

Annual Report

Poway Unified School District
Community Facilities District No. 4

January 31, 2008

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 2007 Special Tax Bonds ("Bonds") by Community Facilities District ("CFD") No. 4 of the Poway Unified School District ("School District") in the amount of \$11,989,000. The Bonds were issued under the Mello-Roos Community Facilities Act of 1982, as amended ("Act"), and pursuant to a 2007 Revenue Bond Indenture dated April 1, 2007 by and between Poway Unified School District Public Financing Authority ("Authority") and Zions First National Bank, as trustee ("Trustee"). Dolinka Group, LLC has been retained by the School District to act as dissemination agent ("Dissemination Agent"). The Bonds were issued to (i) pay interest on the Bonds through September 15, 2007 and (ii) pay the cost of issuing the Bonds. The Bonds, along with the (i) 2007 Special Tax Bonds of CFD No. 2 of the School District, (ii) 2007 Special Tax Bonds of Improvement Area ("IA") B of CFD No. 8 of the School District, (iii) 2007 Special Tax Bonds of CFD No. 9 of the School District, (iv) 2007 Special Tax Bonds of CFD No. 10 of the School District, and (v) 2007 Special Tax Bonds of CFD No. 12 (each a "Series of Special Tax Bonds") were purchased by the Authority. The Special Tax Bonds were purchased through funds generated from the issuance of the 2007 Revenue Bonds of the Authority on June 20, 2007.

I. Audited Financial Statements

A copy of the School District's annual audited financial statements for Fiscal Year 2006/2007 is available online at www.disclosureusa.org.

II. Principal Amount of Bonds Outstanding

As of January 1, 2008, the outstanding principal amount of the Bonds was \$11,989,000.

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, 2008, the balances within these accounts totaled \$1,097.80.

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 2007 Revenue Bonds of the Authority issued June 20, 2007.

V. Fund and Account Balances

The balance of each fund and account of CFD No. 4 as of January 1, 2008, is listed in Table 1.

**Table 1
Fund and Account Balances (As of 1/01/08)**

Funds and Account	Balance
Special Tax Fund	\$4,264.12
Bond Service Fund	\$0.00
Bond Interest Account	\$0.00
Bond Principal Account	\$0.00
Capitalized Interest Subaccount	\$1,097.12
Administrative Expense Fund	\$0.00
Purchase Transfer Account	\$0.00

VI. Assessed Value and Value-to-Lien of Parcels within CFD No. 4

Table 2 shows the assessed values, direct and overlapping debt, and value-to-lien ratio for all parcels within CFD No. 4.

Table 2
Assessed Value to Lien

Land Use Class	Land Use	Assessed Value ^[1]	Total Direct and Overlapping Debt ^[2]	Assessed Value-to-Lien Ratio
1	< 1,500 BSF	\$16,682,179.00	\$1,695,553.49	9.84:1
2	1,500 – 2,249 BSF	\$81,753,854.00	\$7,389,040.10	11.06:1
3	2,250 – 2,749 BSF	\$47,756,753.00	\$3,527,349.77	13.54:1
4	2,750 – 3,149 BSF	\$93,799,405.00	\$6,664,686.24	14.07:1
5	3,150 – 3,749 BSF	\$89,920,568.00	\$5,751,830.22	15.63:1
6	3,750 – 4,049 BSF	\$114,002,681.00	\$6,630,875.63	17.19:1
7	4,050 – 4,499 BSF	\$46,204,693.00	\$2,705,160.04	17.08:1
8	4,500 – 4,999 BSF	\$82,036,345.00	\$4,215,471.10	19.46:1
9	5,000 – 5,499 BSF	\$42,574,910.00	\$1,880,271.61	22.64:1
10	5,500 – 5,999 BSF	\$42,292,651.00	\$1,692,578.67	24.99:1
11	6,000 – 6,499 BSF	\$0.00	\$0.00	NA
12	> 6,500 BSF	\$0.00	\$0.00	NA
13	Custom Unit	\$280,773,115.00	\$12,345,740.15	22.74:1
14	Assigned Unit	\$12,624,733.00	\$29,654.87	425.72:1
15	Excess Companion Unit	\$0.00	\$0.00	NA
16	Excess Affordable Unit	\$10,554,686.00	\$24,792.43	425.72:1
17	Senior Unit	\$0.00	\$0.00	NA
NA	Undeveloped Property	\$189,451,047.00	\$445,011.12	425.72:1
NA	Exempt Property ^[3]	\$49,254,150.00	\$115,695.56	425.72:1
Total ^[4]	NA	\$1,199,681,770.00	\$55,113,711.00	21.77:1

[1] Total assessed value reported on the County of San Diego Fiscal Year 2007/2008 equalized tax roll.

[2] Source: Detailed Direct and Overlapping Debt Report, National Tax Data, Inc. dated November 11, 2007 (attached as Exhibit A).

[3] This property has been exempted from the CFD No. 4 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 National Tax Data, Inc. due to rounding.

