.88
Total Amount of Unpaid Special Taxes Annually:	\$17,488.78
Does this agency participate in the County's Teeter Plan?	No

### Delinquent Reporting

Delinquent Parcel Information Reported as of Equalized Tax Roll of:	09/28/2022
Total Number of Delinquent Parcels:	9
Total Amount of Special Taxes Due on Delinquent Parcels:	\$35,111.49

### Foreclosure

Date Foreclosure Commenced	Total Number of Foreclosure Parcels	Total Amount of Tax on Foreclosure Parcels
12/16/2021	3	\$20,212.00



## MELLO ROOS REPORT

California Debt and Investment Advisory Commission, 915 Capitol Mall,  
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94209-0001 Tel.: (916) 653-3269 Fax: (916) 654-7440

CDIAC # : 2022-0326  
10/25/2022

### Retired Issues

Indicate Reason for Retirement:

Not Retired

### Filing Contact

Filing Contact Name:

Nehal Thumar

Agency/Organization Name:

David Taussig & Associates Inc

Address:

100 Bayview Circle, Suite 100

City:

Newport Beach

State:

CA

Zip Code:

92660

Telephone:

949-9551500

Fax Number:

E-mail:

nehal@financedta.com

### Comments

Issuer Comments:



Information as of Reporting Year End: 06/30/2022

## Issuance Information

Issuer Name:	Poway Unified School District Public Financing Authority
Issue Name:	2022 Ref RBs
Project Name:	Series A-1, A-2 & A-3 (Taxable)
Actual Sale Date:	03/24/2022
Settlement Date:	03/25/2022
Original Principal Amount:	\$15,565,000.00
Net Original Issue Premium/Discount:	\$0.00
Proceeds Used to Acquire Local Obligations (Marks-Roos Only):	\$15,565,000.00
Total Reportable Proceeds:	\$0.00
Total cost of issuance from Report of Final Sale:	\$276,173.67

## Issuance Authorization

Authorization (1):	
Authorization Name:	Resolution No 35-2022
Original Authorized Amount:	\$22,000,000.00
Authorization Date:	03/10/2022
Amount Authorized - Beginning of the Reporting Period:	\$0.00
Amount Authorized - During the Reporting Period:	\$22,000,000.00
Total Debt Authorized:	\$22,000,000.00
Debt Issued During the Reporting Period:	\$22,000,000.00
Replenishment Reported During the Reporting Period:	\$0.00
Total Debt Authorized but Unissued:	\$0.00
Authorization Lapsed:	\$0.00
Total Authorization Remaining - End of Reporting Period:	\$0.00

## Principal Outstanding



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CDIAC # : 2022-0319  
01/27/2023

Principal Balance Upon Sale or at Beginning of the Reporting Period:	\$15,565,000.00
Accreted Interest – During Reporting Period:	\$0.00
Total Principal and Accreted Interest:	\$15,565,000.00
Principal Paid with Proceeds from Other Debt Issues – During the Reporting Period:	\$0.00
Principal Payments - During the Reporting Period (not reported as payments above):	\$0.00
Principal Outstanding – End of Reporting Period:	\$15,565,000.00

## Refunding/Refinancing Issues

CDIAC #	Refunding/refinancing Amount	Redemption/Payment Date
No data available to display.		

## Use of Proceeds

Report End Date	Begin Amount	Spent Amount	Remain Amount
No data available to display.			

## Proceeds Spent/Unspent (Fund Level)

Fund Category	Total Reportable Proceeds Available	Proceeds Spent Current Reporting Period	Proceeds Spent Prior Reporting Period(s)	Proceeds Unspent / Remaining
No data available to display.				
TOTAL:	\$0.00	\$0.00	\$0.00	\$0.00

## Expenditures of Current Reporting Period

Fund Category	Purpose	Expenditure Amount
No data available to display.		
TOTAL:		\$0.00

## Expenditure Summary

Fund Category	Purpose	Expenditure In Current Reporting Period	Expenditure In Prior Reporting Period(s)	Total Expenditure All Periods
TOTAL:		\$0.00	\$0.00	\$0.00



**ANNUAL DEBT TRANSPARENCY REPORT**  
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94209-0001 Tel.: (916) 653-3269 Fax: (916) 654-7440

CDIAC # : 2022-0319  
01/27/2023

Refunded/Refinanced Issues

CDIAC #	Refunding/refinancing Amount	Redemption/Payment Date
2013-1196	\$15,565,000.00	09/01/2023
2013-1197	\$15,565,000.00	09/01/2023
2013-1198	\$15,565,000.00	09/01/2023

