

Annual Report

Poway Unified School District
Series 2002 Special Tax Bonds
Improvement Area B of
Community Facilities District No. 6

January 31, 2007

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

Introduction

This Annual Report ("Report") has been prepared pursuant to the Continuing Disclosure Agreement ("Agreement") executed in connection with the issuance of the Series 2005 Special Tax Bonds ("Bonds") by Improvement Area ("IA") B of Community Facilities District ("CFD") No. 6 of the Poway Unified School District ("School District") in the amount of \$30,000,000. The Bonds were issued under the Mello-Roos Community Facilities Act of 1982, as amended ("Act"), and pursuant to the Bond Indenture, dated August 1, 2002 by and between the School District on behalf of IA B of CFD No. 6 and Zions First National Bank as Fiscal Agent ("Fiscal Agent"). The Bonds were issued to fund (i) the acquisition and construction of certain road, water, sewer, drainage, fire station, park, public library and school facilities ("Infrastructure Improvements"), (ii) a reserve fund for the Bonds, (iii) interest on the Bonds through September 1, 2006, (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

For a copy of the School District's annual audited financial statements, please refer to the Continuing Disclosure Annual Report for the Series 2003 Special Tax Bonds for CFD No. 1 of the School District issued January 2003 ("Series 2003 Bonds").

II. Principal Amount of Bonds Outstanding

As of January 1, 2007, the outstanding principal amount of Bonds was \$30,000,000.

III. Bond Fund Balance

As of January 1, 2007, the balance in the Bond Fund was \$29,217.82.

IV. Reserve Fund Balance

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 January 1, 2007 the Reserve Requirement for the Bonds was \$2,642,881.57. As of January 1, 2007 the balance in the Reserve Fund was \$2,728,745.32; therefore, the reserve requirement was satisfied as of this date.

V. Fund and Account Balances

The balance of each fund, account, and subaccount of IA B of CFD No. 6 as of January 1, 2007, is listed in Table 1.

Table 1
Fund, Account, and Subaccount Balances (A of 01/01/07)

Fund, Account, or Subaccount	Balances
Special Tax Fund	\$417,988.27
Bond Service Fund	\$0.00
Interest Account of the Bond Service Fund	\$0.00
Capitalized Interest Subaccount of the Interest Account	\$29,217.82
Principal Account of the Bond Service Fund	\$0.00
Costs of Issuance Fund	\$0.00
Improvement Area B Fund	\$51,265.75
Reserve Fund	\$2,728,745.32
Rebate Fund	\$0.00
Redemption Fund	\$0.00
Administrative Expense Fund	\$4,897.30
Letter of Credit Fund	\$0.00
Letter of Credit Account Fieldstone 47A	\$112,920.84
Davidson Cash Deposit	\$119,286.32
Fieldstone Cash Deposit	\$162,476.45
Standard Pacific Cash Deposit PA 40	\$98,998.67
Standard Pacific Cash Deposit PA 43	\$0.02

VI. Total Assessed Value and Value-to- Lien of all Parcels within IA B of CFD No. 6

Table 2 shows the total assessed value, total direct and overlapping debt, and total value-to-lien ratio for all parcels within IA B of CFD No. 6 as of January 1, 2007.

Table 2
Assessed Value to Lien

Unit Type/Land Use	Building Square Footage	Assessed Value [1]	Total Direct and Overlapping Debt [2]	Assessed Value-to-Lien
Detached Unit	≤2,100	\$66,838,727.00	\$7,314,991.16	9.14:1
Detached Unit	2,101 – 2,400	\$29,076,628.00	\$4,580,217.69	6:35:1
Detached Unit	2,401 – 2,700	\$12,905,936.00	\$1,407,080.43	9.17:1
Detached Unit	2,701 – 3,000	\$24,491,941.00	\$2,617,706.96	9.36:1
Detached Unit	3,001 – 3,300	\$33,936,051.00	\$3,474,621.39	9.77:1
Detached Unit	3,301 – 3,600	\$55,783,658.00	\$5,940,397.30	9.39:1
Detached Unit	3,601 – 3,900	\$62,234,855.00	\$7,209,204.81	8.63:1
Detached Unit	> 3,900	\$20,197,138.00	\$2,237,001.26	9.03:1
Attached Unit	<1,000	\$0.00	\$0.00	NA
Attached Unit	>1,000	\$84,790,114.00	\$9,225,969.26	9.19:1
Exempt Property [3]	NA	\$47,190.00	\$6,383.53	7.39:1
Undeveloped Property	NA	\$187,826,669.00	\$10,118,783.67	18.56:1
Total [4]	NA	\$578,128,907.00	\$54,132,357.46	10.68:1

[1] Assessed value reported on the County of San Diego Fiscal Year 2006/2007 equalized tax roll.
 [2] Source: Detailed Direct and Overlapping Debt Report, National Tax Data, Inc. dated January 9, 2007 (attached as Exhibit A).
 [3] Property is exempt from the IA B of CFD No. 6 Special Tax, but may be subject to ad valorem taxes.
 [4] Numbers may not sum due to rounding.