VII. Fiscal Year 2006/2007 Special Tax Levy and Delinquencies

There were forty-five (45) parcels delinquent in paying their Fiscal Year 2006/2007 Special Taxes in an amount of \$35,710.34. The total Special Taxes levied by CFD No. 4 for Fiscal Year 2006/2007 was \$708,039.34. Therefore, the delinquency rate within CFD No. 4 for Fiscal Year 2006/2007 was 5.04%. As of August 15, 2007 there were forty (40) parcels delinquent in paying their Fiscal Year 2006/2007 Special Tax in an amount of \$31,535.13; therefore the delinquency rate within CFD No. 4 as of August 15, 2007 was 4.45%.

VIII. Foreclosure Proceedings

No parcel is delinquent in the payment of Special Taxes in an amount greater than \$5,000; however, the delinquency rate for Fiscal Year 2006/2007 did exceed the five percent (5.00%) threshold. As of the foreclosure commencement date, as stated in the Covenant of Foreclosure in the Authority Indenture, the delinquency rate in CFD No. 4 dropped below the five percent (5.00%) threshold. As a result, CFD No. 4 did not initiate foreclosure proceedings.

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 (the "County") Fiscal Year 2007/2008 equalized tax roll, there are no Major Taxpayers in CFD No. 4 for Fiscal Year 2007/2008.

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 since the date of the Official Statement.

XII. Bond Authorization Information

As of the date of this report the maximum authorized District Bond amount for CFD No. 4 is \$32,000,000. CFD No. 4 has issued \$11,989,000 in Bonds with the 2007 Authority on June 20, 2007.

Bonds issued by CFD No. 4 are intended to provide for the construction, purchase, expansion and/or modernization of any real or tangible property with an estimated useful life of five (5) years or longer, and which is necessary to meet the increased demands placed upon the District as a result of development occurring in CFD No. 4. The school facilities described below are all facilities which the School Board creating CFD No. 4 is authorized to own, construct or finance.

- Elementary School – site purchase, facility construction (including appurtenant improvements, such as landscaping, access roadways, drainage, sidewalks and gutters, and utility lines), furnishings, computers, and related equipment.
- Middle School – site purchase, facility construction (including appurtenant improvements, such as landscaping, access roadways, drainage, sidewalks and gutters, and utility lines), furnishings, computers, and related equipment.

- High School – site purchase, facility construction (including appurtenant improvements, such as landscaping, access roadways, drainage, sidewalks and gutters, and utility lines), furnishings, computers, and related equipment.
- Central Support and Administrative Facilities – site purchase, facility construction (including appurtenant improvements, such as landscaping, access roadways, drainage, sidewalks and gutters, and utility lines), furnishings, computers, and related equipment.
- Interim Housing – purchase and/or lease of portable/relocatables.
- Maintenance and Services – maintenance, ongoing services, landscaping, and facility security at all campuses which are constructed to meet the needs generated by development of real property located in CFD No. 4 and other parts of the District.

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Exhibit A

Detailed Direct and Overlapping Debt Report

POWAY UNIFIED SCHOOL DISTRICT
Community Facilities District No. 4
Special Tax Bonds

Detailed Direct and Overlapping Debt

Report Date: 01/11/2007
Report Time: 12:00:00 PM

I. Assessed Value

2006-2007 Secured Roll Assessed Value **\$1,199,681,770**

II. Secured Property Taxes

Description on Tax Bill	Type	Total Parcels	Total Levy	% Applicable	Parcels	Levy
Basic Levy	PROP13	950,118	3,650,367,867.72	0.32235%	1,029	\$11,767,019.94
Black Mountain Ranch North Maintenance Assessment District	LLMD	1,181	181,398.16	0.22214%	46	\$402.96
City of San Diego CFD No. 2, Impv Area 1	CFD	1,010	4,582,649.14	99.57049%	1,008	\$4,562,966.12
City of San Diego Landscape Maintenance District (Black Mountain Ranch)	LMD	1,460	536,757.30	70.47733%	977	\$378,292.22
County of San Diego Mosquito / Disease Control	VECTOR	936,177	5,224,121.54	0.11384%	1,027	\$5,947.16
County of San Diego Vector Control, Zone A	VECTOR	520,634	1,414,558.44	0.16102%	999	\$2,277.72
County of San Diego Vector Control, Zone B	VECTOR	349,284	729,076.08	0.00844%	27	\$61.56
Metropolitan Water District of Southern California Standby Charge	STANDBY	350,274	4,324,969.50	0.37191%	1,013	\$16,085.18
Palomar Pomerado Health Debt Service	GOB	187,831	10,772,209.98	0.39309%	214	\$42,344.60
Poway Unified School District CFD No. 4	CFD	1,291	900,247.30	100.00000%	756	\$900,247.30
San Diego County Water Authority Standby Charge	STANDBY	358,277	3,807,007.22	0.37061%	1,029	\$14,109.30
Sanitation District - Santa Luz	SWR/WTR	47	44,636.00	52.66153%	46	\$23,506.00
Voter Approved Debt	VOTER	949,909	244,143,504.52	0.09894%	1,029	\$241,566.64

