

Annual Report

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

January 31, 2009

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 on November 25, 2005. The Bonds were issued under the Mello-Roos Community Facilities Act of 1982, as amended ("Act"), and pursuant to the Bond Indenture, dated November 1, 2005 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"). 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 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

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 outstanding principal amount of Bonds was \$29,865,000.00.

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 \$2,787.80.

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 \$2,691,189.18. As of January 1, 2009 the Reserve Fund totaled \$2,667,515.86 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, 2009, is listed in Table 1.

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

Fund, Account, or Subaccount	Balances
Special Tax Fund	\$708,613.98
Bond Service Fund	\$0.00
Interest Account of the Bond Service Fund	\$2,787.80
Capitalized Interest Subaccount of the Interest Account	\$0.00
Principal Account of the Bond Service Fund	\$0.00
Costs of Issuance Fund	\$0.00
Improvement Area B Fund	\$47,276.82
Reserve Fund	\$2,667,515.86
Rebate Fund	\$0.00
Redemption Fund	\$0.00
Administrative Expense Fund	\$18,950.32
Letter of Credit Fund	\$0.00
Letter of Credit Account Fieldstone 47A	\$120,138.16
Letter of Credit William Lyon PA 45	\$91,398.30
LLC Cash Deposit	\$0.00
Davidson Cash Deposit	\$0.00
Fieldstone Cash Deposit	\$0.00
Standard Pacific Cash Deposit PA 40	\$0.00
Standard Pacific Cash Deposit PA 43	\$0.00

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, 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 <= 2,100	\$100,951,290.00	\$1,382,534.90	73.02:1	\$6,387,333.29	\$658,312.29	\$8,428,180.48	11.98:1
Tax Class 2 2,101 - 2,400	\$58,300,339.00	\$1,438,701.39	40.52:1	\$3,451,390.10	\$380,181.67	\$5,270,273.15	11.06:1
Tax Class 3 2,401 - 2,700	\$48,719,177.00	\$1,501,597.30	32.44:1	\$2,958,494.48	\$317,702.06	\$4,777,793.84	10.20:1
Tax Class 4 2,701 - 3,000	\$82,545,384.00	\$2,792,708.25	29.56:1	\$4,973,589.37	\$538,285.75	\$8,304,583.37	9.94:1
Tax Class 5 3,001 - 3,300	\$165,989,037.00	\$6,489,511.64	25.58:1	\$10,101,216.50	\$1,082,429.19	\$17,673,157.33	9.39:1
Tax Class 6 3,301 - 3,600	\$144,831,285.00	\$6,564,215.04	22.06:1	\$7,623,803.66	\$944,457.62	\$15,132,476.32	9.57:1
Tax Class 7 3,601 - 3,900	\$80,407,985.00	\$3,297,597.54	24.38:1	\$3,435,473.03	\$524,347.58	\$7,257,418.15	11.08:1
Tax Class 8 > 3,900	\$23,806,704.00	\$974,601.30	24.43:1	\$935,013.38	\$155,245.62	\$2,064,860.30	11.53:1
Tax Class 9 < 1,000	\$13,928,447.00	\$119,773.03	116.29:1	\$688,592.48	\$90,828.63	\$899,194.15	15.49:1
Tax Class 10 > 1,000	\$286,507,783.00	\$5,303,759.61	54.02:1	\$11,170,317.44	\$1,868,342.59	\$18,342,419.64	15.62:1
Tax Class U UNDEV	\$28,432,791.00	\$0.00	0.00:1	\$80,616.97	\$185,412.74	\$266,029.71	106.88:1
Subtotal for Taxable Parcels ^[3]	\$1,034,420,222.00	\$29,865,000.00	34.64:1	\$51,805,840.70	\$6,745,545.75	\$88,416,386.44	11.70:1
Tax Class E EXEMPT	\$2,260,091.00	\$0.00	0.00:1	\$5,670.30	\$14,738.25	\$20,408.56	110.74:1
Total ^[3]	\$1,036,680,313.00	\$29,865,000.00	34.71:1	\$51,811,511.00	\$6,760,284.00	\$88,436,795.00	11.72:1

[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 2006/2007 Special Tax Levies and Delinquencies

There were ninety-nine (99) parcels delinquent in paying their Fiscal Year 2007/2008 Special Taxes in an amount of \$92,041.47. The total Special Taxes levied by IA B of CFD No. 6 for Fiscal Year 2007/2008 was \$1,759,319.88. Therefore, the delinquency rate within IA B of CFD No. 6 for Fiscal Year 2007/2008 was 5.23%. As of the foreclosure commencement date, as stated in the Covenant of Foreclosure in the Bond Indenture, the delinquency rate in CFD No. 6 IA B has dropped below the five percent (5.00%) threshold, as a result CFD No. 6 IA B did not initiate foreclosure proceedings.

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 (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 2008/2009 are shown in Table 3.

