

Municipal Secondary Market Disclosure Information Cover Sheet

This cover sheet should be sent with all submissions made to the Municipal Securities Rulemaking Board, Nationally Recognized Municipal Securities Information Repositories, and any applicable State Information Depository, whether the filing is voluntary or made pursuant to Securities and Exchange Commission rule 15c2-12 or any analogous state statute.

See www.sec.gov/info/municipal/nrmsir.htm for list of current NRMSIRs and SIDs

IF THIS FILING RELATES TO A SINGLE BOND ISSUE:

Provide name of bond issue exactly as it appears on the cover of the Official Statement

(please include name of state where issuer is located):

\$3,000,000
Poway Unified School District
(San Diego County, California)
Community Facilities District No. 10
(Torrey Highlands - Subarea IV)
Improvement Area C 2003 Special Tax Bonds

Provide nine-digit CUSIP* numbers if available, to which the information relates:

738855HK4	738855HL2	738855HM0	738855HN8
738855HP3	738855HQ1	738855HR9	738855HS7
738855HT5	738855HU2	738855HV0	738855HW8
738855HX6	738855HY4	738855HZ1	738855JA4
738855JB2	738855JC0	738855JD8	738855JE6
738855JF3	738855JG1		

IF THIS FILING RELATES TO ALL SECURITIES ISSUED BY THE ISSUER OR ALL SECURITIES OF A SPECIFIC CREDIT OR ISSUED UNDER A SINGLE INDENTURE:

Issuer's Name (please include name of state where Issuer is located): Poway Unified School District, California

Other Obligated Person's Name (if any): N/A

(Exactly as it appears on the Official Statement Cover)

Provide six-digit CUSIP* number(s), if available, of Issuer: 738855

*(Contact CUSIP's Municipal Disclosure Assistance Line at 212.438.6518 for assistance with obtaining the proper CUSIP numbers.)

TYPE OF FILING:

Electronic (number of pages attached): 12

Paper (number of pages attached):

If information is also available on the Internet, give URL:

WHAT TYPE OF INFORMATION ARE YOU PROVIDING? (Check all that apply)

A. Financial Information and Operating Data pursuant to Rule 15c2-12

(Financial information and operating data should not be filed with the MSRB.)

- Annual
 Semi-annual
 Quarterly

Fiscal Period Covered: July 1, 2002 – June 30, 2003

B. Audited Financial Statements or CAFR pursuant to Rule 15c2-12

Fiscal Period Covered: July 1, 2002 – June 30, 2003

C. Notice of a Material Event pursuant to Rule 15c2-12 (Check as appropriate)

- | | |
|--|--|
| 1. <input type="checkbox"/> Principal and interest payment delinquencies | 6. <input type="checkbox"/> Adverse tax opinions or events affecting the tax-exempt status of the security |
| 2. <input type="checkbox"/> Non-payment related defaults | 7. <input type="checkbox"/> Modifications to the rights of security holders |
| 3. <input type="checkbox"/> Unscheduled draws on debt service reserves reflecting financial difficulties | 8. <input type="checkbox"/> Bond calls |
| 4. <input type="checkbox"/> Unscheduled draws on credit enhancements reflecting financial difficulties | 9. <input type="checkbox"/> Defeasances |
| 5. <input type="checkbox"/> Substitution of credit or liquidity providers, or their failure to perform | 10. <input type="checkbox"/> Release, substitution, or sale of property securing repayment of the securities |
| | 11. <input type="checkbox"/> Rating changes |

D. Notice of Failure to Provide Annual Financial Information as Required

E. Other Secondary Market Information (Specify):

I hereby represent that I am authorized by the issuer or obligor or its agent to distribute this information publicly:

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Issuer Web Site Address: www.powayusd.sdcoc.k12.ca.us

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Relationship to Issuer: Special Tax Consultant

Obligor Contact, if any:

Name _____ Title _____

Employer _____

Address _____ City _____ State _____ Zip Code _____

Telephone _____ Fax _____

Email Address _____ Obligor Web site Address _____

Investor Relations Contact, if any:

Name _____ Title _____

Telephone _____ Email Address _____

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**ANNUAL REPORT
FOR
IMPROVEMENT AREA C OF
COMMUNITY FACILITIES DISTRICT NO. 10
OF
POWAY UNIFIED SCHOOL DISTRICT**

