

## **Annual Report**

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

January 31, 2010

**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") E 2002 Special Tax Bonds ("Bonds") by IA E of Community Facilities District ("CFD") No. 10 of the Poway Unified School District ("School District") in the amount of \$5,750,000 on October 23, 2002. 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, 2002, by and among the School District on behalf of IA E CFD No. 10 and Zions First National Bank, successor to State Street Bank and Trust Company of California, N.A. 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) either directly or indirectly, the acquisition and construction of certain road improvements ("City Facilities"), (ii) a reserve fund for the Bonds, (iii) interest on the Bonds through September 1, 2003, (iv) administrative expenses and (v) 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 2008/2009 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 \$5,600,000.

### III. Fund and Account Balances

The balance in each fund, account, and subaccount of IA E of CFD No. 10 as of January 1, 2010 is listed in the table below.

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

Funds and Accounts	Amount
Administrative Expense Fund	\$26,881.75
Improvement Fund	\$0.00
Interest Account	\$0.06
Letter of Credit Fund	\$394,000.29
Principal Account	\$0.00
Reserve Fund	\$575,014.33
Special Tax Fund	\$335,141.02
<b>Total</b>	<b>\$1,331,037.45</b>

#### **IV. Reserve Requirement**

The Reserve Requirement for the Bonds is 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, 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 \$575,000.00. As of January 1, 2010, the Reserve Requirement was satisfied.

**V. Total Assessed Value and Value-to-Lien of all Parcels within IA E of CFD No. 10**

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

**Assessed Value to Lien  
Zone A**

Land Use	Total Assessed Value <sup>[1]</sup>	2002 Special Tax Bonds		Other <sup>[2]</sup>		Total Lien	Value-to-Lien Ratio
		Principal Amount Outstanding	Value-to-Lien Ratio for CFD	Overlapping Debt	General Obligation Debt		
Tax Class 1 <= 1,850	\$36,170,432.00	\$1,809,315.59	19.99:1	\$1,770,748.33	\$67,380.87	\$3,647,444.79	9.92:1
Tax Class 2 > 1,850	\$17,871,422.00	\$942,419.25	18.96:1	\$762,737.94	\$33,292.17	\$1,738,449.36	10.28:1
<b>Total <sup>[3]</sup></b>	<b>\$54,041,854.00</b>	<b>\$2,751,734.85</b>	<b>19.64:1</b>	<b>\$2,533,486.27</b>	<b>\$100,673.04</b>	<b>\$5,385,894.15</b>	<b>10.03:1</b>

[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 B**

Land Use	Total Assessed Value <sup>[1]</sup>	2002 Special Tax Bonds		Other <sup>[2]</sup>		Total Lien	Value-to-Lien Ratio
		Principal Amount Outstanding	Value-to-Lien Ratio for CFD	Overlapping Debt	General Obligation Debt		
Tax Class 3 < 1,250	\$1,925,000.00	\$92,969.69	20.71:1	\$152,744.33	\$3,586.03	\$249,300.05	7.72:1
Tax Class 4 1,251 - 1,550	\$33,604,292.00	\$1,793,385.42	18.74:1	\$1,994,200.15	\$62,600.48	\$3,850,186.06	8.73:1
Tax Class 5 > 1,550	\$18,954,219.00	\$961,910.04	19.70:1	\$986,189.77	\$35,309.28	\$1,983,409.08	9.56:1
Tax Class 6	\$8,626,770.00	\$0.00	0.00:1	\$0.00	\$16,070.57	\$16,070.57	536.81:1
<b>Subtotal for Taxable Parcels <sup>[3]</sup></b>	<b>\$63,110,281.00</b>	<b>\$2,848,265.15</b>	<b>22.16:1</b>	<b>\$3,133,134.25</b>	<b>\$117,566.35</b>	<b>\$6,098,965.75</b>	<b>10.35:1</b>
Tax Class E EXEMPT	\$43,315,175.00	\$0.00	0.00:1	\$82,182.48	\$80,690.61	\$162,873.09	265.94:1
<b>Total <sup>[3]</sup></b>	<b>\$106,425,456.00</b>	<b>\$2,848,265.15</b>	<b>37.37:1</b>	<b>\$3,215,316.73</b>	<b>\$198,256.96</b>	<b>\$6,261,838.85</b>	<b>17.00:1</b>

[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 E of CFD No. 10 are shown in the table below.

