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Annual Disclosure Report FY 2010/11

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

February 13, 2012

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

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Section

Two

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.

/s/ _____ Dianne Russo

Dianne Russo, Chief Financial Officer

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, 2011.

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)</i>	School District Audited Financials (FY 2010/11) & Adopted Budget
<i>Exhibit B</i>	<i>4(b)</i>	Average Daily Attendance
<i>Exhibit C</i>	<i>4(b)</i>	Assessed Values and Property Tax Levy
<i>Exhibit D</i>	<i>4(b)</i>	Largest Taxpayers
<i>Exhibit E</i>	<i>4(b)</i>	Non-Certificated Lease Obligations & Retirement
<i>Exhibit F</i>	<i>5(a)</i>	Reporting of Significant Events

Exhibit A: Audited Financials for FY 2010/11 and Operating Data

The audited financials for Sweetwater Union High School District for FY 2010/11 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 can be downloaded at the following URL:

<http://emma.msrb.org/ER573730-ER445250-ER847804.pdf>

A summary of the Adopted Budget is included on the following page.

**Sweetwater Union High School District
General Fund
First Interim Budget
Fiscal Year 2011/12**

	2011/12 First Interim Budget
BEGINNING BALANCE	\$35,276,281
REVENUES	
Revenue Limit	\$237,020,239
Federal Revenues	35,001,544
Lottery	4,930,444
Other State revenues	46,284,431
Local Revenues	8,543,278
Other Transfers In	<u>17,840,216</u>
Total Revenues	<u>\$349,620,152</u>
EXPENDITURES	
Certificated Salaries	\$170,018,109
Classified salaries	58,154,044
Employee benefits	59,052,027
Books and supplies	18,937,924
Contracted Services	32,718,357
Capital Outlay	1,139,426
Other Outgo	<u>15,497,777</u>
Total Expenditures	<u>\$355,517,664</u>
Net Surplus/(Deficit)	(\$5,897,512)
ENDING BALANCE:	
Restricted - Categoricals	\$1,222,371
Restricted - Stores/Rev Cash	214,943
Reserve for Fiscal Stability	520,025
Reserve for Site Carryover	0
Reserve Education Jobs	12,070,478
Reserve for Technology Plan	<u>1,628,111</u>
Total Restrictions/Reserves	<u>\$15,655,928</u>
Unrestricted Reserve	<u>\$13,722,841</u>
AS A % OF EXPENSE	3.9%

Source: Sweetwater Union High School District

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>	<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	2.5%	\$6,660
2008/09	42,443	0.8%	39,814	3.1%	\$6,486
2009/10	41,909	-0.5%	39,359	1.9%	\$5,793
2010/11	41,129	-2.7%	38,806	-0.2%	\$5,997
Increase between 1991/92 & 2010/11		45.3%		50.8%	
2011/12 (projected)	40,829	-0.7%	38,556	-0.6%	\$5,998

* Excluding excused absences.

Source: Sweetwater Union High School District

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	-

⁽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.

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

Table 2, page 26 of the Official Statement

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	38,076,097,229	1,070,765,027	39,146,862,256
2009/10	36,322,031,204	936,940,387	37,258,971,591
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

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, 2011. This amount differs slightly from the assessed value shown in Exhibit "C".

