

## **Annual Report**

Poway Unified School District  
Improvement Area B of  
Community Facilities District No. 11

January 31, 2008

**Prepared For:**

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## **Exhibits**

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

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

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## Introduction

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This Annual Report ("Report") has been prepared pursuant to the Continuing Disclosure Agreement ("Disclosure Agreement") executed in connection with the issuance of the Improvement Area ("IA") B 2005 Special Tax Bonds ("Bonds") by IA B of Community Facilities District ("CFD") No. 11 of the Poway Unified School District ("School District") in the amount of \$9,035,000 on June 16, 2005. The Bonds were issued pursuant to a Bond Indenture dated June 1, 2005 by and between the School District and Zions First National Bank, as fiscal agent ("Fiscal Agent"). Dolinka Group, LLC has been retained by the School District to act as dissemination agent ("Dissemination Agent"). The Bonds were issued to fund (i) the acquisition and construction of certain public improvements of the City of San Diego ("City Facilities"), (ii) a reserve fund for the Bonds, (iii) interest on the Bonds through March 1, 2007, (iv) certain administrative expenses associated with IA B of CFD No. 11 and (v) the costs of issuing the Bonds.

### **I. Audited Financial Statements**

A copy of the School District's annual audited financial statements for Fiscal Year 2006/2007 is available online at [www.disclosureusa.org](http://www.disclosureusa.org).

### **II. Principal Amount of Bonds Outstanding**

As of January 1, 2008, the principal amount of Bonds outstanding was \$8,995,000.

### **III. Bond Service Fund Balance**

The Bond Fund is a composite of the Principal Account, Interest Account and the Capitalized Interest Subaccount; as of January 1, 2008, the balances within these accounts totaled \$48,202.41.

### **IV. Reserve Fund Balance**

The Reserve Requirement for the Bonds is an amount equal to the lesser of (i) ten percent (10%) of the original principal amount of the Bonds (ii) one hundred percent (100%) of the remaining maximum annual debt service on the Bonds (iii) one hundred and twenty-five percent (125%) of the average annual debt service on the Bonds. As of January 1, 2008, the the Fiscal Agent calculated the Reserve Requirement of the Bonds to be \$786,602.57. As of January 1, 2008, the balance of the Reserve Fund was \$794,823.34; therefore, the Reserve Requirement was satisfied as of this date.

**V. Fund and Account Balances**

The balance in each fund, account, and subaccount of the Bonds as of January 1, 2008, is listed in Table 1.

**Table 1  
Fund, Account, and Subaccount Balances (As of 01/01/08)**

<b>Funds, Accounts or Subaccount</b>	<b>Balances</b>
Special Tax Fund	\$109,518.98
Bond Service Fun	\$0.00
Interest Account of the Bond Service Fund	\$48,199.56
Capitalized Interest Subaccount of the Interest Account	\$2.85
Principal Account of the Bond Service Fund	\$0.00
Cost of Issuance Fund	\$0.00
Infrastructure Improvement Fund	\$0.04
Reserve Fund	\$794,823.34
Redemption Fund	\$0.00
Administrative Expense Fund	\$10,280.95
Letter of Credit Fund	\$0.00

**VI. Total Assessed Value and Value-to-Lien of Parcels within IA B of CFD No. 11**

Table 2 shows the total assessed value, total direct and overlapping debt, and total value-to-lien ratio for all parcels within IA B of CFD No. 11.

**Table 2  
Assessed Value to Lien**

Tax Class		Assessed Value <sup>[1]</sup>	Total Direct and Overlapping Debt <sup>[2]</sup>	Assessed Value-to-Lien
Unit Type/Land Use	Building Square Footage			
Developed Property	<2,650	\$0.00	\$0.00	NA
Developed Property	2,651 – 3,000	\$0.00	\$0.00	NA
Developed Property	3,001 – 3,250	\$0.00	\$0.00	NA
Developed Property	3,251 – 3,500	\$0.00	\$0.00	NA
Developed Property	3,501 – 3,750	\$0.00	\$0.00	NA
Developed Property	3,751 – 4,000	\$6,752,923.00	\$411,989.59	16.39:1
Developed Property	4,001 – 4,250	\$10,160,528.00	\$412,713.80	24.62:1
Developed Property	4,251 – 4,500	\$13,802,799.00	\$671,342.50	20.56:1
Developed Property	4,501 – 4,750	\$23,963,978.00	\$1,195,313.65	20.05:1
Developed Property	>4,750	\$94,238,427.00	\$4,951,450.88	19.03:1
Undeveloped Property	NA	\$30,725,005.00	\$1,855,438.90	16.56:1
Exempt Property <sup>[3]</sup>	NA	\$14,394,602.00	\$40,324.68	356.97:1
<b>Total <sup>[4]</sup></b>	<b>NA</b>	<b>\$194,038,262.00</b>	<b>\$9,538,574.00</b>	<b>20.34:1</b>

[1] Total Assessed value reported on the County of San Diego Fiscal Year 2007/2008 equalized tax roll.  
 [2] Source: Detailed Direct and Overlapping Debt Report, National Tax Data, Inc. dated November 1, 2007 (attached as Exhibit A).  
 [3] Property is exempt from the IA B of CFD No. 11 Special Tax, but may be subject to ad valorem taxes.  
 [4] Numbers may not sum due to rounding.