January 30, 2004

**FISCAL YEAR 2002-03
ANNUAL REPORT**

**\$3,000,000
IMPROVEMENT AREA C
COMMUNITY FACILITIES DISTRICT NO. 10
OF POWAY UNIFIED SCHOOL DISTRICT
IMPROVEMENT AREA C SPECIAL TAX BONDS**

Prepared for:

**POWAY UNIFIED SCHOOL DISTRICT
13626 Twin Peaks Road
Poway, California 92064-3098
(858) 748-0010**

Prepared by:

**DAVID TAUSSIG & ASSOCIATES, INC.
1301 Dove Street, Suite 600
Newport Beach, California 92660
(949) 955-1500**

January 30, 2004

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EXHIBITS

Exhibit A - Detailed Direct and Overlapping Debt Report

INTRODUCTION

This Annual Report ("Report") has been prepared pursuant to the Continuing Disclosure Agreement ("Agreement") executed in connection with the issuance of the Improvement Area C Special Tax Bonds ("Bonds") by Improvement Area ("IA") C of Community Facilities District ("CFD") No. 10 of the Poway Unified School District ("School District") in the amount of \$3,000,000. The Bonds were issued under the Mello-Roos Community Facilities Act of 1982, as amended ("Act"), and the Bond Indenture dated as of September 1, 2003, by and between the School District on behalf of CFD No. 10 and Zions First National Bank, as Fiscal Agent ("Fiscal Agent"). The Bonds were issued to (i) finance the acquisition and construction of certain school and road improvements ("Facilities"), (ii) to fund a reserve fund for the Bonds, (iii) to pay interest on the Bonds through September 1, 2004, (iv) to pay certain administrative expenses, and (iv) to pay 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 Election 2002, Series A, General Obligation Bonds of School Facilities Improvement District ("SFID") No. 2002-1 of the School District issued June 5, 2003.

II. Principal Amount of Bonds Outstanding

As of January 1, 2004, the principal amount of Bonds outstanding was \$3,000,000.

III. Reserve Fund Balance

The Reserve Requirement for the Bonds, as of any date of calculation, 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, 2004, the Reserve Requirement for the Bonds was \$281,396.38. As of January 1, 2004, the balance in the Reserve Fund was \$281,597.01; therefore, the Reserve Requirement was satisfied as of this date.

IV. Funds and Accounts Balances

The balance in each fund, account, and subaccount of IA C of CFD No. 10 of January 1, 2004, is listed in Table 1.

TABLE 1**FUND, ACCOUNT AND SUBACCOUNT BALANCES (AS OF 01/01/04)**

Funds, Accounts, and Subaccounts	Balances
City Improvement Account	\$1,801,283.34
Interest Account	\$0.00
Principal Account	\$0.00
Capitalized Interest Subaccount	\$143,210.47
Reserve Fund	\$281,597.01
Administrative Expense Fund	\$15,010.70
School Facilities Account	\$510,859.14
Special Tax Fund	\$0.00
Letter of Credit Fund	\$156,348.27
Rebate Fund	\$0.00
Costs of Issuance Fund	\$43,754.12

V. Total Assessed Value and Value-to-Lien of all Parcels within IA C of CFD No. 10

Table 2 shows the total assessed value, total direct and overlapping debt, and total value-to-lien ratio for all parcels within IA C of CFD No. 10.

TABLE 2

ASSESSED VALUE AND VALUE-TO-LIEN RATIO

Zone	Unit Type/ Land Use¹	Building Square Footage	Fiscal Year 2003-04 Assessed Value²	Total Direct and Overlapping Debt³	Assessed Value-to-Lien
1	Detached/Attached Unit	≤1,150	\$0.00	\$0.00	NA
1	Detached/Attached Unit	1,151 – 1,400	\$0.00	\$0.00	NA
1	Detached/Attached Unit	>1,400	\$0.00	\$0.00	NA
2	Detached/Attached Unit	≤1,850	\$0.00	\$0.00	NA
2	Detached/Attached Unit	1,851 – 2,000	\$0.00	\$0.00	NA
2	Detached/Attached Unit	2,001 – 2,250	\$0.00	\$0.00	NA
NA	Undeveloped Property	NA	\$20,053,200.00	\$3,313,547.00	6.05:1
NA	Exempt Property ⁴	NA	\$0.00	\$0.00	NA
Total⁵		NA	\$20,053,200.00	\$3,313,547.00	6.05:1

¹ There were no Special Taxes levied within IA C of CFD No. 10 for Fiscal Year 2003-04.
² Total assessed value reported on the County of San Diego Fiscal Year 2003-04 equalized tax roll.
³ Source: Detailed Direct and Overlapping Debt Report, National Tax Data, Inc. dated November 24, 2003 (attached as Exhibit A).
⁴ This property has been exempted from the IA C of CFD No. 10 Special Tax, however, may be subject to ad valorem taxes.
⁵ Numbers may not reflect the total amounts listed on the Detailed Direct and Overlapping Debt Report provided by National Tax Data, Inc. due to rounding.

