

Annual Report

Poway Unified School District
Improvement Area A of
Community Facilities District No. 10

January 31, 2010

Prepared For:

Poway Unified School District
13626 Twin Peaks Road
Poway, CA 92064-3098
T 858.748.0010

Prepared By:

Dolinka Group, LLC
20 Pacifica, Suite 900
Irvine, CA 92618
T 949.250.8300
F 949.250.8301

Table of Contents

Section	Page
Introduction	1
I. Audited Financial Statements	1
II. Principal Amount of Bonds Outstanding	1
III. Fund and Account Balances	1
IV. Reserve Requirement	2
V. Assessed Value and Value-to-Lien	3
VI. Special Tax Delinquencies	5
VII. Major Taxpayer Information	5
VIII. Report to California Debt and Investment Advisory Commission	5
IX. Changes to Rate and Method of Apportionment	5

Exhibits

Exhibit A: Detailed Direct and Overlapping Debt Report

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

Introduction

This Annual Report ("Report") has been prepared pursuant to the Continuing Disclosure Agreement ("Disclosure Agreement") executed in connection with the issuance of the Improvement Area ("IA") A Special Tax Bonds ("Bonds") of Community Facilities District ("CFD") No. 10 of the Poway Unified School District ("School District") in the amount of \$9,700,000 on October 25, 2001. The Bonds were issued under the Mello-Roos Community Facilities Act of 1982, as amended ("Act"), and pursuant to the Bond Indenture dated September 1, 2001 by and between the School District and Zions First National Bank ("Fiscal Agent"), successor to State Street Bank and Trust Company of California, N.A. Dolinka Group, LLC has been retained by the School District to act as Dissemination Agent ("Dissemination Agent"). The Bonds were issued (i) to finance, either directly or indirectly the acquisition and construction of certain road improvements (the "City Facilities"), (ii) to fund a reserve fund for the Bonds, (iii) to pay interest on the Bonds through September 1, 2002, (iv) to pay certain administrative expenses of the CFD, and (v) to pay the costs of issuing the Bonds.

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

I. Audited Financial Statements

A copy of the School District's annual audited financial statements for Fiscal Year 2007/2009 is available online at <http://emma.msrb.org/>.

II. Principal Amount of Bonds Outstanding

As of January 1, 2010, the outstanding principal amount of Bonds was \$9,365,000.00.

III. Fund and Account Balances

The balance in each fund, account, and subaccount of IA A of CFD No. 10 as of January 1, 2009, is listed in the table below.

Fund, Account, and Subaccount Balances (As of 01/01/10)

Funds and Accounts	Amount
Administrative Expense Fund	\$32,990.95
Improvement Fund	\$0.00
Interest Account	\$625.23
Principal Account	\$0.00
Redemption Fund	\$27.61
Reserve Fund	\$970,024.18
Special Tax Fund	\$1,025,372.57
Total	\$2,029,040.54

IV. Reserve Requirement

The Reserve Requirement for the Bond is equal to the lesser of (i) ten percent (10%) of the original principal amount of the Bond, (ii) one hundred percent (100%) of the remaining maximum annual debt service on the Bond, or (iii) one hundred and twenty-five percent (125%) of the remaining average annual debt service on the Bonds. As of January 1, 2010, the Reserve Requirement for the Bonds was \$967,000.00. As of January 1, 2010, the Reserve Requirement was satisfied.

V. Total Assessed Value and Value-to-Lien

The table below shows the total assessed value, total direct and overlapping debt, and total value-to-lien ratio for all parcels within IA A of CFD No. 10 as of January 1, 2010.

Assessed Value to Lien

Zone 1

Land Use	Total Assessed Value ^[1]	Special Tax Bonds		Other ^[2]		Total Lien	Value-to-Lien Ratio
		Principal Amount Outstanding	Value-to-Lien Ratio for CFD	Overlapping Debt	General Obligation Debt		
Tax Class 1 ≤ 3,000	\$19,947,077.00	\$680,611.51	29.31:1	\$792,401.93	\$37,158.82	\$1,510,172.26	13.21:1
Tax Class 2 3,301 - 3,300	\$0.00	\$0.00	0.00:1	\$0.00	\$0.00	\$0.00	0.00:1
Tax Class 3 > 3,300	\$33,587,485.00	\$1,276,530.81	26.31:1	\$1,333,655.95	\$62,569.13	\$2,672,755.89	12.57:1
Subtotal for Taxable Parcels ^[3]	\$53,534,562.00	\$1,957,142.32	27.35:1	\$2,126,057.88	\$99,727.95	\$4,182,928.15	12.80:1
Tax Class E EXEMPT	\$0.00	\$0.00	0.00:1	\$0.00	\$0.00	\$0.00	0.00:1
Total ^[3]	\$53,534,562.00	\$1,957,142.32	27.35:1	\$2,126,057.88	\$99,727.95	\$4,182,928.15	12.80:1