**VII. Fiscal Year 2006/2007 Special Tax Levy and Delinquencies**

There were three (3) parcels delinquent in paying their Fiscal Year 2006/2007 Special Taxes in the amount of \$6,851.35. The total Special Taxes levied by IA B of CFD No. 11 for Fiscal Year 2006/2007 was \$371,265.84. Therefore, the delinquency rate within IA B of CFD No. 11 for Fiscal Year 2006/2007 was 1.85%.

**VIII. Foreclosure Proceedings**

Since no single parcel is delinquent in the payment of Special Taxes in an amount greater than \$5,000, no single parcel or parcels under common ownership is delinquent in the payment of Special Taxes in an amount greater than \$10,000 and the overall delinquency rate within IA B of CFD No. 11 for Fiscal Year 2006/2007 did not exceed five percent (5.00%), IA B of CFD No. 11 has not initiated any foreclosure proceedings to date.

**IX. Major Taxpayers**

"Major Taxpayers" are those property owners responsible for more than five percent (5.00%) of the Special Tax levy for Fiscal Year 2007/2008. The Major Taxpayer's assessed value and their respective share of the Special Tax obligation for Fiscal Year 2007/2008 is shown in Table 3.

**Table 3  
Major Taxpayers**

<b>Major Taxpayer</b>	<b>Assessed Value <sup>[1]</sup></b>	<b>Percentage of Levy</b>
Shea Homes LTD	\$26,297,056.00	17.42%
Brookfield LLC	\$27,559,051.00	21.78%
<b>Total</b>	<b>\$53,856,107.00</b>	<b>39.20%</b>

[1] Source: Total assessed value reported on the County of San Diego Fiscal Year 2007/2008 equalized tax roll.

**X. Report to the California Debt and Investment Advisory Commission**

A copy of the report prepared and filed with the California Debt and Investment Commission pursuant to Section 53359.5 (b) of the Act is included as Exhibit B.

**XI. Changes to the Rate and Method of Apportionment for IA B of CFD No. 11**

No changes have been made to the Rate and Method of Apportionment for IA B of CFD No. 11 as of the date of the Annual Report.

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**Exhibit A**

**Detailed Direct and Overlapping Debt Report**

**POWAY UNIFIED SCHOOL DISTRICT  
Community Facilities District No. 11  
Improvement Area B  
Special Tax Bonds**

**Detailed Direct and Overlapping Debt**

**Report Date: 11/01/2007  
Report Time: 12:00:00 PM**

**I. Assessed Value**

**2007-2008 Secured Roll Assessed Value** **\$194,038,262**

**II. Secured Property Taxes**

Description on Tax Bill	Type	Total Parcels	Total Levy	% Applicable	Parcels	Levy
Basic Levy	PROP13	950,118	3650367868	0.05306%	222	\$1,936,882.62
County of San Diego Mosquito / Disease Control	VECTOR	936,177	5224121.54	0.01633%	214	\$853.06
County of San Diego Vector Control, Zone B	VECTOR	349,284	729076.08	0.06692%	214	\$487.92
Maintenance Assessment District (Rancho Encantada/Stonebridge Estates)	LLMD	832	186711.72	32.47773%	214	\$60,639.72
Metropolitan Water District of Southern California Standby Charge	STANDBY	350,274	4324969.5	0.11000%	222	\$4,757.54
Poway Unified School District CFD No. 11, Impv Area B	CFD	265	475701.52	100.00000%	212	\$475,701.52
Poway Unified School District CFD No. 11, Zone 2	CFD	127	\$286,898.08	100.00000%	127	\$286,898.08
San Diego County Water Authority Standby Charge	STANDBY	358,277	\$3,807,007.22	0.10836%	221	\$4,125.30
Voter Approved Debt	VOTER	949,909	\$244,143,504.52	0.01629%	222	\$39,762.24
<b>2007-2008 TOTAL PROPERTY TAX LIABILITY</b>						<b>\$2,810,108.00</b>
<b>TOTAL PROPERTY TAX LIABILITY AS A PERCENTAGE OF 2007-2008 ASSESSED VALUATION</b>						<b>1.45%</b>

**III. Land Secured Bond Indebtedness**

Outstanding Direct and Overlapping Bonded Debt	Type	Issued	Outstanding	% Applicable	Parcels	Amount
Poway Unified School District CFD No. 11, Impv Area B	CFD	\$9,035,000	\$8,995,000	100.00000%	212	\$8,995,000
<b>TOTAL LAND SECURED BOND INDEBTEDNESS (1)</b>						<b>\$8,995,000</b>
<b>TOTAL OUTSTANDING LAND SECURED BOND INDEBTEDNESS (1)</b>						<b>\$8,995,000</b>