SWEETWATER UNION HIGH SCHOOL DISTRICT

Top Taxpayer Listing for 2011/12

Taxpayer	Property Owner Name	Taxable Parcels	Assessed Land Value	Assessed Improvement Value	Other Assessed Value	Exempt Amount	Net Assessed Value
1	Chelsea San Diego	5	\$69,781,246	\$196,634,460			\$266,415,706
2	San Diego Expressway	3	\$210,000,000	\$50,000,000			\$260,000,000
3	ROHR INC	8	\$22,692,617	\$107,507,754	\$47,925,143		\$178,125,514
4	Ggp-otay Ranch L P	5	\$35,056,951	\$141,599,009			\$176,655,960
5	Centermark Properties Inc	1	\$5,596,057	\$123,940,096		\$225,392	\$129,310,761
6	Otay Greenfield	5	\$38,473,470	\$70,000,000			\$108,473,470
7	Regulo Place Apartments	5	\$46,000,000	\$54,000,000	\$505,618		\$100,505,618
8	Corrections Corp Of	2	\$15,349,907	\$60,481,293	\$1,151,662		\$76,982,862
9	Chula Vista Center L L C	2	\$15,086,197	\$57,587,261			\$72,673,458
10	CAMDEN USA INC	1	\$18,087,633	\$44,608,633	\$278,418		\$62,974,684
11	Kreutzkamp Revocable	30	\$23,668,355	\$35,432,772	\$107,306		\$59,208,433
12	E Q R-missions At Sunbow	1	\$25,000,000	\$33,500,000	\$490,523		\$58,990,523
13	Village li Of Otay Hb S U	3	\$58,129,700				\$58,129,700
14	P V H R L L C <lf>	3	\$14,055,534	\$43,425,296			\$57,480,830
15	Casoleil L P	1	\$17,000,000	\$40,000,000			\$57,000,000
16	B R E-f M C A L L C	2	\$12,265,143	\$37,214,852			\$49,479,995
17	Shea Homes Limited	331	\$38,898,307	\$5,190,711			\$44,089,018
18	CAPITAL SALVAGE INC	2	\$43,400,000				\$43,400,000
19	S V Portfolio L P	12	\$15,655,000	\$24,845,000			\$40,500,000
20	Wal-mart Real Estate	3	\$24,340,037	\$16,121,448			\$40,461,485
21	Remaining Owners	108,054	\$13,351,742,597	\$18,371,000,053	\$32,409,570	1,569,196,332	\$30,185,955,888
Totals:		108,479	\$14,100,278,751	\$19,513,088,638	\$82,868,240	\$1,569,421,724	\$32,126,813,905

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:

Fiscal Year	Lease Payments
2011-12	\$2,472,077
2012-13	1,713,269
2013-14	734,988
2014-15	301,896
2015-16	272,403
2017-2019	<u>612,907</u>
Total	\$6,107,540
Less: Amount Representing Interest	(652,701)
Present Value of Minimum Lease Payments	<u><u>5,454,839</u></u>

Source: SUHSD Audited Financial Report FY 10/11

**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, 2011, 2010, 2009, 2008, 2007, 2006, 2005, 2004, 2003, and 2002 were \$15,020,515, \$15,352,587, \$16,233,633, \$16,235,480, \$15,171,480, \$13,717,115, \$12,795,172, \$12,265,801, \$12,404,816, and \$10,439,007. The District's contribution to PERS for Fiscal Years ending June 30, 2011, 2010, 2009, 2008, 2007, 2006, 2005, 2004, 2003, and 2002 were \$6,877,379, \$6,330,891, \$6,268,843, \$6,105,360 \$5,722,255, \$5,089,238, \$5,190,317, \$5,141,410, \$1,361,633, and \$0.

Source: Sweetwater Union High School District

Exhibit F: Reporting of Significant Events

A notice of Material Event was filed regarding a ratings change to the Insurer of the Bonds. Please see the following page for a copy of the filing.

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

**NOTICE TO REPOSITORIES OF MATERIAL EVENT
(CHANGE IN INSURER RATING)**

NAME OF ISSUER: Sweetwater Union High School District
NAME OF ISSUE: \$96,999,415.35
Sweetwater Union High School District
Election of 2000 General Obligation Bonds, Series C
DATE OF ISSUANCE: November 4, 2004

NOTICE IS HEREBY GIVEN pursuant to Section 5(a)(11) of that certain Continuing Disclosure Certificate, dated as of November 1, 2004, by the Issuer, as dissemination agent, of a rating change with respect to Assured Guaranty Municipal Corp (the "Insurer", formerly Financial Security Assurance, Inc), the Insurer for the above entitled Bonds, by Standard and Poor's Ratings Services (S&P). S&P has downgraded the rating for the Insurer from "AA+" to "AA-".

