

Annual Report

Poway Unified School District
Community Facilities District No. 7

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 2003 Special Tax Bonds ("Bonds") by Community Facilities District ("CFD") No. 7 of the Poway Unified School District ("School District") in the amount of \$1,545,000. The Bonds were issued under the Mello-Roos Community Facilities Act of 1982, as amended ("Act"), and pursuant to a Bond Indenture dated February 1, 2003 by and between CFD No. 7 and Zions First National Bank as successor to U.S. Bank National Association, 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 (i) finance the acquisition and construction of certain school facilities, (ii) pay interest on the Bonds through September 1, 2003 and (iii) pay the cost of issuing the Bonds. The Bonds, along with the (i) 2003 Special Tax Bonds of CFD No. 2 (ii) 2003 Special Tax Bonds of CFD No. 3 and (iii) 2003 Special Tax Bonds of CFD No. 5 (each a "Series of Local Obligations") were purchased by the Poway Unified School District Public Financing Authority ("Authority"). The Local Obligations were purchased through funds generated from the issuance of the 2003 Revenue Bonds of the Authority on March 20, 2003.

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 the Bonds was \$1,450,000.00.

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 and Reserve Requirement

A proportionate share of the proceeds from the sale of the Bonds was deposited into the Authority Reserve Fund to satisfy the Reserve Requirement. For more information regarding the balance in the Reserve Fund and statement of the Reserve Requirement, please refer to the Continuing Disclosure Annual Report for the 2003 Revenue Bonds of the Authority issued March 20, 2003.

V. Fund and Account Balances

The balance of each fund and account of CFD No. 7 as of January 1, 2009, is listed in Table 1.

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

Funds and Accounts	Balances
Special Tax Fund	\$120,414.38
Bond Service Fund	\$0.00
Interest Account of the Bond Service Fund	\$0.00
Principal Account of the Bond Service Fund	\$0.00
Redemption Fund	\$0.00
Administrative Expense Fund	\$70,680.82
Surplus Special Tax Fund	\$0.00

VI. Assessed Value and Value-to-Lien of Parcels within CFD No. 7

Table 2 shows the assessed values, direct and overlapping debt, and value-to-lien ratio for all parcels within CFD No. 7.

**Table 2
Assessed Value to Lien for CFD No. 7**

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 N/A	\$165,239,245.00	\$1,450,000.00	113.96:1	\$4,012,783.07	\$310,595.65	\$5,773,378.72	28.62:1
Tax Class U UNDEV	\$8,044,142.00	\$0.00	0.00:1	\$7,216.93	\$15,120.35	\$22,337.28	360.12:1
Subtotal for Taxable Parcels ^[3]	\$173,283,387.00	\$1,450,000.00	119.51:1	\$4,020,000.00	\$325,716.00	\$5,795,716.00	29.90:1
Tax Class E EXEMPT	\$0.00	\$0.00	0.00:1	\$0.00	\$0.00	\$0.00	0.00:1
Total ^[3]	\$173,283,387.00	\$1,450,000.00	119.51:1	\$4,020,000.00	\$325,716.00	\$5,795,716.00	29.90:1

[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 four (4) parcels delinquent in paying their Fiscal Year 2007/2008 Special Taxes in an amount of \$3,367.70. The Special Taxes levied by CFD No. 7 for Fiscal Year 2007/2008 was \$125,278.44. Therefore, the delinquency rate within CFD No. 7 in Fiscal Year 2007/2008 was 2.69%.

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%), CFD No. 7 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. Based on the County of San Diego ("County") Fiscal Year 2008/2009 equalized tax roll, there are no Major Taxpayers in CFD No. 7 for Fiscal Year 2008/2009.

X. Special Tax Delinquency History of CFD No. 7

Table 3 shows the Special Tax delinquency history of CFD No. 7 for Fiscal Year 2007/2008 and prior Fiscal Years.

**Table 3
Community Facilities District No. 7
Special Tax Delinquency History**

Fiscal Year	Parcels Delinquent	Aggregate Special Tax Levy	Fiscal Year Amount Delinquent ^[1]	Fiscal Year Delinquency Rate	Remaining Parcels Delinquent	Remaining Amount Delinquent as of 1/10/2008	Remaining Delinquency Rate as of 1/10/2008
2000/2001	NA	NA	NA	NA	NA	NA	NA
2001/2002	2	\$111,242.88	\$1,794.24	1.61%	0	\$0.00	0.00%
2002/2003	3	\$113,469.30	\$2,440.20	2.15%	0	\$0.00	0.00%
2003/2004	2	\$115,738.50	\$1,866.75	1.61%	0	\$0.00	0.00%
2004/2005	4	\$118,052.34	\$2,538.76	2.15%	0	\$0.00	0.00%
2005/2006	4	\$120,412.68	\$3,884.28	3.23%	0	\$0.00	0.00%
2006/2007	2	\$122,821.38	\$2,641.32	2.15%	0	\$0.00	0.00%
2007/2008	4	\$125,278.44	\$3,367.70	2.69%	0	\$0.00	0.00%

[1] Source: County of San Diego. Reflects Fiscal Year delinquencies on or about June 30th of the indicated Fiscal Year.