VII. Fiscal Year 2005/2006 Special Tax Levies and Delinquencies

There were four (4) parcels delinquent in paying their Fiscal Year 2005/2006 Special Taxes in the amount of \$5,293.79. The total Special Taxes levied by IA B of CFD No. 6 for Fiscal Year 2005/2006 was \$203,739.26. Therefore, the delinquency rate within CFD No. 6 IA B for Fiscal Year 2005/2006 was 2.60%.

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 2005/2006 did not exceed five (5.00%) percent, IA B of CFD No. 6 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 given Fiscal Year. The Major Taxpayer's assessed value and their respective share of the Special Tax obligation for Fiscal Year 2006/2007 are shown in Table 3.

Table 3
Major Taxpayers

Major Taxpayer	Fiscal Year 2006/2007 Assessed Value [1]	Percentage of Total Levy
4S Ranch Planning Area 38 LLC	\$21,812,478.00	5.97%
Total	\$21,812,478.00	5.97%

[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 First Amended Rate and Method of Apportionment

No changes have been made to the First Amended Rate and Method of Apportionment for IA B of CFD No. 6 since the date of the Official Statement.

XII. Status of CFD No. 6 and Other Improvement Areas

The following section outlines the status of CFD No. 6 and the IAs formed by the School District to finance infrastructure improvements within CFD No. 6.

CFD No. 6 has been formed and authorized to issue bonds in an aggregate amount of \$130,000,000. On October 10, 2002, CFD No. 6 issued the Series 2002 Special Tax Bonds in the amount of \$25,000,000 and the Series 2005 Special Tax Bonds in the amount of \$44,305,000 to finance the acquisition and construction of elementary school, middle school, high school, interim and central administrative facilities (the "School Facilities") as outlined in the School Impact Mitigation Agreement by and between (i) the School District and 4S Kelwood, (ii) the School District and 4S Ranch Company, a California limited partnership, and (iii) the School District and 4S Ranch Company 600, L.P.

IA A of CFD No. 6 has been formed and authorized to issue bonds in an aggregate amount of \$18,000,000. On December 4, 2002, IA A of CFD No. 6 issued the Improvement Area A 2002 Special Tax Bond in the amount of \$18,000,000 to finance infrastructure improvements as outlined in the supplement to the School Impact Mitigation Agreement by and between (i) the School District and 4S Kelwood, (ii) the School District and 4S Ranch Company, a California limited partnership, and (iii) the School District and 4S Ranch Company 600, L.P.

IA C of CFD No. 6 has been formed and authorized to issue bonds in an aggregate amount of \$14,000,000. As of the date of this Report, IA C of CFD No. 6 had not issued any bonds.

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Exhibit A

Detailed Direct and Overlapping Debt Report

POWAY UNIFIED SCHOOL DISTRICT
Community Facilities District No. 6
Improvement Area B
Special Tax Bonds

Detailed Direct and Overlapping Debt

Report Date: 01/09/2007

Report Time: 12:00:00 PM

I. Assessed Value

2006-2007 Secured Roll Assessed Value

\$578,128,907

II. Secured Property Taxes

Description on Tax Bill	Type	Total Parcels	Total Levy	% Applicable	Parcels	Levy
Basic Levy	PROP13	936,149	3319441070	0.17373%	1,668	\$5,766,729.07
Voter Approved Debt	VOTER	926,227	211399574.7	0.01282%	1,668	\$27,095.16
Community Facilities District No. 6, Impv Area B	CFD	1,689	1414772.22	100.00000%	1,689	\$1,414,772.22
County of San Diego Mosquito / Disease Control	VECTOR	923,027	\$5,553,287.52	0.10987%	1,666	\$6,101.64
County of San Diego Service Area No. 17 (Emergency Medical)	CSA	48,869	\$1,189,190.04	1.92456%	956	\$22,886.64
County of San Diego Street Lighting, Zone A	LLMD	92,649	\$599,032.02	0.64916%	734	\$3,888.66
County of San Diego Vector Control, Zone B	VECTOR	349,291	\$729,043.12	0.52102%	1,666	\$3,798.48
Metropolitan Water District of Southern California Standby Charge	STANDBY	24,064	\$422,868.34	3.99102%	1,449	\$16,876.76
Metropolitan Water District of Southern California Standby Charge	STANDBY	18,687	\$308,882.92	0.00372%	1	\$11.50
Olivenhain Municipal Water District AD No. 96-1	1915	21,696	\$1,495,966.08	4.48846%	984	\$67,145.90
Olivenhain Municipal Water District Sewer Charge	SEWER	3,929	\$2,542,234.02	24.71793%	1,314	\$628,387.68
Olivenhain Municipal Water District Water Standby Charge	STANDBY	651	\$65,800.00	53.19149%	350	\$35,000.00
Palomar Pomerado Health Debt Service	GOB	184,909	\$9,862,559.98	1.03776%	1,668	\$102,350.13
Poway Unified School District CFD No. 6	CFD	3,759	\$5,256,325.64	31.62487%	865	\$1,662,306.32
Rancho Santa Fe Fire Protection District Special Tax	FIRE	11,554	\$222,467.50	6.88190%	1,613	\$15,310.00
San Diego County Water Authority Standby Charge	STANDBY	24,242	\$371,423.70	4.54072%	1,668	\$16,865.30
2006-2007 TOTAL PROPERTY TAX LIABILITY						\$9,789,525.46

