

Annual Report

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

January 31, 2009

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

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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") C 2005 Special Tax Bonds ("Bonds") by IA C of Community Facilities District ("CFD") No. 11 of the Poway Unified School District ("School District") in the amount of \$13,475,000 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 September 1, 2007, (iv) certain administrative expenses associated with IA C 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 2007/2008 is available online at www.disclosureusa.org.

II. Principal Amount of Bonds Outstanding

As of January 1, 2009, the principal amount of Bonds outstanding was \$13,410,000.

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, 2009, the balances within these accounts totaled \$27.60.

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, 2009, the Reserve Requirement of the Bonds was \$1,200,560.40. Pursuant to Section 3.06 of the Bond Indenture, all Authorized Investments in the Reserve Fund are to be valued at their fair market value. As of January 1, 2009, the market valuation of the funds and investments in the Reserve Fund totaled \$1,191,149.40. This has been brought to the attention of the Fiscal Agent, as of the date of this report, the Reserve Requirement was satisfied.

V. Fund and Account Balances

The balance in each fund, account, and subaccount of the Bonds as of January 1, 2009, is listed in Table 1.

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

Funds, Accounts or Subaccount	Balances
Special Tax Fund	\$189,400.74
Bond Service Fun	\$0.00
Interest Account of the Bond Service Fund	\$27.60
Capitalized Interest Subaccount of the Interest Account	\$0.00
Principal Account of the Bond Service Fund	\$0.00
Cost of Issuance Fund	\$0.00
Infrastructure Improvement Fund	\$4,338.04
Reserve Fund	\$1,191,149.40
Redemption Fund	\$0.00
Administrative Expense Fund	\$16,673.22
Letter of Credit Fund	\$0.00
Letter of Credit Warmington Account of the Letter of Credit Fund	\$0.00
Letter of Credit Davidson Account of the Letter of Credit Fund	\$90,104.20

VI. Total Assessed Value and Value-to-Lien of Parcels within IA C 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 C of CFD No. 11 as of January 1, 2009.

**Table 2
Assessed Value to Lien**

Land Use	Total Assessed Value ^[1]	CFD Bonds		Other		Total Burden	Value-to-Lien Ratio
		Principal Amount Outstanding	Value-to-Lien Ratio for CFD	Overlapping Debt ^[2]	General Obligation Debt ^[2]		
Tax Class 1 <=2,650	\$0.00	\$0.00	0.00:1	\$0.00	\$0.00	\$0.00	0.00:1
Tax Class 2 2,651 - 3,000	\$0.00	\$0.00	0.00:1	\$0.00	\$0.00	\$0.00	0.00:1
Tax Class 3 3,001 - 3,250	\$0.00	\$0.00	0.00:1	\$0.00	\$0.00	\$0.00	0.00:1
Tax Class 4 3,251 - 3,500	\$0.00	\$0.00	0.00:1	\$0.00	\$0.00	\$0.00	0.00:1
Tax Class 5 3,501 - 3,750	\$0.00	\$0.00	0.00:1	\$0.00	\$0.00	\$0.00	0.00:1
Tax Class 6 3,751 - 4,000	\$5,956,659.00	\$262,856.49	22.66:1	\$0.00	\$11,473.34	\$274,329.82	21.71:1
Tax Class 7 4,001 - 4,250	\$15,629,222.00	\$722,203.29	21.64:1	\$0.00	\$30,104.02	\$752,307.31	20.78:1
Tax Class 8 4,251 - 4,500	\$7,634,884.00	\$411,864.88	18.54:1	\$0.00	\$14,705.83	\$426,570.71	17.90:1
Tax Class 9 4,501 - 4,750	\$17,540,598.00	\$1,003,534.40	17.48:1	\$0.00	\$33,785.59	\$1,037,319.99	16.91:1
Tax Class 10 > 4,750	\$60,736,453.00	\$3,294,077.03	18.44:1	\$0.00	\$116,986.71	\$3,411,063.74	17.81:1
Tax Class U UNDEV	\$115,750,106.00	\$7,715,463.91	15.00:1	\$0.00	\$222,950.52	\$7,938,414.43	14.58:1
Subtotal for Taxable Parcels ^[3]	\$223,247,922.00	\$13,410,000.00	16.65:1	\$0.00	\$430,006.00	\$13,840,006.00	16.13:1
Tax Class E EXEMPT	\$0.00	\$0.00	0.00:1	\$0.00	\$0.00	\$0.00	0.00:1
Total ^[3]	\$223,247,922.00	\$13,410,000.00	16.65:1	\$0.00	\$430,006.00	\$13,840,006.00	16.13:1

[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 Levy and Delinquencies

There was one (1) parcel delinquent in paying its Fiscal Year 2007/2008 Special Taxes in the amount of \$1,517.70. The total Special Taxes levied by IA C of CFD No. 11 for Fiscal Year 2007/2008 was \$682,003.60, of which, \$680,485.90 was collected. Therefore, the delinquency rate within CFD No. 11, Improvement Area C for Fiscal Year 2007/2008 was 0.22%.