XI. 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.

XII. 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. 7
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

\$173,283,387**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	0.04321%	93	\$1,647,506.45
City of San Diego CFD No. 2, Impv Area 3	CFD	94	\$384,513	100.00000%	94	\$384,513.32
City of San Diego Torrey Highlands Maintenance District	LMD	1,695	\$346,441	2.25055%	94	\$7,796.84
County of San Diego Vector Control, Zone A	VECTOR	530,324	\$1,486,679	0.01897%	94	\$282.00
County of San Diego Vector Disease Control	VECTOR	943,568	\$5,256,250	0.01062%	94	\$558.04
Metropolitan Water District of Southern California Standby Charge	STANDBY	353,385	\$4,356,825	0.03350%	93	\$1,459.36
Poway Unified School District CFD No. 7	CFD	109	\$127,784	100.00000%	93	\$127,783.86
San Diego County Water Authority Standby Charge	STANDBY	361,328	\$3,834,233	0.03338%	94	\$1,279.80
Voter Approved Debt	VOTER	957,329	\$250,644,468	0.01551%	93	\$38,880.35
2008-2009 TOTAL PROPERTY TAX LIABILITY						\$2,210,060.02
TOTAL PROPERTY TAX LIABILITY AS A PERCENTAGE OF 2008-2009 ASSESSED VALUATION						1.28%

III. Land Secured Bond Indebtedness

Outstanding Direct and Overlapping Bonded Debt	Type	Issued	Outstanding	% Applicable	Parcels	Amount
City of San Diego CFD No. 2, Impv Area 3	CFD	\$4,350,000	\$4,020,000	100.00000%	94	\$4,020,000
Poway Unified School District CFD No. 7	CFD	\$1,545,000	\$1,450,000	100.00000%	93	\$1,450,000
TOTAL LAND SECURED BOND INDEBTEDNESS (1)						\$5,470,000
TOTAL OUTSTANDING LAND SECURED BOND INDEBTEDNESS (1)						\$5,470,000

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	0.09485%	93	\$6,649
City of San Diego GOB 1990 (Public Safety Communication System)	GOB	\$25,500,000	\$6,315,000	0.09485%	93	\$5,990
Metropolitan Water District of Southern California GOB 1966	GOB	\$850,000,000	\$327,215,000	0.00817%	93	\$26,733
Palomar Community College District GOB 2006	GOB	\$160,000,000	\$158,000,000	0.18123%	93	\$286,343
TOTAL GENERAL OBLIGATION BOND INDEBTEDNESS (1)						\$325,716
TOTAL OUTSTANDING GENERAL OBLIGATION BOND INDEBTEDNESS (1)						\$325,716

TOTAL OF ALL OUTSTANDING AND OVERLAPPING BONDED DEBT	\$5,795,715.63
VALUE TO ALL OUTSTANDING DIRECT AND OVERLAPPING BONDED DEBT	29.90:1

(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. 7

C. Name/Title/Series of Bond Issue Series 2003 Public Financing Authority Local Obligation

D. Indicate Credit Rating Rating Agency Moody's, S&P Rating Aa3, AA Not Rated _____

E. Date of Bond Issue March 20, 2003

F. Original Principal Amount of Bonds \$1,545,000.00

G. Reserve Fund Minimum Balance Required Yes Amount _____ No
Percent of Authority Reserve Fund (*Marks-Roos only*) Yes % of Reserve Fund _____

H. Name of Authority that purchased debt (*Marks-Roos only*) Poway Unified School District Financing Authority Series 2003
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 March 20, 2003 (*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 \$ 1,475,000.00

B. Bond Reserve Fund \$ 0.00

C. Capitalized Interest Fund \$ 0.00

D. Construction Fund(s) (Mello-Roos only) \$ 0.00

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 \$ 173,283,387.00

IV. TAX COLLECTION INFORMATION

Reported as of fiscal year ending of: June 30, 2008 (Year)

A. Total Amount of Taxes Due \$ 125,278.44

B. Total Amount of Unpaid Taxes \$ 3,367.70

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 4

B. Total Amount of Taxes Due on Delinquent Parcels \$ 3,367.70

C. Percent of Delinquency Rate 2.69%
(*Percent*)

