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Annual Disclosure Report FY 2012/13

Sweetwater Union High School District
Election of 2006 General Obligation Bonds
Series 2008A - \$180,000,000

February 21, 2014

Secondary-Market Disclosure Information
as Required by SEC Rule 15c2-12

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Section

One

Annual Disclosure Report

Sweetwater Union High School District
Election of 2006 General Obligation Bonds, Series 2008A

ISSUER STATEMENT REGARDING REPORT CONTENTS

Data Disclosed in this Report

This Report has been prepared by Special District Financing & Administration (SDFA), on behalf of Sweetwater Union High School District (the "Issuer" or "District"). It has been produced in accordance with the Continuing Disclosure Agreements (CDAs) executed in connection with the issuance of the Election of 2006 General Obligation Bonds, Series 2008A (the "Bonds"). The information included was deemed to be pertinent in evaluating the market value of the securities at the time that the Bonds were issued. It has been prepared solely for the purpose of complying with the requirements of the Continuing Disclosure Agreements. This information is not to be used or referenced for any other purpose without the written consent of the Issuer.

Reliability and Verification of Data

A portion of the information contained in this Report may have been provided or compiled by independent third-parties including, in some cases, obligated parties that may have an interest that is in conflict with the interest of potential purchasers of the securities. Additionally, some of the information may have been extracted from data provided and compiled by other entities including the trustee/fiscal agent, issuing agency, property owners, other municipal agencies, the County Auditor and the Treasurer/Tax Collector. SDFA and the Issuer have not independently verified the accuracy of the data provided by such parties and make no representations to its accuracy.

Review of Information

A qualified representative of the Sweetwater Union High School District has reviewed the contents of this Report and certifies that to the best of his/her knowledge the information contained herein is factually correct and that the report is authorized for dissemination.



Karen Michel, Interim Chief Financial Officer

Section

Two

Annual Disclosure Report

Sweetwater Union High School District
Election of 2006 General Obligation Bonds, Series 2008A

SUMMARY OF THE CONTINUING DISCLOSURE AGREEMENT

The Continuing Disclosure Agreements (the "CDAs") establish that, for the benefit of Bond holders, the Issuer has agreed to make specific information available and update the information annually. This information is intended to assist current and potential Bond holders in making an informed purchase decision. The CDAs set forth the date by which information is to be provided, the specific information that must be provided each year, and the means for making this information available in the market place.

Reporting Dates

By March 31st of each year the Issuer shall cause to be provided to each Repository (all NRMSIRs and any SID) the Annual Report.

Contents of the Annual Report

The Annual Report primarily includes the Audited Financials of the Issuer and "relevant financial and operating data". The specific financial and operating data to be included are set forth in the CDAs. Additionally, an ongoing reporting obligation applies to the occurrence of certain material or "listed" events as set forth in the CDAs. Each of these reporting components is more fully described as follows:

- **Audited Financials**: Audited Financial Statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

- Other Financial Information: To the extent not included in the audited financial statement of the District, the Annual Report shall also include the following: (i) A summary of the District's approved annual budget for the then-current fiscal year; (ii) Updated information on average daily attendance, pension plans, and non-certificated lease obligations; (iii) Assessed value of taxable property in the District as shown on the most recent equalized assessment roll; Property tax levies, collections, and delinquencies for the District for the most recently completed fiscal years; and (iv) Top ten property owners in the District for the then-current fiscal year, as measured by secured assessed valuation, the amount of their respective taxable value, and their percentage of total secured assessed value, if material.
- Reporting of Significant Events: Pursuant to Section 5 of the Continuing Disclosure Agreement, the Issuer will give notice of the occurrence of any of the following events, if material:
 1. Delinquency in payment when due of any principal or interest on the Bonds.
 2. Occurrence of any Event of Default under and as defined in the Resolution (other than as described in clause (1) above.
 3. Amendment to the Resolution, Lease Agreement, Assignment Agreement, Pledge Agreement, Ground Lease or this Disclosure Certificate modifying the rights of the holders of the Bonds.
 4. Giving of a notice of optional or unscheduled redemption or any Bonds.
 5. Defeasance of the bonds or any portion thereof.
 6. Any change in the rating, if any, on the Bonds.
 7. Adverse tax opinions or events affecting the tax-exempt status of the Bonds.
 8. Any unscheduled draw on the Reserve Fund reflecting financial difficulties.
 9. Any unscheduled draws on any credit enhancement reflecting financial difficulties.
 10. Any change or substitution in the provider of any credit enhancement, or any failure by the credit enhancer to perform on the credit enhancement.
 11. The release, substitution or sale of property securing repayment of the Bonds (including property leased, mortgaged or pledged as such security).