**Filing Contact**

Filing Contact Name: Justin Bjorgan  
Agency/Organization Name: KeyAnalytics (California Financial Services)  
Address: 555 Corporate Drive, Suite 100  
City: Ladera Ranch  
State: CA  
Zip Code: 92694  
Telephone: 949-2821077  
Fax Number:  
E-mail: jbjorgan@calschools.com

**Comments**

Issuer Comments:

**ADTR Reportable**

Principal Outstanding – End of Reporting Period: \$15,565,000.00  
Proceeds Unspent – End of Reporting Period: \$0.00  
ADTR Reportable Next Reporting Year: Yes



Information as of Reporting Year End: 06/30/2022

## Issuance Information

Issuer Name:	Poway Unified School District CFD No 4
Issue Name:	2022 Special Tax Bonds
Project Name:	Black Mountain Ranch Series A (Taxable)
Actual Sale Date:	03/24/2022
Settlement Date:	03/25/2022
Original Principal Amount:	\$6,985,000.00
Net Original Issue Premium/Discount:	\$0.00
Proceeds Used to Acquire Local Obligations (Marks-Roos Only):	\$0.00
Total Reportable Proceeds:	\$6,985,000.00
Total cost of issuance from Report of Final Sale:	\$0.00

## Issuance Authorization

Authorization (1):	
Authorization Name:	Resolution No 34-2022
Original Authorized Amount:	\$10,000,000.00
Authorization Date:	03/10/2022
Amount Authorized - Beginning of the Reporting Period:	\$0.00
Amount Authorized - During the Reporting Period:	\$10,000,000.00
Total Debt Authorized:	\$10,000,000.00
Debt Issued During the Reporting Period:	\$10,000,000.00
Replenishment Reported During the Reporting Period:	\$0.00
Total Debt Authorized but Unissued:	\$0.00
Authorization Lapsed:	\$0.00
Total Authorization Remaining - End of Reporting Period:	\$0.00

## Principal Outstanding





**ANNUAL DEBT TRANSPARENCY REPORT**  
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94209-0001 Tel.: (916) 653-3269 Fax: (916) 654-7440

CDIAC # : 2022-0324  
01/27/2023

Principal Balance Upon Sale or at Beginning of the Reporting Period:	\$6,985,000.00
Accreted Interest – During Reporting Period:	\$0.00
Total Principal and Accreted Interest:	\$6,985,000.00
Principal Paid with Proceeds from Other Debt Issues – During the Reporting Period:	\$0.00
Principal Payments - During the Reporting Period (not reported as payments above):	\$0.00
Principal Outstanding – End of Reporting Period:	\$6,985,000.00

**Refunding/Refinancing Issues**

CDIAC #	Refunding/refinancing Amount	Redemption/Payment Date
No data available to display.		

**Use of Proceeds**

Report End Date	Begin Amount	Spent Amount	Remain Amount
06/30/2022	\$6,985,000.00	\$197,753.97	\$6,787,246.03

**Proceeds Spent/Unspent (Fund Level)**

Fund Category	Total Reportable Proceeds Available	Proceeds Spent Current Reporting Period	Proceeds Spent Prior Reporting Period(s)	Proceeds Unspent / Remaining
AUTHORITY DISCOUNT	\$197,753.97	\$197,753.97	\$0.00	\$0.00
REFUNDING ESCROW ACCOUNT	\$6,787,246.03	\$0.00	\$0.00	\$6,787,246.03
TOTAL:	\$6,985,000.00	\$197,753.97	\$0.00	\$6,787,246.03

**Expenditures of Current Reporting Period**

Fund Category	Purpose	Expenditure Amount
AUTHORITY DISCOUNT	AUTHORITY DISCOUNT	\$197,753.97
TOTAL:		\$197,753.97

**Expenditure Summary**



**ANNUAL DEBT TRANSPARENCY REPORT**  
California Debt and Investment Advisory Commission, 915 Capitol Mall,  
Room 400, Sacramento, CA 95814 P.O. Box 942809, Sacramento, CA  
94209-0001 Tel.: (916) 653-3269 Fax: (916) 654-7440

CDIAC # : 2022-0324  
01/27/2023

Fund Category	Purpose	Expenditure In Current Reporting Period	Expenditure In Prior Reporting Period(s)	Total Expenditure All Periods
AUTHORITY DISCOUNT	AUTHORITY DISCOUNT	\$197,753.97	\$0.00	\$197,753.97
TOTAL:		\$197,753.97	\$0.00	\$197,753.97

Refunded/Refinanced Issues

CDIAC #	Refunding/refinancing Amount	Redemption/Payment Date
2013-1194	\$6,985,000.00	09/01/2023
2013-1196	\$6,985,000.00	09/01/2023

