

## **Annual Report**

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

January 31, 2009

**Prepared For:**

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## Table of Contents

<b>Section</b>	<b>Page</b>
<b>Introduction</b> .....	<b>1</b>
<b>I. Audited Financial Statements</b> .....	<b>1</b>
<b>II. Principal Amount of Bonds Outstanding</b> .....	<b>1</b>
<b>III. Bond Fund Balance</b> .....	<b>1</b>
<b>IV. Reserve Fund Balance</b> .....	<b>1</b>
<b>V. Fund and Account Balances</b> .....	<b>2</b>
<b>VI. Total Assessed Value and Value-to-Lien of all Parcels within IA A of CFD No. 10</b> ----	<b>3</b>
<b>VII. Fiscal Year 2007/2008 Special Tax Levies and Delinquencies</b> .....	<b>3</b>
<b>VIII. Foreclosure Proceedings</b> .....	<b>4</b>
<b>IX. Major Taxpayer Information</b> .....	<b>4</b>
<b>X. Report to California Debt and Investment Advisory Commission</b> .....	<b>4</b>
<b>XI. Changes to Rate and Method of Apportionment</b> .....	<b>4</b>

### **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") 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 IA A Bonds, (iii) to pay interest on the IA A Bonds through September 1, 2002, (iv) to pay certain administrative expenses of the CFD, and (v) to pay the costs of issuing the 2001 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 2007/2008 is available online at [www.disclosureusa.org](http://www.disclosureusa.org).

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

As of January 1, 2009, the outstanding principal amount of Bonds was \$9,455,000.00.

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

The Bond Fund is a composite of the Principal Account, Interest Account and the Capitalized Interest Subaccount; as of January 1, 2009, the balances within these accounts totaled \$9,849.80.

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

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, 2009, the Reserve Requirement for the Bonds was \$967,000.00. As of January 1, 2009, the balance in the Reserve Fund was \$970,207.92; therefore, the Reserve Requirement was satisfied as of this date.

**V. Fund and Account Balances**

The balance in each fund, account, and subaccount of IA A of CFD No. 10 as of January 1, 2008, is listed in Table 1.

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

<b>Fund, Account, or Subaccount</b>	<b>Balances</b>
Special Tax Fund	\$808,780.69
Bond Service Fund	\$0.00
Interest Account of the Bond Service Fund	\$9,849.80
Capitalized Interest Subaccount of the Interest Account	\$0.00
Principal Account of the Bond Service Fund	\$0.00
Cost of Issuance Fund	\$0.00
Improvement Fund	\$0.00
Reserve Fund	\$970,207.92
Rebate Fund	\$0.00
Administrative Expense Fund	\$34,602.21
Redemption Fund	\$27.61
Letter of Credit Fund	\$0.00

## VI. Total Assessed Value and Value-to-Lien of all Parcels within IA A of CFD No. 10

Table 2 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, 2009.