Dissemination of the Annual Report

The Dissemination Agent for the Election of 2006 General Obligation Bonds, Series 2008A is ***Special District Financing & Administration***.

Section

Three

Annual Disclosure Report

Sweetwater Union High School District
Election of 2006 General Obligation Bonds, Series 2008A

REPORT SYNOPSIS - MATERIAL CHANGES FROM LAST REPORT

The Sweetwater Union High School District Election of 2006 General Obligation Bonds, Series 2008A, are dated and were delivered on March 27, 2008. Please see Exhibit F regarding the occurrence of a Significant Event.

The information contained in this report relates to the fiscal year ending June 30, 2013.

Section

Four

Annual Disclosure Report

Sweetwater Union High School District
Election of 2006 General Obligation Bonds, Series 2008A

APPENDICES

Exhibit Number	CDA Information Item No.	Exhibit Item
<i>Exhibit A</i>	<i>4(a) & 4(b)(i)</i>	School District Audited Financials & Adopted Budget
<i>Exhibit B</i>	<i>4(b)(ii)(iv)</i>	Attendance, Pension Plans & Lease Obligations
<i>Exhibit C</i>	<i>4(b)(iii)</i>	Outstanding Debt
<i>Exhibit D</i>	<i>4(b)(v)</i>	Assessed Valuation Summary, Secured Assessed Valuation & Parcels by Land Use, & Twenty Largest Taxpayers
<i>Exhibit E</i>	<i>4(b)(vi)</i>	Secured Tax Levies & Delinquencies
<i>Exhibit F</i>	<i>5(a)</i>	Reporting of Significant Events

Exhibit A: Audited Financials and Adopted Budget

The audited financials for Sweetwater Union High School District for FY 2012/13 are:

- Attached**
- Included Under Separate Cover**
- Will be Provided When Available**
- Incorporated by Reference as Noted**

The Audited Financial Report of the Sweetwater Union High School District may be downloaded at the following URL:

<http://emma.msrb.org/EA583318-EA455550-EA851457.pdf>

A summary of the Adopted Budget may be downloaded from the following URL:

<http://emma.msrb.org/EA583731-EA455914-EA851814.pdf>

Exhibit B: Average Daily Attendance

**Sweetwater Union High School District
Enrollment and Average Daily Attendance**

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Change</u>	<u>Average Daily Attendance</u> ⁽¹⁾	<u>Change</u>	<u>Funded Revenue Limit</u>
1991/92	28,306	—	25,736	—	\$3,529
1992/93	28,748	1.6%	26,218	1.9%	\$3,595
1993/94	28,818	0.2%	26,168	-0.2%	\$3,582
1994/95	28,945	0.4%	26,378	0.8%	\$3,584
1995/96	29,596	2.2%	27,205	3.1%	\$3,750
1996/97	30,791	4.0%	28,245	3.8%	\$4,003
1997/98	31,760	3.1%	29,227	3.5%	\$4,105
1998/99	33,027	4.0%	30,580	4.6%	\$4,458
1999/00	34,004	3.0%	31,372	2.6%	\$4,611
2000/01	35,330	3.9%	32,634	4.0%	\$5,127
2001/02	37,208	5.3%	34,716	6.4%	\$5,317
2002/03	38,138	2.5%	35,356	1.8%	\$5,425
2003/04	38,710	1.5%	36,309	2.7%	\$5,527
2004/05	40,688	5.1%	37,949	4.5%	\$5,691
2005/06	41,926	3.0%	38,620	1.8%	\$5,934
2006/07	42,101	0.4%	38,891	0.7%	\$6,369
2007/08	42,288	0.4%	39,568	1.7%	\$6,660
2008/09	42,443	0.4%	39,814	0.6%	\$6,486
2009/10	41,909	-1.3%	39,359	-1.1%	\$5,793
2010/11	41,129	-1.9%	38,806	-1.4%	\$5,997
2011/12	40,311	-2.0%	38,040	-2.0%	\$5,961
2012/13	40,504	0.5%	38,265	0.6%	\$5,587
Increase between 1991/92 & 2012/13	12,198	43.1%	12,529	48.7%	\$2,058
2013/14 (projected)	40,480	-0.1%	37,972	-0.8%	N/A ⁽²⁾

(1) Excluding excused absences.