[1] Total Assessed Value as reported on the Fiscal Year 2009/2010 equalized tax roll of the Count of San Diego.
 [2] Source: Detailed Direct and Overlapping Debt Report, National Tax Data, Inc. (attached as Exhibit A).
 [3] Totals may not sum due to rounding.

Zone 2

Land Use	Total Assessed Value ^[1]	Special Tax Bonds		Other ^[2]		Special Tax Bonds	Value-to-Lien Ratio
		Principal Amount Outstanding	Value-to-Lien Ratio for CFD	Principal Amount Outstanding	Value-to-Lien Ratio for CFD		
Tax Class 15	\$1,290,019.00	\$0.00	0.00:1	\$0.00	\$2,403.14	\$2,403.14	0.00:1
Tax Class 1 <= 2,400	\$14,462,145.00	\$421,761.62	34.29:1	\$829,129.84	\$26,941.10	\$1,277,832.57	11.32:1
Tax Class 2 2,401 - 2,600	\$10,585,716.00	\$367,942.41	28.77:1	\$649,950.90	\$19,719.82	\$1,037,613.12	10.20:1
Tax Class 3 2,601 - 2,800	\$31,683,564.00	\$1,117,678.71	28.35:1	\$1,659,374.84	\$59,022.37	\$2,836,075.92	11.17:1
Tax Class 4 2,801 - 3,100	\$37,868,963.00	\$1,437,620.82	26.34:1	\$2,055,947.53	\$70,544.97	\$3,564,113.32	10.63:1
Tax Class 5 3,101 - 3,400	\$2,045,549.00	\$81,399.94	25.13:1	\$35,984.48	\$3,810.59	\$121,195.01	16.88:1
Tax Class 6 > 3,400	\$76,830,369.00	\$3,343,414.21	22.98:1	\$3,716,995.11	\$143,125.02	\$7,203,534.34	10.67:1
Subtotal for Taxable Parcels ^[3]	\$174,766,325.00	\$6,769,817.72	25.82:1	\$8,947,382.69	\$325,567.02	\$16,042,767.43	10.89:1
Tax Class E EXEMPT	\$170,508,857.00	\$0.00	0.00:1	\$0.00	\$317,635.91	\$317,635.91	0.00:1
Total ^[3]	\$345,275,182.00	\$6,769,817.72	51.00:1	\$8,947,382.69	\$643,202.93	\$16,360,403.33	21.10:1

[1] Total Assessed Value as reported on the Fiscal Year 2009/2010 equalized tax roll of the County of San Diego.

[2] Source: Detailed Direct and Overlapping Debt Report, National Tax Data, Inc. (attached as Exhibit A).

[3] Totals may not sum due to rounding.

Zone 3

Land Use	Total Assessed Value ^[1]	Special Tax Bonds		Other ^[2]		Special Tax Bonds	Value-to-Lien Ratio
		Principal Amount Outstanding	Value-to-Lien Ratio for CFD	Principal Amount Outstanding	Value-to-Lien Ratio for CFD		
Tax Class 1 <= 1,700	\$7,566,952.00	\$113,048.97	66.93:1	\$542,369.19	\$14,096.25	\$669,514.41	11.30:1
Tax Class 2 1,701 - 1,850	\$8,219,348.00	\$127,384.94	64.52:1	\$542,369.19	\$15,311.58	\$685,065.71	12.00:1
Tax Class 3 > 2,000	\$20,197,478.00	\$397,606.06	50.80:1	\$1,265,590.06	\$37,625.28	\$1,700,821.40	11.88:1
Subtotal for Taxable Parcels ^[3]	\$35,983,778.00	\$638,039.96	56.40:1	\$2,350,328.43	\$67,033.12	\$3,055,401.51	11.78:1
Tax Class E EXEMPT	\$0.00	\$0.00	0.00:1	\$0.00	\$0.00	\$0.00	0.00:1
Total ^[3]	\$35,983,778.00	\$638,039.96	56.40:1	\$2,350,328.43	\$67,033.12	\$3,055,401.51	11.78:1

[1] Total Assessed Value as reported on the Fiscal Year 2009/2010 equalized tax roll of the County of San Diego.

