

## **Annual Report**

Poway Unified School District  
Community Facilities District No. 5

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

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## **Introduction**

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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. 5 of the Poway Unified School District ("School District") in the amount of \$1,670,000. 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. 5 and Zions First National Bank, successor to U.S. Bank National Association, as fiscal agent ("Fiscal 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, (iv) 2003 Special Tax Bonds of CFD No. 3 and (v) 2003 Special Tax Bonds of CFD No. 7 (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**

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 the Bonds was \$1,600,000.

### **III. Bond Service Fund Balance**

As of January 1, 2007, the balance in the Bond Service Fund was \$0.00.

### **IV. Reserve Requirement and Reserve Fund Balance**

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. 5 as of January 1, 2007, is listed in Table 1.

**Table 1**  
**Fund and Account Balances (As of 01/01/07)**

Funds and Accounts	Balances
Special Tax Fund	\$112,863.59
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	\$40,291.41
Surplus Special Tax Fund	\$0.00

## VI. Assessed Value and Value-to-Lien of Parcels within CFD No. 5

Table 2 shows the assessed values, direct and overlapping debt, and value-to-lien ratio for all parcels within CFD No. 5. Due to the error of the County of San Diego, one (1) parcel falling within the boundaries of CFD No. 5 are being levied against to satisfy the debt obligation of the Poway School Facilities Improvement District No. 2002-1.

**Table 2**  
**Assessed Value to Lien**

Land Use Class	Assessed Value [1]	Total Direct and Overlapping Debt [2]	Assessed Value-to-Lien Ratio
Developed Property	\$161,067,710.00	\$7,003,780.00	23.00:1
Exempt Property [3]	\$0.00	\$0.00	N/A
<b>Total [4]</b>	<b>\$161,067,710.00</b>	<b>\$7,003,780.00</b>	<b>23.00:1</b>

[1] Total 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] This property has been exempted from the CFD No. 5 Special Tax, however may be subject to ad valorem taxes.

[4] Numbers may not reflect the total amounts listed on the Detailed Direct and Overlapping Debt Report provided by California Tax Data, Inc. due to rounding.

## VII. Fiscal Year 2005/2006 Special Tax Levy and Delinquencies

There were three (3) parcels delinquent in paying their Fiscal Year 2005/2006 Special Taxes in an amount of \$1,280.46. The Special taxes levied by CFD No. 5 for Fiscal Year 2005/2006 was \$127,541.96. Therefore, the delinquency rate within CFD No. 5 in Fiscal Year 2005/2006 was 1.00%.

## 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 percent (5.00%), CFD No. 5 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 a given Fiscal Year. Based on the County of San Diego ("County") Fiscal Year 2006/2007 equalized tax roll, there are no Major Taxpayers in CFD No. 5 for Fiscal Year 2006/2007.

## X. Special Tax Delinquency History of CFD No. 5

Table 3 shows the Special Tax delinquency history of CFD No. 5 for Fiscal Year 2005/2006 and prior Fiscal Years.

**Table 3  
Community Facilities District No. 5  
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 12/20/2006	Remaining Delinquency Rate as of 12/20/2006
2000/2001	NA	NA	NA	NA	NA	N/A	N/A
2001/2002	4	\$103,711.44	\$1,978.05	1.91%	0	\$0.00	0.00%
2002/2003	4	\$120,186.32	\$2,005.86	1.67%	0	\$0.00	0.00%
2003/2004	0	\$122,589.56	\$0.00	0.00%	0	\$0.00	0.00%
2004/2005	3	\$125,040.80	\$1,663.04	1.33%	2	\$0.00	0.00%
2005/2006	3	\$127,541.96	\$1,280.46	1.00%	0	\$0.00	0.00%

[1] Source: County of San Diego. Reflects Fiscal Year delinquencies on or about June 30<sup>th</sup> 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. 5**  
**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**

