

Annual Report

Poway Unified School District
Community Facilities District No. 14

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 2006 Special Tax Bonds ("Bonds") of Community Facilities District ("CFD") No. 14 of the Poway Unified School District ("School District") in the amount of \$51,515,000 on June 22, 2006. The Bonds were issued under the Mello-Roos Community Facilities Act of 1982, as amended ("Act"), and pursuant to the Bond Indenture dated May 1, 2006 by and between the School District and Zions First National Bank ("Fiscal Agent"). 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 school facilities ("School Facilities"), (ii) to establish a reserve fund for the 2006 CFD Bonds, (iii) to fund capitalized interest on the 2006 CFD Bonds through September 1, 2007, and Administrative Expenses, and (iv) to pay the costs of issuing the 2006 CFD 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 \$51,385,000.00.

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 \$0.00.

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 \$4,695,784.15. 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 of the Reserve Fund was \$4,664,899.11. 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 Subaccounts	Balances
Special Tax Fund	\$346,877.47
Bond Service Fund	\$0.00
Interest Account of the Bond Service Fund	\$0.00
Capitalized Interest Subaccount of the Interest Account	\$0.00
Principal Account of the Bond Service Fund	\$0.00
Costs of Issuance Fund	\$0.00
School Facilities Account	\$4,771,271.58
Reserve Fund	\$4,610,835.31
Rebate Fund	\$0.00
Redemption Fund	\$0.00
Administrative Expense Fund	\$18,260.36

VI. Total Assessed Value and Value-to-Lien of Parcels within CFD No. 14

Table 2 shows the total assessed value, total direct and overlapping debt, and total value-to-lien ratio for all parcels within CFD No. 14.

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 < 1,800	\$25,900,949.00	\$1,755,181.38	14.76:1	\$1,674,256.15	\$170,791.93	\$3,600,229.46	7.19:1
Tax Class 2 1,800 - 2,000	\$49,612,197.00	\$3,576,901.91	13.87:1	\$3,413,352.48	\$327,144.88	\$7,317,399.27	6.78:1
Tax Class 3 2,001 - 2,200	\$5,995,566.00	\$443,545.96	13.52:1	\$420,465.62	\$39,535.01	\$903,546.59	6.64:1
Tax Class 4 2,201 - 2,400	\$13,578,345.00	\$951,452.18	14.27:1	\$914,428.12	\$89,536.17	\$1,955,416.47	6.94:1
Tax Class 5 2,401 - 2,600	\$66,446,668.00	\$4,943,200.63	13.44:1	\$4,654,093.86	\$438,152.08	\$10,035,446.57	6.62:1
Tax Class 6 2,601 - 2,800	\$30,467,438.00	\$2,846,542.08	10.70:1	\$2,662,820.01	\$200,903.55	\$5,710,265.63	5.34:1
Tax Class 7 2,801 - 3,000	\$26,189,134.00	\$2,367,491.07	11.06:1	\$2,243,346.99	\$172,692.23	\$4,783,530.30	5.47:1
Tax Class 8 3,001 - 3,200	\$41,199,418.00	\$4,419,410.65	9.32:1	\$4,154,210.08	\$271,670.67	\$8,845,291.39	4.66:1
Tax Class 9 3,201 - 3,450	\$0.00	\$0.00	0.00:1	\$0.00	\$0.00	\$0.00	0.00:1
Tax Class 10 >3,450	\$0.00	\$0.00	0.00:1	\$0.00	\$0.00	\$0.00	0.00:1
Tax Class 11 < 1,900	\$8,083,834.00	\$426,636.01	18.95:1	\$399,962.50	\$53,305.14	\$879,903.65	9.19:1
Tax Class 12 1,900 - 2,100	\$3,561,929.00	\$244,096.56	14.59:1	\$232,747.56	\$23,487.51	\$500,331.63	7.12:1
Tax Class 13 > 2,100	\$19,606,570.00	\$1,441,095.85	13.61:1	\$1,375,490.17	\$129,286.53	\$2,945,872.56	6.66:1
Tax Class U UNDEV	\$48,180,089.00	\$27,969,445.72	1.72:1	\$29,219,826.45	\$317,701.50	\$57,506,973.67	0.84:1
Subtotal for Taxable Parcels ^[3]	\$338,822,137.00	\$51,385,000.00	6.59:1	\$51,365,000.00	\$2,234,207.19	\$104,984,207.19	3.23:1
Tax Class E EXEMPT	\$420,502.00	\$0.00	0.00:1	\$0.00	\$2,772.81	\$2,772.81	0.00:1
Total ^[3]	\$339,242,639.00	\$51,385,000.00	6.60:1	\$51,365,000.00	\$2,236,980.00	\$104,986,980.00	3.23:1

[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 were nineteen (19) parcels delinquent in paying their Fiscal Year 2007/2008 Special Taxes in an amount of \$41,952.23. The total Special Taxes levied by CFD No. 14 for Fiscal Year 2007/2008 was \$2,399,971.62. Therefore, the delinquency rate within CFD No. 14 for Fiscal Year 2007/2008 was 1.75%.

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 CFD No. 14 for Fiscal Year 2007/2008 did not exceed five percent (5.00%), CFD No. 14 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 in a given Fiscal Year. The Major Taxpayer's assessed value and their respective share of the Special Tax obligation for Fiscal Year 2008/2009 are shown in Table 3.