**Table 2  
Assessed Value to Lien**

Land Use/ Building Square Footage	Total Assessed Value <sup>[1]</sup>	CFD Bonds		Other		Total Burden	Value-to- Lien Ratio
		Principal Amount Outstanding	Value- to-Lien Ratio for CFD	Overlapping Debt <sup>[2]</sup>	General Obligation Debt <sup>[2]</sup>		
Tax Class 1 ≤ 3,000	\$22,537,312.00	\$687,152.73	32.80:1	\$794,255.28	\$42,361.71	\$1,523,769.72	14.79:1
Tax Class 2 3,001 – 3,300	\$0.00	\$0.00	0.00:1	\$0.00	\$0.00	\$0.00	0.00:1
Tax Class 3 > 3,300	\$34,951,296.00	\$1,288,807.04	27.12:1	\$1,336,774.86	\$65,695.35	\$2,691,277.25	12.99:1
Tax Class 4 ≤ 2,400	\$14,963,530.00	\$425,813.41	35.14:1	\$831,068.82	\$28,125.83	\$1,285,008.06	11.64:1
Tax Class 5 2,401 - 2,600	\$10,444,776.00	\$371,483.09	28.12:1	\$651,470.43	\$19,632.27	\$1,042,585.78	10.02:1
Tax Class 6 2,601 - 2,800	\$31,814,909.00	\$1,128,410.45	28.19:1	\$1,663,254.96	\$59,800.12	\$2,851,465.52	11.16:1
Tax Class 7 2,801 - 3,100	\$38,286,937.00	\$1,451,444.18	26.38:1	\$2,060,755.04	\$71,965.11	\$3,584,164.32	10.68:1
Tax Class 8 3,101 - 3,400	\$2,099,561.00	\$82,182.58	25.55:1	\$36,068.65	\$3,946.39	\$122,197.62	17.18:1
Tax Class 9 > 3,400	\$80,720,621.00	\$3,375,532.94	23.91:1	\$3,725,685.98	\$151,724.5 4	\$7,252,943.46	11.13:1
Tax Class 10 ≤ 1,700	\$7,808,912.00	\$114,131.31	68.42:1	\$543,636.90	\$14,677.83	\$672,446.04	11.61:1
Tax Class 11 1,701 - 1,850	\$8,917,419.00	\$128,609.93	69.34:1	\$543,636.90	\$16,761.41	\$689,008.24	12.94:1
Tax Class 12 1,851 – 2,000	\$0.00	\$0.00	0.00:1	\$0.00	\$0.00	\$0.00	0.00:1
Tax Class 13 > 2,000	\$21,483,853.00	\$401,432.36	53.52:1	\$1,268,548.18	\$40,381.60	\$1,710,362.14	12.56:1
Tax Class P PREPAID	\$1,264,727.00	\$0.00	0.00:1	\$0.00	\$2,377.21	\$2,377.21	0.00:1
Tax Class U UNDEV	\$137,857,758.00	\$0.00	0.00:1	\$0.00	\$259,120.9 7	\$259,120.97	0.00:1
<b>Subtotal for Taxable Parcels <sup>[3]</sup></b>	<b>\$413,151,611.00</b>	<b>\$9,455,000.00</b>	<b>43.70:1</b>	<b>\$13,455,156.00</b>	<b>\$776,570.3 4</b>	<b>\$23,686,726.33</b>	<b>17.44:1</b>
Tax Class E EXEMPT	\$29,307,791.00	\$0.00	0.00:1	\$0.00	\$55,087.67	\$55,087.67	0.00:1
<b>Total <sup>[3]</sup></b>	<b>\$442,459,402.00</b>	<b>\$9,455,000.00</b>	<b>46.80 :1</b>	<b>\$13,455,156.00</b>	<b>\$831,658.0 0</b>	<b>\$23,741,814.00</b>	<b>18.64 :1</b>

[1] Total Assessed Value as reported on the Fiscal Year 2008/2009 equalized tax roll of the County.

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

[3] Totals may not sum due to rounding.

## VII. Fiscal Year 2007/2008 Special Tax Levies and Delinquencies

There were thirteen (13) parcels delinquent in paying their Fiscal Year 2007/2008 Special Tax in an amount of \$27,629.44. The Special Tax levied in Fiscal Year 2007/2008 totaled \$776,048.06. Therefore, the delinquency rate within IA A of CFD No. 10 was 3.56% for Fiscal Year 2007/2008.

### **VIII. Foreclosure Proceedings**

Since no parcel is delinquent in the payment of Special Taxes in an amount greater than \$5,000 and the overall delinquency rate for Fiscal Year 2007/2008 did not exceed five percent (5.00%), IA A of CFD No. 10 has not initiated any foreclosure proceedings to date.

### **IX. Major Taxpayer Information**

"Major Taxpayers" are those property owners responsible for more than five percent (5.00%) of the Special Tax levy in a Fiscal Year. There were no Major Taxpayer's for Fiscal Year 2008/2009.