VI. Fiscal Year 2002-03 and Prior Years Special Tax Levies and Delinquencies

There were no Special Taxes levied in IA C of CFD No. 10 for Fiscal Year 2002-03 and prior Fiscal Years; therefore, there were no Special Tax delinquencies in Fiscal Year 2002-03.

VII. 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 2002-03 did not exceed five percent (5.00%), IA C of CFD No. 10 has not initiated any foreclosure proceedings to date.

VIII. 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. No Special Taxes have been levied for IA C of CFD No. 10 in Fiscal Year 2003-04, therefore there are no Major Taxpayers.

IX. Report to the California Debt and Investment Advisory Commission

Since the Bonds were issued after June 30, 2003, no report for Fiscal Year 2002-03 has been filed with the California Debt and Investment Advisory Commission. Pursuant to Section 53359.5(b) of the Act, the School District will prepare and file a report for the Bonds beginning Fiscal Year 2003-04.

X. 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. 10
Improvement Area C
Special Tax Bonds

Detailed Direct and Overlapping Debt

Report Date: 11/24/2003

Report Time: 12:00:00 PM

I. Assessed Value

2003-2004 Secured Roll Assessed Value **\$20,053,200**

II. Secured Property Taxes

Description on Tax Bill	Type	Total Parcels	Total Levy	% Applicable	Parcels	Levy Amount
Basic Levy	PROPI3	882,062	2,336,426,231.38	0.00858%	1	\$200,532.00
Voter Approved Debt	VOTER	871,011	168,395,212.72	0.00162%	1	\$2,721.20
County of San Diego Mosquito/Rat Control A	VECTOR	498,309	1,393,537.80	0.00022%	1	\$3.00
Metropolitan Water District of Southern California Standby Charge	STANDBY	325,366	4,120,602.90	0.00839%	1	\$345.52
San Diego County Water Authority Standby Charge	STANDBY	332,160	3,593,338.38	0.00835%	1	\$300.20
2003-2004 TOTAL PROPERTY TAX LIABILITY						\$203,901.92
TOTAL PROPERTY TAX LIABILITY AS A PERCENTAGE OF 2003-2004 ASSESSED VALUATION						1.02%

III. Land Secured Bond Indebtedness

Outstanding Direct and Overlapping Bonded Debt	Type	Issued	Outstanding	% Applicable	Parcels	Amount
Poway Unified School District CFD No. 10, Impv Area C	CFD	3,000,000	3,000,000	100.00000%	133	3,000,000
TOTAL LAND SECURED BOND INDEBTEDNESS (1)						\$3,000,000
TOTAL OUTSTANDING LAND SECURED BOND INDEBTEDNESS (1)						\$3,000,000

IV. General Obligation Bond Indebtedness

Outstanding Direct and Overlapping Bonded Debt	Type	Issued	Outstanding	% Applicable	Parcels	Amount
City of San Diego Public Safety Communication System Debt Service	GO	25,500,000	14,390,000	0.01884%	133	\$2,711
Metropolitan Water District of Southern California Debt Service	GO	850,000,000	475,265,000	0.00156%	133	\$7,436
San Diego Community College Debt Service	GO	105,000,000	105,000,000	0.02496%	133	\$26,205
San Diego County Water Authority Debt Service	GO	30,000,000	0	0.00984%	133	\$0
San Diego Unified School District Debt Service 1998 Election	GO	1,114,978,825	1,114,978,825	0.02486%	133	\$277,195
TOTAL GENERAL OBLIGATION BOND INDEBTEDNESS (1)						\$313,547
TOTAL OUTSTANDING GENERAL OBLIGATION BOND INDEBTEDNESS (1)						\$313,547

TOTAL OF ALL OUTSTANDING AND OVERLAPPING BONDED DEBT	\$3,313,547
VALUE TO ALL OUTSTANDING DIRECT AND OVERLAPPING BONDED DEBT	6.05:1

(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.