Table 3
Major Taxpayers

Major Taxpayer	Fiscal Year 2008/2009 Assessed Value ^[1]	Percentage of Total Levy
Standard Pacific Corp	\$30,439,383.00	6.46%
Black Mountain Ranch LLC	\$14,721,703.00	50.14%
Total	\$45,161,086.00	56.60%

[1] Includes only taxable property.

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 the Rate and Method of Apportionment for CFD No. 14

No changes have been made to the Rate and Method of Apportionment for CFD No. 14 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. 14
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 **\$339,242,639**

II. Secured Property Taxes

Description on Tax Bill	Type	Total Parcels	Total Levy	% Applicable	Parcels	Levy
Basic Levy	PROP13	957,523	\$3,813,203,012	0.08853%	1,031	\$3,375,766.39
City of San Diego Black Mountain Ranch North Maintenance AD	LLMD	1,208	\$181,398	70.74751%	1,025	\$128,334.68
County of San Diego Vector Control, Zone A	VECTOR	530,324	\$1,486,679	0.00020%	1	\$3.00
County of San Diego Vector Control, Zone B	VECTOR	358,847	\$748,016	0.31273%	1,026	\$2,339.28
County of San Diego Vector Disease Control	VECTOR	943,568	\$5,256,250	0.06157%	1,026	\$3,236.20
Metropolitan Water District of Southern California Standby Charge	STANDBY	353,385	\$4,356,825	0.29807%	1,030	\$12,986.34
Palomar Pomerado Health Debt Service	GOB	188,487	\$11,026,650	0.54341%	1,031	\$59,919.65
Poway Unified School District CFD No. 14	CFD	1,144	\$2,843,169	100.00000%	1,025	\$2,843,169.36
Poway Unified School District CFD No. 14 Impv Area A	CFD	1,025	\$2,933,073	100.00000%	1,025	\$2,933,072.62
San Diego County Water Authority Standby Charge	STANDBY	361,328	\$3,834,233	0.29521%	1,031	\$11,319.00
Voter Approved Debt	VOTER	957,329	\$250,644,468	0.03178%	1,031	\$79,657.60

2008-2009 TOTAL PROPERTY TAX LIABILITY

\$9,449,804.12

TOTAL PROPERTY TAX LIABILITY AS A PERCENTAGE OF 2008-2009 ASSESSED VALUATION

2.79%

III. Land Secured Bond Indebtedness

Outstanding Direct and Overlapping Bonded Debt	Type	Issued	Outstanding	% Applicable	Parcels	Amount
Poway Unified School District CFD No. 14	CFD	\$51,515,000	\$51,385,000	100.00000%	1,025	\$51,385,000
Poway Unified School District CFD No. 14 Impv Area A	CFD	\$51,495,000	\$51,365,000	100.00000%	1,025	\$51,365,000
TOTAL LAND SECURED BOND INDEBTEDNESS (1)						\$102,750,000
TOTAL OUTSTANDING LAND SECURED BOND INDEBTEDNESS (1)						\$102,750,000

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	0.18569%	1,025	\$13,017
City of San Diego GOB 1990 (Public Safety Communication System)	GOB	\$25,500,000	\$6,315,000	0.18569%	1,025	\$11,726
Metropolitan Water District of Southern California GOB 1966	GOB	\$850,000,000	\$327,215,000	0.01600%	1,025	\$52,354
Palomar Community College District GOB 2006	GOB	\$160,000,000	\$158,000,000	0.35479%	1,025	\$560,568
Palomar Pomerado Health GOB 2004	GOB	\$321,083,318	\$305,568,319	0.52339%	1,025	\$1,599,314
TOTAL GENERAL OBLIGATION BOND INDEBTEDNESS (1)						\$2,236,980
TOTAL OUTSTANDING GENERAL OBLIGATION BOND INDEBTEDNESS (1)						\$2,236,980

TOTAL OF ALL OUTSTANDING AND OVERLAPPING BONDED DEBT

\$104,986,979.82

VALUE TO ALL OUTSTANDING DIRECT AND OVERLAPPING BONDED DEBT

3.23:1

(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/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. 14
 C. Name/Title/Series of Bond Issue 2006 Special Tax Bonds
 D. Indicate Credit Rating Rating Agency _____ Rating _____ Not Rated X
 E. Date of Bond Issue June 22, 2006
 F. Original Principal Amount of Bonds \$51,515,000.00
 G. Reserve Fund Minimum Balance Required Yes Amount \$4,653,800.22 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 \$ 51,515,000.00
 B. Bond Reserve Fund \$ 4,572,523.43
 C. Capitalized Interest Fund \$ 11.37
 D. Construction Fund(s) (Mello-Roos only) \$ 8,958,971.05

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 \$ 338,822,137.00

IV. TAX COLLECTION INFORMATION

Reported as of fiscal year ending of: June 30, 2008 (Year)
 A. Total Amount of Taxes Due \$ 2,399,971.62
 B. Total Amount of Unpaid Taxes \$ 41,952.23
 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 19
 B. Total Amount of Taxes Due on Delinquent Parcels \$ 45,326.19
 C. Percent of Delinquency Rate 1.75%
 (*Percent*)