**\$161,067,710**

**II. Secured Property Taxes**

Description on Tax Bill	Type	Total Parcels	Total Levy	% Applicable	Parcels	Levy
Basic Levy	PROP13	936,149	\$3,319,441,070.13	0.04823%	150	\$1,601,045.10
Voter Approved Debt	VOTER	926,227	\$211,399,574.70	0.00356%	150	\$7,524.18
County of San Diego Mosquito / Disease Control	VECTOR	923,027	\$5,553,287.52	0.01718%	150	\$954.00
County of San Diego Service Area No. 17 (Emergency Medical)	CSA	48,869	\$1,189,190.04	0.30197%	150	\$3,591.00
County of San Diego Service Area No. 83 (Park Maintenance)	OPENSACE	2,481	\$228,467.40	6.43418%	150	\$14,700.00
County of San Diego Street Lighting, Zone A	LLMD	92,649	\$599,032.02	0.14724%	150	\$882.00
County of San Diego Vector Control, Zone B	VECTOR	349,291	\$729,043.12	0.04691%	150	\$342.00
Metropolitan Water District of Southern California Standby Charge	STANDBY	24,064	\$422,868.34	0.40521%	149	\$1,713.50
Olivenhain Municipal Water District AD No. 96-1	1915	21,696	\$1,495,966.08	0.70708%	150	\$10,577.64
Palomar Pomerado Health Debt Service	GOB	184,909	\$9,862,559.98	0.28814%	150	\$28,417.82
Poway Unified School District CFD No. 5	CFD	181	\$130,093.12	100.00000%	181	\$130,093.12
Poway Unified School District SFID No. 2002-1 Debt Service	GOB	42,823	\$2,306,398.63	0.00623%	1	\$143.76
Poway Unified School District, General Obligation Bonds 2002, Series B	GOB	42,824	\$5,741,968.62	0.00623%	1	\$357.90
Rancho Santa Fe Community Services District CFD No. 1	CFD	548	\$2,702,972.16	17.39740%	150	\$470,246.96
Rancho Santa Fe Community Services District Sewer	SEWER	536	\$439,646.00	27.29469%	150	\$120,000.00
Rancho Santa Fe Fire Protection District Special Tax	FIRE	11,554	\$222,467.50	0.84844%	150	\$1,887.50
San Diego County Water Authority Standby Charge	STANDBY	24,242	\$371,423.70	0.40385%	150	\$1,500.00
<b>2006-2007 TOTAL PROPERTY TAX LIABILITY</b>						<b>\$2,393,976.48</b>
<b>TOTAL PROPERTY TAX LIABILITY AS A PERCENTAGE OF 2006-2007 ASSESSED VALUATION</b>						<b>1.49%</b>

**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	\$18,840,000	0.70708%	150	\$133,214
Poway Unified School District CFD No. 5	CFD	\$1,670,000	\$1,600,000	100.00000%	181	\$1,600,000
Rancho Santa Fe Community Services District CFD No. 1	CFD	\$29,025,000	\$28,860,000	17.39740%	150	\$5,020,890
<b>TOTAL LAND SECURED BOND INDEBTEDNESS (1)</b>						<b>\$6,754,104</b>
<b>TOTAL OUTSTANDING LAND SECURED BOND INDEBTEDNESS (1)</b>						<b>\$6,754,104</b>

**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	0.00876%	181	\$34,129
Palomar Pomerado Health Debt Service	GOB	\$80,000,000	\$73,815,000	0.28453%	181	\$210,026
Poway Unified School District SFID No. 2002-1 Debt Service	GOB	\$194,300,766	\$178,680,766	0.00309%	3	\$5,521
<b>TOTAL GENERAL OBLIGATION BOND INDEBTEDNESS (1)</b>						<b>\$249,676</b>
<b>TOTAL OUTSTANDING GENERAL OBLIGATION BOND INDEBTEDNESS (1)</b>						<b>\$249,676</b>

<b>TOTAL OF ALL OUTSTANDING AND OVERLAPPING BONDED DEBT</b>	<b>\$7,003,780</b>
<b>VALUE TO ALL OUTSTANDING DIRECT AND OVERLAPPING BONDED DEBT</b>	<b>23.00:1</b>

(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. 5  
 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 Aaa, AAA Not Rated \_\_\_\_\_  
 E. Date of Bond Issue March 20, 2003  
 F. Original Principal Amount of Bonds \$ 1,670,000.00  
 G. Reserve Fund Minimum Balance Required Yes  Amount \$ \_\_\_\_\_ No   
 Percent of Authority Reserve Fund (Marks-Roos only) Yes  % of Reserve Fund 8.00%  
 H. Name of Authority that purchased debt (Marks-Roos only) Poway Unified School District Public Financing Authority  
 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, 2006 (Year)  
 A. Principal Amount of bonds Outstanding \$ 1,625,000.00  
 B. Bond Reserve Fund \$ 0.00  
 C. Capitalized Interest Fund \$ 0.00  
 D. Construction Fund(s) (Mello-Roos only) \$ 0.00

**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 \$ 161,067,710.00

**IV. TAX COLLECTION INFORMATION**

Reported as of fiscal year ending of: June 30, 2005 (Year)  
 A. Total Amount of Taxes Due \$ 127,541.96  
 B. Total Amount of Unpaid Taxes \$ 1,280.46  
 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 3  
 B. Total Amount of Taxes Due on Delinquent Parcels \$ 1,280.46  
 C. Percent of Delinquency Rate 1.00%  
 (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 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.**