TOTAL PROPERTY TAX LIABILITY AS A PERCENTAGE OF 2006-2007 ASSESSED VALUATION

1.69%

III. Land Secured Bond Indebtedness

Outstanding Direct and Overlapping Bonded Debt	Type	Issued	Outstanding	% Applicable	Parcels	Amount
Community Facilities District No. 6, Impv Area B	CFD	\$30,000,000	\$30,000,000	100.00000%	1,689	\$30,000,000
Olivenhain Municipal Water District AD No. 96-1	1915	\$22,530,000	\$18,840,000	4.48846%	984	\$845,626
Poway Unified School District CFD No. 6	CFD	\$69,305,000	\$69,060,000	31.62487%	865	\$21,840,135
TOTAL LAND SECURED BOND INDEBTEDNESS (1)						\$52,685,761
TOTAL OUTSTANDING LAND SECURED BOND INDEBTEDNESS (1)						\$52,685,761

IV. General Obligation Bond Indebtedness

Outstanding Direct and Overlapping Bonded Debt	Type	Issued	Outstanding	% Applicable	Parcels	Amount
Metropolitan Water District of Southern California Debt Service	GOB	\$850,000,000	\$389,600,000	0.17781%	1,689	\$692,748
Palomar Pomerado Health Debt Service	GOB	\$80,000,000	\$73,815,000	1.02126%	1,689	\$753,843
TOTAL GENERAL OBLIGATION BOND INDEBTEDNESS (1)						\$1,446,591
TOTAL OUTSTANDING GENERAL OBLIGATION BOND INDEBTEDNESS (1)						\$1,446,591

TOTAL OF ALL OUTSTANDING AND OVERLAPPING BONDED DEBT
VALUE TO ALL OUTSTANDING DIRECT AND OVERLAPPING BONDED DEBT

\$54,132,352

10.68:1

(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) Improvement Area B of Community Facilities District No. 6
 C. Name/Title/Series of Bond Issue Improvement Area B 2005 Special Tax Bonds
 D. Indicate Credit Rating Rating Agency _____ Rating _____ Not Rated _____ X
 E. Date of Bond Issue November 22, 2005
 F. Original Principal Amount of Bonds \$ 30,000,000
 G. Reserve Fund Minimum Balance Required Yes Amount \$ 2,642,881.57 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, 2006 (Year)
 A. Principal Amount of bonds Outstanding \$ 30,000,000.00
 B. Bond Reserve Fund \$ 2,655,495.68
 C. Capitalized Interest Fund \$ 777,224.39
 D. Construction Fund(s) (Mello-Roos only) \$ 2.52

III. ASSESSED VALUE OF ALL PARCELS IN CFD SUBJECT TO SPECIAL TAX (Mello-Roos only)

A. Assessed Value Reported as of: Fiscal Year 2006-2007 (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 \$ 578,128,907.00

IV. TAX COLLECTION INFORMATION

Reported as of fiscal year ending of: June 30, 2006 (Year)
 A. Total Amount of Taxes Due \$ 203,739.26
 B. Total Amount of Unpaid Taxes \$ 5,293.79
 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 of June 30, 2006 (Date)
 A. Total Number of Delinquent Parcels 4
 B. Total Amount of Taxes Due on Delinquent Parcels \$ 5,293.79
 C. Percent of Delinquency Rate 2.60%
 (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>	Total Number of Foreclosure Parcels	Total Amount of Tax Due on Foreclosure Parcels
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 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, Inc.
 Address: 1301 Dove Street, Suite 700
 City/State/Zip: Newport Beach, CA 92660
 Phone No.: (949) 250-8300 Date of Report: October 30, 2006

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.