## Filing Contact

Filing Contact Name: Justin Bjorgan

Agency/Organization Name: KeyAnalytics (California Financial Services)

Address: 555 Corporate Drive, Suite 100

City: Ladera Ranch

State: CA

Zip Code: 92694

Telephone: 949-2821077

Fax Number:

E-mail: jbjorgan@calschools.com

## Comments

Issuer Comments:

## ADTR Reportable

Principal Outstanding – End of Reporting Period: \$6,985,000.00

Proceeds Unspent – End of Reporting Period: \$6,787,246.03

ADTR Reportable Next Reporting Year: Yes



Information as of Reporting Year End: 06/30/2022

## Issuance Information

Issuer Name:	Poway Unified School District CFD No 12
Issue Name:	2022 Special Tax Bonds
Project Name:	Black Mountain Ranch Phase II - So Village & The Clusters Series A (Taxable)
Actual Sale Date:	03/24/2022
Settlement Date:	03/25/2022
Original Principal Amount:	\$3,765,000.00
Net Original Issue Premium/Discount:	\$0.00
Proceeds Used to Acquire Local Obligations (Marks- Roos Only):	\$0.00
Total Reportable Proceeds:	\$3,765,000.00
Total cost of issuance from Report of Final Sale:	\$0.00

## Issuance Authorization

Authorization (1):	
Authorization Name:	Resolution No 34-2022
Original Authorized Amount:	\$5,000,000.00
Authorization Date:	03/10/2022
Amount Authorized - Beginning of the Reporting Period:	\$0.00
Amount Authorized - During the Reporting Period:	\$5,000,000.00
Total Debt Authorized:	\$5,000,000.00
Debt Issued During the Reporting Period:	\$5,000,000.00
Replenishment Reported During the Reporting Period:	\$0.00
Total Debt Authorized but Unissued:	\$0.00
Authorization Lapsed:	\$0.00
Total Authorization Remaining - End of Reporting Period:	\$0.00

## Principal Outstanding



# ANNUAL DEBT TRANSPARENCY REPORT

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CDIAC # : 2022-0325  
01/27/2023

Principal Balance Upon Sale or at Beginning of the Reporting Period:	\$3,765,000.00
Accreted Interest – During Reporting Period:	\$0.00
Total Principal and Accreted Interest:	\$3,765,000.00
Principal Paid with Proceeds from Other Debt Issues – During the Reporting Period:	\$0.00
Principal Payments - During the Reporting Period (not reported as payments above):	\$0.00
Principal Outstanding – End of Reporting Period:	\$3,765,000.00

## Refunding/Refinancing Issues

CDIAC #	Refunding/refinancing Amount	Redemption/Payment Date
No data available to display.		

## Use of Proceeds

Report End Date	Begin Amount	Spent Amount	Remain Amount
06/30/2022	\$3,765,000.00	\$106,891.55	\$3,658,108.45

## Proceeds Spent/Unspent (Fund Level)

Fund Category	Total Reportable Proceeds Available	Proceeds Spent Current Reporting Period	Proceeds Spent Prior Reporting Period(s)	Proceeds Unspent / Remaining
AUTHORITY DISCOUNT	\$106,891.55	\$106,891.55	\$0.00	\$0.00
REFUNDING ESCROW ACCOUNT	\$3,658,108.45	\$0.00	\$0.00	\$3,658,108.45
TOTAL:	\$3,765,000.00	\$106,891.55	\$0.00	\$3,658,108.45

## Expenditures of Current Reporting Period

Fund Category	Purpose	Expenditure Amount
AUTHORITY DISCOUNT	AUTHORITY DISCOUNT	\$106,891.55
TOTAL:		\$106,891.55

## Expenditure Summary



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CDIAC # : 2022-0325  
01/27/2023

Fund Category	Purpose	Expenditure In Current Reporting Period	Expenditure In Prior Reporting Period(s)	Total Expenditure All Periods
AUTHORITY DISCOUNT	AUTHORITY DISCOUNT	\$106,891.55	\$0.00	\$106,891.55
TOTAL:		\$106,891.55	\$0.00	\$106,891.55

Refunded/Refinanced Issues

CDIAC #	Refunding/refinancing Amount	Redemption/Payment Date
2013-1194	\$3,765,000.00	09/01/2023
2013-1197	\$3,765,000.00	09/01/2023

## Filing Contact

Filing Contact Name: Justin Bjorgan

Agency/Organization Name: KeyAnalytics (California Financial Services)

Address: 555 Corporate Drive, Suite 100

City: Ladera Ranch

State: CA

Zip Code: 92694

Telephone: 949-2821077

Fax Number:

E-mail: jbjorgan@calschools.com

## Comments

Issuer Comments:

## ADTR Reportable

Principal Outstanding – End of Reporting Period: \$3,765,000.00

Proceeds Unspent – End of Reporting Period: \$3,658,108.45

ADTR Reportable Next Reporting Year: Yes



Information as of Reporting Year End: 06/30/2022

## Issuance Information

Issuer Name:	Poway Unified School District CFD No 13
Issue Name:	2022 Special Tax Bonds
Project Name:	The Lakes Series A (Taxable)
Actual Sale Date:	03/24/2022
Settlement Date:	03/25/2022
Original Principal Amount:	\$4,815,000.00
Net Original Issue Premium/Discount:	\$0.00
Proceeds Used to Acquire Local Obligations (Marks-Roos Only):	\$0.00
Total Reportable Proceeds:	\$4,815,000.00
Total cost of issuance from Report of Final Sale:	\$0.00

## Issuance Authorization

Authorization (1):	
Authorization Name:	Resolution No 34-2022
Original Authorized Amount:	\$7,000,000.00
Authorization Date:	03/10/2022
Amount Authorized - Beginning of the Reporting Period:	\$0.00
Amount Authorized - During the Reporting Period:	\$7,000,000.00
Total Debt Authorized:	\$7,000,000.00
Debt Issued During the Reporting Period:	\$7,000,000.00
Replenishment Reported During the Reporting Period:	\$0.00
Total Debt Authorized but Unissued:	\$0.00
Authorization Lapsed:	\$0.00
Total Authorization Remaining - End of Reporting Period:	\$0.00

## Principal Outstanding



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CDIAC # : 2022-0326  
01/27/2023

Principal Balance Upon Sale or at Beginning of the Reporting Period:	\$4,815,000.00
Accreted Interest – During Reporting Period:	\$0.00
Total Principal and Accreted Interest:	\$4,815,000.00
Principal Paid with Proceeds from Other Debt Issues – During the Reporting Period:	\$0.00
Principal Payments - During the Reporting Period (not reported as payments above):	\$0.00
Principal Outstanding – End of Reporting Period:	\$4,815,000.00

**Refunding/Refinancing Issues**

CDIAC #	Refunding/refinancing Amount	Redemption/Payment Date
No data available to display.		

**Use of Proceeds**

Report End Date	Begin Amount	Spent Amount	Remain Amount
06/30/2022	\$4,815,000.00	\$133,269.15	\$4,681,730.85

**Proceeds Spent/Unspent (Fund Level)**

Fund Category	Total Reportable Proceeds Available	Proceeds Spent Current Reporting Period	Proceeds Spent Prior Reporting Period(s)	Proceeds Unspent / Remaining
AUTHORITY DISCOUNT	\$133,269.15	\$133,269.15	\$0.00	\$0.00
REFUNDING ESCROW ACCOUNT	\$4,681,730.85	\$0.00	\$0.00	\$4,681,730.85
TOTAL:	\$4,815,000.00	\$133,269.15	\$0.00	\$4,681,730.85

**Expenditures of Current Reporting Period**

Fund Category	Purpose	Expenditure Amount
AUTHORITY DISCOUNT	AUTHORITY DISCOUNT	\$133,269.15
TOTAL:		\$133,269.15

**Expenditure Summary**



**ANNUAL DEBT TRANSPARENCY REPORT**  
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94209-0001 Tel.: (916) 653-3269 Fax: (916) 654-7440

CDIAC # : 2022-0326  
01/27/2023

Fund Category	Purpose	Expenditure In Current Reporting Period	Expenditure In Prior Reporting Period(s)	Total Expenditure All Periods
AUTHORITY DISCOUNT	AUTHORITY DISCOUNT	\$133,269.15	\$0.00	\$133,269.15
TOTAL:		\$133,269.15	\$0.00	\$133,269.15

Refunded/Refinanced Issues

CDIAC #	Refunding/refinancing Amount	Redemption/Payment Date
2013-1198	\$4,815,000.00	09/01/2023

## Filing Contact

Filing Contact Name: Justin Bjorgan

Agency/Organization Name: KeyAnalytics (California Financial Services)

Address: 555 Corporate Drive, Suite 100

City: Ladera Ranch

State: CA

Zip Code: 92694

Telephone: 949-2821077

Fax Number:

E-mail: jbjorgan@calschools.com

## Comments

Issuer Comments:

## ADTR Reportable

Principal Outstanding – End of Reporting Period: \$4,815,000.00

Proceeds Unspent – End of Reporting Period: \$4,681,730.85

ADTR Reportable Next Reporting Year: Yes