Fiscal Year	Subject Fiscal Year <sup>[1]</sup>				June 30, 2009	
	Aggregate Special Tax	Parcels Delinquent	Fiscal Year Amount Delinquent	Fiscal Year Delinquency Rate	Remaining Amount Delinquent	Remaining Delinquency Rate
2005/2006	\$395,222.02	11	\$9,949.15	2.52 %	\$0.00	0.00 %
2006/2007	\$403,126.42	14	\$17,714.02	4.39 %	\$3,156.08	0.78 %
2007/2008	\$419,915.76	20	\$24,053.72	5.73 %	\$9,779.62	2.33 %
2008/2009	\$437,011.04	22	\$29,023.13	6.64 %	\$29,023.13	6.64 %

[1] Delinquencies as of June 30<sup>th</sup>.

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.

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**Exhibit A**

**Detailed Direct and Overlapping Debt Report**

**POWAY UNIFIED SCHOOL DISTRICT**  
**Community Facilities District No. 10**  
**Improvement Area E**  
**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

**\$160,467,310**

**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	0.04066%	279	\$1,506,799.40
Voter Approved Debt	VOTER	959,505	\$295,475,096	0.00971%	279	\$28,701.98
County of San Diego Vector Control, Zone A	VECTOR	531,711	\$1,491,137	0.05633%	280	\$840.00
County of San Diego Vector Disease Control	VECTOR	945,654	\$5,286,916	0.02612%	280	\$1,380.74
Metropolitan Water District of Southern California Standby Charge	STANDBY	354,498	\$4,361,056	0.07567%	280	\$3,300.00
Poway Unified School District CFD No. 10	CFD	1,215	\$2,254,452	15.09189%	276	\$340,239.40
Poway Unified School District CFD No. 10, Impv Area E	CFD	282	\$445,752	100.00000%	275	\$445,752.32
San Diego County Water Authority Standby Charge	STANDBY	362,508	\$3,840,807	0.07471%	280	\$2,869.50
<b>2009-2010 TOTAL PROPERTY TAX LIABILITY</b>						<b>\$2,329,883.34</b>
<b>TOTAL PROPERTY TAX LIABILITY AS A PERCENTAGE OF 2009-2010 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. 10	CFD	\$38,230,000	\$38,092,000	15.09189%	276	\$5,748,803
Poway Unified School District CFD No. 10, Impv Area E	CFD	\$5,750,000	\$5,600,000	100.00000%	275	\$5,600,000
<b>TOTAL LAND SECURED BOND INDEBTEDNESS (1)</b>						<b>\$11,348,803</b>
<b>TOTAL OUTSTANDING LAND SECURED BOND INDEBTEDNESS (1)</b>						<b>\$11,348,803</b>

**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	0.09261%	275	\$4,019
Metropolitan Water District of Southern California GOB 1966	GOB	\$850,000,000	\$293,425,000	0.00771%	275	\$22,623
Palomar Community College District GOB 2006	GOB	\$160,000,000	\$151,750,000	0.17943%	275	\$272,287
<b>TOTAL GENERAL OBLIGATION BOND INDEBTEDNESS (1)</b>						<b>\$298,930</b>
<b>TOTAL OUTSTANDING GENERAL OBLIGATION BOND INDEBTEDNESS (1)</b>						<b>\$298,930</b>

**TOTAL OF ALL OUTSTANDING AND OVERLAPPING BONDED DEBT**

**\$11,647,732.53**

**VALUE TO ALL OUTSTANDING DIRECT AND OVERLAPPING BONDED DEBT**

**13.78:1**

(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 #	2002-1747
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 E
C. Name/Title/Series of Bond Issue	2002 Special Tax Bonds
D. Date of Bond Issue	10-21-2002
E. Original Principal Amount of Bonds	\$ 5,750,000.00
F. Reserve Fund Minimum Balance Required	\$ 575,000.00

**II. FUND BALANCE FISCAL STATUS**

Balances Reported as of:	June 30 2009 _____ (Year)
A. Principal Amount of Bonds Outstanding	\$ 5,645,000.00
B. Bond Reserve Fund	\$ 571,318.35
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	\$ 117,152,135.00

**IV. TAX COLLECTION INFORMATION**

A. Total Amount of Special Taxes Due	\$ 437,011.04
B. Total Amount of Unpaid Special Taxes	\$ 29,023.13
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:	24
B. Total Amount of Taxes Due on Delinquent Parcels:	\$ 44,199.32

**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