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

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

### **XI. Changes to Rate and Method of Apportionment**

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

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

**I. Assessed Value**

**2008-2009 Secured Roll Assessed Value** **\$442,459,402**

**II. Secured Property Taxes**

Description on Tax Bill	Type	Total Parcels	Total Levy	% Applicable	Parcels	Levy
Basic Levy	PROPI3	957,523	\$3,813,203,012	0.11539%	399	\$4,400,038.02
City of San Diego Penasquitos East Maintenance District	LMD	10,156	\$203,391	0.00750%	1	\$15.26
City of San Diego Torrey Highlands Maintenance District	LMD	1,695	\$346,441	27.37453%	398	\$94,836.60
County of San Diego Vector Control, Zone A	VECTOR	530,324	\$1,486,679	0.08052%	399	\$1,197.00
County of San Diego Vector Disease Control	VECTOR	943,568	\$5,256,250	0.04757%	399	\$2,500.30
Metropolitan Water District of Southern California Standby Charge	STANDBY	353,385	\$4,356,825	0.10792%	399	\$4,701.98
Poway Unified School District CFD No. 10	CFD	1,215	\$2,210,241	35.24045%	372	\$778,898.68
Poway Unified School District CFD No. 10, Impv Area A	CFD	391	\$847,113	100.00000%	391	\$847,112.90
San Diego County Water Authority Standby Charge	STANDBY	361,328	\$3,834,233	0.10627%	399	\$4,074.70
Voter Approved Debt	VOTER	957,329	\$250,644,468	0.04143%	399	\$103,837.04
<b>2008-2009 TOTAL PROPERTY TAX LIABILITY</b>						<b>\$6,237,212.48</b>
<b>TOTAL PROPERTY TAX LIABILITY AS A PERCENTAGE OF 2008-2009 ASSESSED VALUATION</b>						<b>1.41%</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	\$38,181,000	35.24045%	372	\$13,455,156
Poway Unified School District CFD No. 10, Impv Area A	CFD	\$9,670,000	\$9,455,000	100.00000%	391	\$9,455,000
<b>TOTAL LAND SECURED BOND INDEBTEDNESS (1)</b>						<b>\$22,910,156</b>
<b>TOTAL OUTSTANDING LAND SECURED BOND INDEBTEDNESS (1)</b>						<b>\$22,910,156</b>

**IV. General Obligation Bond Indebtedness**

Outstanding Direct and Overlapping Bonded Debt	Type	Issued	Outstanding	% Applicable	Parcels	Amount
City of San Diego GOB 1978 (Open Space Park Facilities District No. 1)	GOB	\$35,000,000	\$7,010,000	0.24219%	399	\$16,978
City of San Diego GOB 1990 (Public Safety Communication System)	GOB	\$25,500,000	\$6,315,000	0.24219%	399	\$15,294
Metropolitan Water District of Southern California GOB 1966	GOB	\$850,000,000	\$327,215,000	0.02086%	399	\$68,257
Palomar Community College District GOB 2006	GOB	\$160,000,000	\$158,000,000	0.46274%	399	\$731,129
<b>TOTAL GENERAL OBLIGATION BOND INDEBTEDNESS (1)</b>						<b>\$831,658</b>
<b>TOTAL OUTSTANDING GENERAL OBLIGATION BOND INDEBTEDNESS (1)</b>						<b>\$831,658</b>

<b>TOTAL OF ALL OUTSTANDING AND OVERLAPPING BONDED DEBT</b>	<b>\$23,741,814.28</b>
<b>VALUE TO ALL OUTSTANDING DIRECT AND OVERLAPPING BONDED DEBT</b>	<b>18.64:1</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) Community Facilities District No. 10 Improvement Area A  
 C. Name/Title/Series of Bond Issue Improvement Area A Special Tax Bonds  
 D. Indicate Credit Rating Rating Agency \_\_\_\_\_ Rating \_\_\_\_\_ Not Rated X  
 E. Date of Bond Issue October 25, 2001  
 F. Original Principal Amount of Bonds \$9,700,000.00  
 G. Reserve Fund Minimum Balance Required Yes  Amount \$967,000.00 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, 2008 (Year)  
 A. Principal Amount of bonds Outstanding \$ 9,525,000.00  
 B. Bond Reserve Fund \$ 971,242.24  
 C. Capitalized Interest Fund \$ 0.00  
 D. Construction Fund(s) (Mello-Roos only) \$ 89,410.21

**III. FUND BALANCE FISCAL STATUS**

A. Assessed Value Reported as of: July 1, 2008 (Date) (Check one)  
 (Most recent tax roll)  From Tax Roll  
 From Appraisal of Property  
 (Use only in first year or before annual tax roll billing commences)  
 B. Total Assessed Value of All Parcels \$ 413,151,611.00

**IV. TAX COLLECTION INFORMATION**

Reported as of fiscal year ending of: June 30, 2008 (Year)  
 A. Total Amount of Taxes Due \$ 776,048.06  
 B. Total Amount of Unpaid Taxes \$ 27,629.44  
 C. Taxes are Paid Under the County's Teeter Plan Yes  No

**V. DELINQUENT REPORTING INFORMATION**

Delinquent Parcel Information Reported as of the current Tax Roll June 30, 2008 (Date)  
 A. Total Number of Delinquent Parcels 13  
 B. Total Amount of Taxes Due on Delinquent Parcels \$ 36,234.56  
 C. Percent of Delinquency Rate 3.56%  
 (Percent)