**IV. General Obligation Bond Indebtedness**

Outstanding Direct and Overlapping Bonded Debt	Type	Issued	Outstanding	% Applicable	Parcels	Amount
City of San Diego Public Safety Communication System Debt Service	GOB	\$25,500,000	\$8,170,000	0.11820%	265	\$9,657
Metropolitan Water District of Southern California Debt Service	GOB	\$850,000,000	\$359,115,000	0.05497%	265	\$197,406
Palomar Community College District Debt Service	GOB	\$160,000,000	\$160,000,000	0.21032%	265	\$336,512
<b>TOTAL GENERAL OBLIGATION BOND INDEBTEDNESS (1)</b>						<b>\$543,574</b>
<b>TOTAL OUTSTANDING GENERAL OBLIGATION BOND INDEBTEDNESS (1)</b>						<b>\$543,574</b>

<b>TOTAL OF ALL OUTSTANDING AND OVERLAPPING BONDED DEBT</b>	<b>\$9,538,574</b>
<b>VALUE TO ALL OUTSTANDING DIRECT AND OVERLAPPING BONDED DEBT</b>	<b>20,341</b>

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

Source: National Tax Data, Inc.



**Exhibit B**

**Report to the California Debt and Investment  
Advisory Commission**

**STATE OF CALIFORNIA  
MELLO ROOS/MARKS ROOS  
YEARLY STATUS FISCAL REPORT  
FOR LOCAL OBLIGATORS**

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

For Office Use Only	
CDIAC #	_____
Fiscal Year	_____

**I. General Information**

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

A. Issuer Poway Unified School District  
 B. Community Facilities District Number (Mello-Roos only) Improvement Area B of Community Facilities District No. 11  
 C. Name/Title/Series of Bond Issue Improvement Area B 2005 Special Tax Bonds  
 D. Indicate Credit Rating Rating Agency \_\_\_\_\_ Rating \_\_\_\_\_ Not Rated \_\_\_\_\_ X \_\_\_\_\_  
 E. Date of Bond Issue June 16, 2005  
 F. Original Principal Amount of Bonds \$ 9,035,000.00  
 G. Reserve Fund Minimum Balance Required Yes  Amount \$ 795,266.70 No   
 Percent of Authority Reserve Fund (Marks-Roos only) Yes  % of Reserve Fund \_\_\_\_\_  
 H. Name of Authority that purchased debt (Marks-Roos only) \_\_\_\_\_  
 Was this a Senior/Subordinate Authority Bond? Yes  No  (If yes, list Senior and Subordinate below)

(Senior Authority bond issue)

(Subordinate Authority bond issue)

I. Date of Authority Bond(s) Issuance \_\_\_\_\_ (Marks-Roos only)

**II. FUND BALANCE FISCAL STATUS**

Balances Reported as of fiscal year ending June 30, 2007 (Year)  
 A. Principal Amount of bonds Outstanding \$ 9,035,000.00  
 B. Bond Reserve Fund \$ 784,934.92  
 C. Capitalized Interest Fund \$ 680.52  
 D. Construction Fund(s) (Mello-Roos only) \$ 0.04

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

A. Assessed Value Reported as of: Fiscal Year 2007-2008 (Date) (Check one)  
 (Most recent tax roll)  From Tax Roll  
 From Appraisal of Property  
 (Use only in first year or before annual tax roll billing commences)  
 B. Total Assessed Value of All Parcels \$ 194,038,262.00

**IV. TAX COLLECTION INFORMATION**

Reported as of fiscal year ending of: June 30, 2007 (Year)  
 A. Total Amount of Taxes Due \$ 371,265.84  
 B. Total Amount of Unpaid Taxes \$ 6,851.35  
 C. Taxes are Paid Under the County's Teeter Plan Yes  No

**V. DELINQUENT REPORTING INFORMATION**

Delinquent Parcel Information Reported as of the current Tax Roll of June 30, 2007 (Date)  
 A. Total Number of Delinquent Parcels 3  
 B. Total Amount of Taxes Due on Delinquent Parcels \$ 6,851.35  
 C. Percent of Delinquency Rate 1.85%  
 (Percent)

**STATE OF CALIFORNIA  
YEARLY STATUS FISCAL REPORT**

(Continued)

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

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

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

*(Attach additional sheets if necessary)*

**VII. ISSUE RETIRED**

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

- A. Matured:                      Yes                       No                       If yes, indicate final maturity date: \_\_\_\_\_
- B. Refunded Entirely:            Yes                       No                       If yes, state refunding bond title: \_\_\_\_\_  
and issue date: \_\_\_\_\_
- C. Other: \_\_\_\_\_

**VIII. NAME OF PARTY COMPLETING THIS FORM**

Name: Benjamin Dolinka  
 Title: President  
 Firm/Agency: Dolinka Group, Inc.  
 Address: 1301 Dove Street, Suite 700  
 City/State/Zip: Newport Beach, CA 92660  
 Phone No.: (949) 250-8300                      Date of Report: October 30, 2007

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

**Section 6599.1 of the California Government Code requires that all issuers selling Mark-Roos bonds, which is part of the Mark-Roos Local Bond Pooling Act of 1985, after January 1, 1996 are required to report specific information to the Commission by October 30th of the current year and each year thereafter.**