(2) A new system for funding school districts was enacted as part of the 2013/14 State budget by State Assembly Bill 97 (AB 97). The primary component of AB 97 is the implementation of the Local Control Funding Formula (LCFF), which replaces the revenue limit funding system previously disclosed in previous annual disclosure reports.

Source: Sweetwater Union High School District (First Interim Report)

Exhibit C: Assessed Values and Property Tax Levy

**Sweetwater Union High School District
Secured Tax Charges and Delinquencies**

Fiscal Year	Secured Tax Charge	Amt. Delinquent June 30 ⁽³⁾
1994/95 ⁽¹⁾	\$18,811,936	-
1995/96 ⁽¹⁾	\$19,091,526	-
1996/97 ⁽¹⁾	\$19,265,167	-
1997/98 ⁽¹⁾	\$19,734,672	-
1998/99 ⁽¹⁾	\$20,738,791	-
1999/00 ⁽²⁾	\$22,680,650	-
2000/01 ⁽²⁾	\$25,228,076	-
2001/02	\$28,545,989	-
2002/03	\$31,844,528	-
2003/04	\$36,651,941	-
2004/05	\$42,322,160	-
2005/06	\$50,093,123	-
2006/07	\$57,373,302	-
2007/08	\$64,814,474	-
2008/09	\$66,715,954	-
2009/10	\$59,884,647	-
2010/11	\$58,975,388	-
2011/12	\$57,701,459	-
2012/13	\$57,859,101	-

⁽¹⁾ 1% General Fund Apportionment

⁽²⁾ Reflects 1% basic levy and debt service increment as reported by the County of San Diego in the Annual Property Tax Valuation & Tax Rate Report.

⁽³⁾ Beginning in 1993-94 San Diego County utilized the Teeter Plan for assessment levy and distribution. This method guarantees distribution of 100% of the assessments levied to the taxing entity, with the County retaining all penalties and interest. The County may, at any time, discontinue use of the Teeter Plan.

Source: San Diego County Auditor-Controller

**Sweetwater Union High School District
Gross Assessed Value of All Taxable Property**

Fiscal Year	Total Secured	Unsecured	Total
1995/96	\$11,464,054,066	\$608,149,181	\$12,072,203,247
1996/97	11,506,502,769	404,424,125	11,910,926,894
1997/98	11,512,116,139	558,124,979	12,070,241,118
1998/99	12,347,744,281	456,382,908	12,804,127,189
1999/00	13,500,945,106	737,394,368	14,238,339,474
2000/01	14,889,695,611	560,881,985	15,450,577,596
2001/02	16,701,385,276	689,129,409	17,390,514,685
2002/03	18,637,621,607	747,228,217	19,384,849,824
2003/04	21,305,881,024	709,398,904	22,015,279,928
2004/05	24,416,104,786	704,834,150	25,120,938,936
2005/06	28,854,280,722	768,467,520	29,622,748,242
2006/07	33,013,009,272	1,042,430,416	34,055,439,688
2007/08	38,048,632,024	1,100,539,100	39,149,171,124
2008/09	38,492,939,849	992,246,546	39,485,186,395
2009/10	34,949,263,519	1,112,318,735	36,061,582,254
2010/11	33,961,672,862	1,076,921,988	35,038,594,850
2011/12	33,758,214,044	1,137,543,619	34,895,757,663
2012/13	33,595,111,781	1,057,857,704	34,652,969,485
2013/14	34,570,968,975	1,092,353,711	35,663,322,686

Source: California Municipal Statistics, Inc. & San Diego County Assessor

Exhibit D: Largest Taxpayers

The aggregate net assessed value that appears on the following page reflects the "unequalized" assessed value provided to Special District Financing & Administration by the County of San Diego as of July 1, 2013. This amount differs slightly from the assessed value shown in Exhibit "C".