2006-2007 TOTAL PROPERTY TAX LIABILITY

\$17,954,826.70

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

1.50%

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 1	CFD	\$61,020,000	\$58,140,000	69.32700%	754	\$40,306,718
Poway Unified School District CFD No. 4	CFD	\$11,989,000	\$11,989,000	100.00000%	756	\$11,989,000
TOTAL LAND SECURED BOND INDEBTEDNESS (1)						\$52,295,718
TOTAL OUTSTANDING LAND SECURED BOND INDEBTEDNESS (1)						\$52,295,718

Authorized Direct and Overlapping Bonded Debt	Type	Authorized	Unissued	% Applicable	Parcels	Amount
City of San Diego CFD No. 2, Impv Area 1	CFD	\$62,200,000	\$1,180,000	69.32700%	754	\$818,059
Poway Unified School District CFD No. 4	CFD	\$32,000,000	\$20,011,000	100.00000%	756	\$20,011,000
TOTAL UNISSUED LAND SECURED BOND INDEBTEDNESS (1)						\$20,829,059
TOTAL OUTSTANDING AND UNISSUED LAND SECURED BOND INDEBTEDNESS (1)						\$73,124,776

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	GOB	\$25,500,000	\$8,170,000	0.56872%	756	\$46,464
Metropolitan Water District of Southern California Debt Service	GOB	\$850,000,000	\$359,115,000	0.26448%	756	\$949,787
Palomar Community College District Debt Service	GOB	\$160,000,000	\$160,000,000	1.01193%	756	\$1,619,088
Palomar Pomerado Health Debt Service	GOB	\$80,000,000	\$68,360,000	0.29645%	177	\$202,653
TOTAL GENERAL OBLIGATION BOND INDEBTEDNESS (1)						\$2,817,993
TOTAL OUTSTANDING GENERAL OBLIGATION BOND INDEBTEDNESS (1)						\$2,817,993

Authorized Direct and Overlapping Bonded Debt	Type	Authorized	Unissued	% Applicable	Parcels	Amount
City of San Diego Public Safety Communication System Debt Service	GOB	\$25,500,000	\$0	0.56872%	756	\$0
Metropolitan Water District of Southern California Debt Service	GOB	\$850,000,000	\$0	0.26448%	756	\$0
Palomar Community College District Debt Service	GOB	\$694,000,000	\$534,000,000	1.01193%	756	\$5,403,706
Palomar Pomerado Health Debt Service	GOB	\$496,000,000	\$416,000,000	0.29645%	177	\$1,233,232
TOTAL UNISSUED GENERAL OBLIGATION BONDED DEBT (1)						\$6,636,938
TOTAL OUTSTANDING AND UNISSUED GENERAL OBLIGATION BOND INDEBTEDNESS (1)						\$9,454,931

TOTAL OF ALL OUTSTANDING AND OVERLAPPING BONDED DEBT	\$55,113,711
VALUE TO ALL OUTSTANDING DIRECT AND OVERLAPPING BONDED DEBT	21.77:1
TOTAL OF ALL OUTSTANDING AND UNISSUED DIRECT AND OVERLAPPING BONDED DEBT	\$82,579,708
VALUE TO ALL OUTSTANDING AND UNISSUED DIRECT AND OVERLAPPING BONDED DEBT	14.53:1

(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. 4
 C. Name/Title/Series of Bond Issue Series 2007 Public Financing Authority Local Obligation
 D. Indicate Credit Rating Rating Agency S&P, Fitch Rating AAA, AAA Not Rated _____
 E. Date of Bond Issue June 20, 2007
 F. Original Principal Amount of Bonds \$ 11,989,000.00
 G. Reserve Fund Minimum Balance Required Yes Amount \$ _____ No
 Percent of Authority Reserve Fund (Marks-Roos only) Yes % of Reserve Fund 17.49%
 H. Name of Authority that purchased debt (Marks-Roos only) Poway Unified School District Public Financing Authority Series 2007
 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 June 20, 2007 (Marks-Roos only)

II. FUND BALANCE FISCAL STATUS

Balances Reported as of fiscal year ending June 30, 2007 (Year)
 A. Principal Amount of bonds Outstanding \$ 11,989,000.00
 B. Bond Reserve Fund \$ 0.00
 C. Capitalized Interest Fund \$ 113,495.87
 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: June 30, 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 \$ 1,199,681,770.00

IV. TAX COLLECTION INFORMATION

Reported as of fiscal year ending of: June 30, 2007 (Year)
 A. Total Amount of Taxes Due \$ 708,039.34
 B. Total Amount of Unpaid Taxes \$ 35,710.34
 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, 2007 (Date)
 A. Total Number of Delinquent Parcels 48
 B. Total Amount of Taxes Due on Delinquent Parcels \$ 45,482.82
 C. Percent of Delinquency Rate 5.04%
 (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, 2007

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.