NAME OF ISSUER: Sweetwater Union High School District
NAME OF ISSUE: \$180,000,000
Sweetwater Union High School District
Election of 2006 General Obligation Bonds, Series 2008A
DATE OF ISSUANCE: March 27, 2008

NOTICE IS HEREBY GIVEN pursuant to Section 5(a)(11) of that certain Continuing Disclosure Certificate, by the Issuer, as dissemination agent, of a rating change with respect to the Insurer for the above entitled Bonds by S&P. S&P has downgraded the rating for the Insurer from "AA+" to "AA-".

NAME OF ISSUER: Sweetwater Union High School District
NAME OF ISSUE: \$66,385,000.00
Sweetwater Union High School District
2005 Series A Special Tax Revenue Bonds
DATE OF ISSUANCE: March 10, 2005

NOTICE IS HEREBY GIVEN pursuant to Section 5(a)(6) of that certain Continuing Disclosure Agreement, dated as of March 10, 2005, by the Issuer, as dissemination agent, of a rating change with respect to the Insurer for the above entitled Bonds by S&P. S&P has downgraded the rating for the Insurer from "AA+" to "AA-".

Dated: November 30, 2011

SWEETWATER UNION HIGH SCHOOL
DISTRICT

Assured Guaranty's Operating Subsidiaries' S&P Ratings Revised to AA- With Rating Outlooks Revised to Stable

Release Date:

Wednesday, November 30, 2011 7:12 pm EST

Dateline City:

HAMILTON, Bermuda

HAMILTON, Bermuda--([BUSINESS WIRE](#))--In response to the change by Standard & Poor's Ratings Services (S&P) of the financial strength ratings of bond insurers Assured Guaranty Corp. and Assured Guaranty Municipal Corp. to AA- Stable Outlook from AA+ CreditWatch Negative, and the rating of Assured Guaranty Re Ltd. to AA- Stable Outlook from AA CreditWatch Negative, Dominic Frederico, President and Chief Executive Officer of Assured Guaranty Ltd. (NYSE: AGO) (the Company or Assured Guaranty), made the following statement:

"This rating action is solely based on S&P's new criteria for rating financial guaranty companies, as to which we have previously registered our concerns. Despite the higher capital standards, Assured Guaranty has maintained its ratings in the AA category by continuing to execute its capital enhancement strategies.

"Further, the Stable Outlook assigned to our ratings reflects S&P's recognition of the quality of our insured portfolio, our underwriting discipline, risk management capabilities and strong competitive position. Our AA- Stable ratings result in us maintaining some of the highest S&P ratings for a company in the financial sector.

"We are proud of our record of insuring timely payment of principal and interest when due, protecting the interests of investors and increasing the market liquidity for holders of our insured bonds while continuing to provide issuers broader market access and cost savings," Mr. Frederico added.

Assured Guaranty Ltd. is a publicly traded (NYSE: AGO) Bermuda-based holding company. Its operating subsidiaries provide credit enhancement products to the U.S. and international public finance, infrastructure and structured finance markets. More information on Assured Guaranty Ltd. and its subsidiaries can be found at www.assuredguaranty.com.

Cautionary Statement Regarding Forward-Looking Statements:

Any forward-looking statements made in this press release reflect Assured Guaranty's current views with respect to future events and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements involve risks and uncertainties that may cause actual results to differ materially from those set forth in these statements. These risks and uncertainties include, but are not limited to, those resulting from Assured Guaranty's inability to execute its strategies to enhance capital and/or mitigate its concentration risks; further actions that the rating agencies may take with respect to the financial strength ratings of Assured Guaranty; adverse developments in Assured Guaranty's insured portfolio; and other risks and uncertainties that have not been identified at this time, management's response to these factors, and other risk factors identified in Assured Guaranty's filings with the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on these forward-looking statements, which are made as of November 30, 2011. Assured Guaranty undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Language:

English

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