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 C of CFD No. 11 for Fiscal Year 2007/2008 did not exceed five percent (5.00%), IA C 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 2008/2009. The Major Taxpayer's assessed value and their respective share of the Special Tax obligation for Fiscal Year 2008/2009 is shown in Table 3.

Table 3
Major Taxpayers

Major Taxpayer	Assessed Value ^[1]	Percentage of Levy
Sycamore Estates LLC	\$247,254.54	35.03%
Cornerstone at Stonebridge Estates LP	\$100,015.74	14.17%
Brookfield 10 LLC	\$97,928.56	13.87%
Stonebridge – San Diego LP	\$86,476.88	12.25%
Warmington Scripps II Associates LP	\$48,932.68	6.93%
Total	\$580,608.40	82.25%

[1] Source: Total assessed value reported on the County of San Diego Fiscal Year 2008/2009 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 C of CFD No. 11

No changes have been made to the Rate and Method of Apportionment for IA C 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 C
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 **\$223,247,922**

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	0.05848%	345	\$2,229,959.22
County of San Diego Vector Control, Zone B	VECTOR	358,847	\$748,016	0.10424%	342	\$779.76
County of San Diego Vector Disease Control	VECTOR	943,568	\$5,256,250	0.01681%	342	\$883.56
Metropolitan Water District of Southern California Standby Charge	STANDBY	353,385	\$4,356,825	0.14246%	345	\$6,206.54
Poway Unified School District CFD No. 11, Impv Area C	CFD	403	\$705,827	100.00000%	345	\$705,826.62
Poway Unified School District CFD No. 11, Zone 3	CFD	345	\$833,405	100.00000%	345	\$833,405.18
San Diego County Water Authority Standby Charge	STANDBY	361,328	\$3,834,233	0.14071%	345	\$5,395.30
Voter Approved Debt	VOTER	957,329	\$250,644,468	0.02100%	345	\$52,624.24
2008-2009 TOTAL PROPERTY TAX LIABILITY						\$3,835,080.42
TOTAL PROPERTY TAX LIABILITY AS A PERCENTAGE OF 2008-2009 ASSESSED VALUATION						1.72%

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 C	CFD	\$13,475,000	\$13,410,000	100.00000%	345	\$13,410,000
TOTAL LAND SECURED BOND INDEBTEDNESS (1)						\$13,410,000
TOTAL OUTSTANDING LAND SECURED BOND INDEBTEDNESS (1)						\$13,410,000

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	0.12757%	345	\$8,943
City of San Diego GOB 1990 (Public Safety Communication System)	GOB	\$25,500,000	\$6,315,000	0.12757%	345	\$8,056
Metropolitan Water District of Southern California GOB 1966	GOB	\$850,000,000	\$327,215,000	0.01053%	345	\$34,444
Palomar Community College District GOB 2006	GOB	\$160,000,000	\$158,000,000	0.23960%	345	\$378,563
TOTAL GENERAL OBLIGATION BOND INDEBTEDNESS (1)						\$430,006
TOTAL OUTSTANDING GENERAL OBLIGATION BOND INDEBTEDNESS (1)						\$430,006

TOTAL OF ALL OUTSTANDING AND OVERLAPPING BONDED DEBT	\$13,840,005.54
VALUE TO ALL OUTSTANDING DIRECT AND OVERLAPPING BONDED DEBT	16.13:1

(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.

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. 11 Improvement Area C
 C. Name/Title/Series of Bond Issue Improvement Area C 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 \$13,475,000.00
 G. Reserve Fund Minimum Balance Required Yes Amount \$1,202,731.37 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 \$ 13,475,000.00
 B. Bond Reserve Fund \$ 1,181,443.24
 C. Capitalized Interest Fund \$ 2.73
 D. Construction Fund(s) (Mello-Roos only) \$ 4,317.70

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 \$ 223,247,922.00

IV. TAX COLLECTION INFORMATION

Reported as of fiscal year ending of: June 30, 2008 (Year)
 A. Total Amount of Taxes Due \$ 682,003.60
 B. Total Amount of Unpaid Taxes \$ 1,517.70
 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 1
 B. Total Amount of Taxes Due on Delinquent Parcels \$ 1,517.70
 C. Percent of Delinquency Rate 0.22%
 (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>	<i>Total Number of Foreclosure Parcels</i>	<i>Total Amount of Tax Due on Foreclosure Parcels</i>
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 requirement *(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: October 30, 2008

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.