SWEETWATER UNION HIGH SCHOOL DISTRICT

Top Taxpayer Listing for 2013/14

Taxpayer	Property Owner Name	Taxable Parcels	Assessed Land Value	Assessed Improvement Value	Other Assessed Value	Exempt Amount	Net Assessed Value
1	ROHR INC	15	\$75,070,000	\$109,995,548	\$65,581,667		\$250,647,215
2	Chelsea San Diego	5	\$55,538,526	\$155,654,933			\$211,193,459
3	Plaza Bonita L L C	9	\$45,700,080	\$92,489,922			\$138,190,002
4	Centermark Properties Inc	1	\$5,822,137	\$128,947,274		\$234,496	\$134,534,915
5	Otay Greenfield	5	\$40,027,797	\$74,072,400			\$114,100,197
6	Pasha Automotive	7	\$79,999,562	\$15,908,666			\$95,908,228
7	Regulo Place Apartments	5	\$40,700,000	\$51,300,000	\$415,852		\$92,415,852
8	Corrections Corp Of	2	\$15,970,041	\$63,035,731	\$734,361		\$79,740,133
9	E Q R-missions At Sunbow	1	\$30,000,000	\$47,585,000			\$77,585,000
10	Chula Vista Center L L C	2	\$14,855,827	\$55,698,402			\$70,554,229
11	CAMDEN USA INC	1	\$18,818,372	\$46,410,821	\$182,214		\$65,411,407
12	Casoleil L P	1	\$17,000,000	\$40,000,000			\$57,000,000
13	P V H R L L C <lf>	3	\$13,549,325	\$40,725,331			\$54,274,656
14	B R E-f M C A L L C	2	\$12,760,652	\$38,718,330			\$51,478,982
15	Riveredge Terrace L P	1	\$16,646,400	\$32,253,480			\$48,899,880
16	Wal-mart Real Estate	3	\$25,323,371	\$18,647,752			\$43,971,123
17	Kreutzkamp Revocable	23	\$16,652,905	\$24,812,776			\$41,465,681
18	Rosina Vista L P	1	\$7,439,512	\$30,910,000			\$38,349,512
19	Essel Vistan L P	1	\$21,000,000	\$17,100,000	\$45,422		\$38,145,422
20	F S San Ysidro L L C	5	\$16,801,724	\$19,752,465			\$36,554,189
21	Remaining Owners	94,735	\$12,149,112,153	\$16,888,752,203	\$26,867,283	1,464,789,476	\$27,599,942,163
Totals:		94,828	\$12,718,788,384	\$17,992,771,034	\$93,826,799	\$1,465,023,972	\$29,340,362,245

Exhibit E: Non-Certificated Lease Obligations & Retirement

Sweetwater Union High School District Capital Leases

page 31 of the Official Statement, Series 2008A

The District's leases for facilities and equipment under agreements with options to purchase are summarized below:

<u>Fiscal Year Ending June 30</u>	<u>Lease Payments</u>
2014	2,321,273
2015	1,888,194
2016	272,403
2017	272,403
2018	340,504
Total	\$5,094,777
Less: Amount Representing Interest	<u>(255,949)</u>
Present Value of Minimum Lease Payments	<u><u>4,838,828</u></u>

Source: SUHSD Audited Financial Report FY 12/13

Sweetwater Union High School District Retirement System

The District participates in STRS. This plan cover Full-time certificated employees. The District also participates in PERS, which covers all classified personnel who are employed more than four hours per day. The District's contribution to STRS for Fiscal Years ending June 30, 2013, 2012, and 2011 were \$14,244,855, \$14,457,279, and \$15,020,515. The District's contribution to PERS for Fiscal Years ending June 30, 2013, 2012, and 2011 were \$7,039,283, \$6,555,780, and \$6,877,379. Please refer to prior reports for prior District contributions.

Source: Sweetwater Union High School District

Exhibit F: Reporting of Significant Events

To the best of the Issuer's knowledge, none of the listed significant events identified in the Continuing Disclosure Agreement have occurred.