Table 3
Major Taxpayers

Major Taxpayer	Fiscal Year 2008/2009 Assessed Value ^[1]	Percentage of Total Levy
ORA Maybeck 69 LLC	\$20,465,000.00	6.24%
Total	\$20,465,000.00	6.24%

[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. CFD No. 6 issued the Series 2002 Special Tax Bonds on October 10, 2002 in the amount of \$25,000,000, the Series 2005 Special Tax Bonds on November 22, 2005 in the amount of \$44,305,000, and the Series 2007 Special Tax Bonds on July 26, 2007 in the amount of \$37,910,000 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 has 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: 11/01/2008

Report Time: 12:00:00 PM

I. Assessed Value

2008-2009 Secured Roll Assessed Value

\$1,036,680,313

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	0.26966%	1,873	\$10,282,530.33
County of San Diego Service Area No. 17 (Emergency Medical)	CSA	50,068	\$1,299,068	3.23939%	1,662	\$42,081.84
County of San Diego Service Area No. 83 (Park Maintenance)	OPENSACE	4,921	\$469,284	34.63728%	1,869	\$162,547.24
County of San Diego Street Lighting, Zone A	LLMD	95,567	\$714,043	1.32161%	1,648	\$9,436.84
County of San Diego Vector Control, Zone B	VECTOR	358,847	\$748,016	0.57029%	1,871	\$4,265.88
County of San Diego Vector Disease Control	VECTOR	943,568	\$5,256,250	0.16237%	1,871	\$8,534.78
Metropolitan Water District of Southern California Standby Charge	STANDBY	19,044	\$309,909	0.00371%	1	\$11.50
Metropolitan Water District of Southern California Standby Charge	STANDBY	24,631	\$425,711	4.48885%	1,654	\$19,109.50
Olivenhain Municipal Water District AD No. 96-1	1915	22,977	\$1,433,101	6.48542%	1,869	\$92,942.64
Olivenhain Municipal Water District Sewer Charge	SEWER	4,360	\$3,095,305	25.56767%	1,740	\$791,397.24
Olivenhain Municipal Water District Water Standby Charge	STANDBY	430	\$47,100	28.87473%	136	\$13,600.00
Palomar Pomerado Health Debt Service	GOB	188,487	\$11,026,650	1.65522%	1,873	\$182,515.52
Poway Unified School District CFD No. 6	CFD	3,380	\$7,412,148	47.57997%	1,733	\$3,526,698.20
Poway Unified School District CFD No. 6, Impv Area B	CFD	1,733	\$2,182,860	100.00000%	1,733	\$2,182,860.16
Rancho Santa Fe Fire Protection District Special Tax	FIRE	12,176	\$243,133	8.98070%	1,869	\$21,835.00
San Diego County Water Authority Standby Charge	STANDBY	24,796	\$368,670	5.10129%	1,873	\$18,806.90
Voter Approved Debt	VOTER	957,329	\$250,644,468	0.07187%	1,873	\$180,130.37
2008-2009 TOTAL PROPERTY TAX LIABILITY						\$17,539,303.94
TOTAL PROPERTY TAX LIABILITY AS A PERCENTAGE OF 2008-2009 ASSESSED VALUATION						1.69%

III. Land Secured Bond Indebtedness

Outstanding Direct and Overlapping Bonded Debt	Type	Issued	Outstanding	% Applicable	Parcels	Amount
Olivenhain Municipal Water District AD No. 96-1	1915	\$22,530,000	\$17,450,000	6.48542%	1,869	\$1,131,706
Poway Unified School District CFD No. 6	CFD	\$107,215,000	\$106,515,000	47.57997%	1,733	\$50,679,805
Poway Unified School District CFD No. 6, Impv Area B	CFD	\$30,000,000	\$29,865,000	100.00000%	1,733	\$29,865,000
TOTAL LAND SECURED BOND INDEBTEDNESS (1)						\$81,676,511
TOTAL OUTSTANDING LAND SECURED BOND INDEBTEDNESS (1)						\$81,676,511

IV. General Obligation Bond Indebtedness

Outstanding Direct and Overlapping Bonded Debt	Type	Issued	Outstanding	% Applicable	Parcels	Amount
Metropolitan Water District of Southern California GOB 1966	GOB	\$850,000,000	\$327,215,000	0.04888%	1,873	\$159,943
Palomar Community College District GOB 2006	GOB	\$160,000,000	\$158,000,000	1.08419%	1,873	\$1,713,020
Palomar Pomerado Health GOB 2004	GOB	\$321,083,318	\$305,568,319	1.59942%	1,873	\$4,887,321
TOTAL GENERAL OBLIGATION BOND INDEBTEDNESS (1)						\$6,760,284
TOTAL OUTSTANDING GENERAL OBLIGATION BOND INDEBTEDNESS (1)						\$6,760,284

TOTAL OF ALL OUTSTANDING AND OVERLAPPING BONDED DEBT	\$88,436,794.54
VALUE TO ALL OUTSTANDING DIRECT AND OVERLAPPING BONDED DEBT	11.72:1

(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. 6 Improvement Area B
 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 \$30,000,000.00
 G. Reserve Fund Minimum Balance Required Yes Amount \$2,666,921.77 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 \$ 29,950,000.00
 B. Bond Reserve Fund \$ 2,646,252.58
 C. Capitalized Interest Fund \$ 0.00
 D. Construction Fund(s) (Mello-Roos only) \$ 47,055.10

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 \$ 1,034,420,222.00

IV. TAX COLLECTION INFORMATION

Reported as of fiscal year ending of: June 30, 2008 (Year)
 A. Total Amount of Taxes Due \$ 1,759,319.88
 B. Total Amount of Unpaid Taxes \$ 92,041.47
 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 113
 B. Total Amount of Taxes Due on Delinquent Parcels \$ 104,997.79
 C. Percent of Delinquency Rate 5.23%
 (Percent)