[2] Source: Detailed Direct and Overlapping Debt Report, National Tax Data, Inc. (attached as Exhibit A).

[3] Totals may not sum due to rounding.

VI. Special Tax Delinquencies

The Special Tax delinquencies for Fiscal Year 2008/2009 and prior Fiscal Years within IA A of CFD No. 10 are shown in the table below.

Fiscal Year	Subject Fiscal Year ^[1]				June 30, 2009	
	Aggregate Special Tax	Parcels Delinquent	Fiscal Year Amount Delinquent	Fiscal Year Delinquency Rate	Remaining Amount Delinquent	Remaining Delinquency Rate
2005/2006	\$745,910.46	6	\$9,613.11	1.29 %	\$0.00	0.00 %
2006/2007	\$760,829.86	10	\$17,048.85	2.24 %	\$2,774.64	0.36 %
2007/2008	\$776,048.06	13	\$27,629.44	3.56 %	\$5,066.82	0.65 %
2008/2009	\$847,112.90	20	\$35,270.51	4.16 %	\$35,270.51	4.16 %

[1] Delinquencies as of June 30th.

Since the overall delinquency rate for Fiscal Year 2008/2009 did not exceed five percent (5.00%), foreclosure proceedings were not initiated.

VII. Major Taxpayer Information

"Major Taxpayers" are those property owners responsible for more than five percent (5.00%) of the Special Tax levy. There are no Major Taxpayers for Fiscal Year 2009/2010.

VIII. Report to the California Debt and Investment Advisory Commission

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

IX. Changes to Rate and Method of Apportionment

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

S:\Clients\Poway Unified SD\SADM\CFDs\CFD No. 10 Improvement Area
A\FY0809\Reports\ContDisc\Poway_10_IAA_cont_disc_0910_FN.docx

Exhibit A

Detailed Direct and Overlapping Debt Report

POWAY UNIFIED SCHOOL DISTRICT
Community Facilities District No. 10
Improvement Area A
Special Tax Bonds

Detailed Direct and Overlapping Debt

Report Date: 12/14/2009

Report Time: 12:00:00 PM

I. Assessed Value

2009-2010 Secured Roll Assessed Value

\$434,793,522

II. Secured Property Taxes

Description on Tax Bill	Type	Total Parcels	Total Levy	% Applicable	Parcels	Levy
Basic Levy	PROP13	959,714	\$3,705,485,109	0.11668%	399	\$4,323,659.22
Voter Approved Debt	VOTER	959,505	\$295,475,096	0.02787%	399	\$82,361.82
City of San Diego Penasquitos East Maintenance District	LMD	10,156	\$203,430	0.00750%	1	\$15.26
County of San Diego Vector Control, Zone A	VECTOR	531,711	\$1,491,137	0.08027%	399	\$1,197.00
County of San Diego Vector Disease Control	VECTOR	945,654	\$5,286,916	0.04729%	399	\$2,500.30
Metropolitan Water District of Southern California Standby Charge	STANDBY	354,498	\$4,361,056	0.10782%	399	\$4,701.98
Poway Unified School District CFD No. 10	CFD	1,215	\$2,254,452	35.24039%	372	\$794,477.84
Poway Unified School District CFD No. 10, Impv Area A	CFD	420	\$864,056	100.00000%	391	\$864,056.48
San Diego County Water Authority Standby Charge	STANDBY	362,508	\$3,840,807	0.10609%	399	\$4,074.70

2009-2010 TOTAL PROPERTY TAX LIABILITY

\$6,077,044.60

TOTAL PROPERTY TAX LIABILITY AS A PERCENTAGE OF 2009-2010 ASSESSED VALUATION

1.40%

III. Land Secured Bond Indebtedness

Outstanding Direct and Overlapping Bonded Debt	Type	Issued	Outstanding	% Applicable	Parcels	Amount
Poway Unified School District CFD No. 10	CFD	\$38,230,000	\$38,092,000	35.24039%	372	\$13,423,769
Poway Unified School District CFD No. 10, Impv Area A	CFD	\$9,700,000	\$9,365,000	100.00000%	391	\$9,365,000

TOTAL LAND SECURED BOND INDEBTEDNESS (1)

\$22,788,769

TOTAL OUTSTANDING LAND SECURED BOND INDEBTEDNESS (1)

\$22,788,769

IV. General Obligation Bond Indebtedness

Outstanding Direct and Overlapping Bonded Debt	Type	Issued	Outstanding	% Applicable	Parcels	Amount
City of San Diego GOB 1990 (Public Safety Communication System)	GOB	\$25,500,000	\$4,340,000	0.25094%	399	\$10,891
Metropolitan Water District of Southern California GOB 1966	GOB	\$850,000,000	\$293,425,000	0.02089%	399	\$61,299
Palomar Community College District GOB 2006	GOB	\$160,000,000	\$151,750,000	0.48618%	399	\$737,774

TOTAL GENERAL OBLIGATION BOND INDEBTEDNESS (1)

\$809,964

TOTAL OUTSTANDING GENERAL OBLIGATION BOND INDEBTEDNESS (1)

\$809,964

TOTAL OF ALL OUTSTANDING AND OVERLAPPING BONDED DEBT

\$23,598,733.32

VALUE TO ALL OUTSTANDING DIRECT AND OVERLAPPING BONDED DEBT

18.42:1

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

Source: National Tax Data, Inc.

Exhibit B

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

**STATE OF CALIFORNIA
MELLO-ROOS COMMUNITY FACILITIES DISTRICT (CFD)**

YEARLY FISCAL STATUS REPORT
California Debt and Investment Advisory Commission
915 Capitol Mall, Room 400, Sacramento, CA 95814
P.O. Box 942809, Sacramento, CA 94209-0001
(916) 653-3269 FAX (916) 654-7440

For Office Use Only	
CDIAC #	2001-1923
Fiscal Year	_____

I. GENERAL INFORMATION

A. Issuer	Poway Unified School District CFD No 10
B. Community Facilities District Number/Name	Torrey Highlands Subarea IV IA A
C. Name/Title/Series of Bond Issue	Special Tax Bonds
D. Date of Bond Issue	10-25-2001
E. Original Principal Amount of Bonds	\$ 9,700,000.00
F. Reserve Fund Minimum Balance Required	\$ 967,000.00

II. FUND BALANCE FISCAL STATUS

Balances Reported as of:	June 30 2009 _____ (Year)
A. Principal Amount of Bonds Outstanding	\$ 9,455,000.00
B. Bond Reserve Fund	\$ 970,544.23
C. Capitalized Interest Fund	\$ 0.00
D. Construction Fund(s)	\$ 0.00

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

A. Assessed Value Reported as of: 07-01-2009 _____ (Date)	(Check One)
	<input checked="" type="checkbox"/> From Equalized Tax Roll
	<input type="checkbox"/> From Appraisal of Property <i>(Use only in first year or before annual tax roll billing commences)</i>
B. Total Assessed Value of All Parcels	\$ 413,151,611.00

IV. TAX COLLECTION INFORMATION

A. Total Amount of Special Taxes Due	\$ 847,112.90
B. Total Amount of Unpaid Special Taxes	\$ 35,270.51
C. The Taxes are Paid Under the County's Teeter Plan.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

V. DELINQUENT REPORTING INFORMATION

Delinquent Parcel Information Reported as of Equalized Tax Roll of:	06-30-2009 _____ (Date)
A. Total Number of Delinquent Parcels:	11
B. Total Amount of Taxes Due on Delinquent Parcels:	\$ 65,674.59

VI. FORECLOSURE INFORMATION FOR FISCAL YEAR

(Aggregate totals, if foreclosure commenced on same date)

Date Foreclosure Commenced	Total Number of Foreclosure Parcels	Total Amount of Tax Due on Foreclosure Parcels

STATE OF CALIFORNIA
MELLO-ROOS COMMUNITY FACILITIES DISTRICT (CFD)
YEARLY FISCAL STATUS REPORT

(Continued)

VII. ISSUE RETIRED

This issue is retired and not 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, LLC	
Address	20 Pacifica, Suite 900	
City/State/Zip	Irvine, CA 92618	
Phone No.	(949) 250-8300	Date Of Report 11-02-2009
Email	dginfo@dolinkagroup.com	

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.