

**ANNUAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2011
RELATING TO**

**\$5,430,000
CITY OF SAN DIEGO
Assessment District No. 4096 (Piper Ranch)
Limited Obligation Improvement Bonds
(CUSIP Number 797283)**

The following Annual Report is being provided by the City of San Diego (the "City") for the above stated issue (the "Bonds"), pursuant to the Continuing Disclosure Certificate requirements and in compliance with Securities and Exchange Commission Rule 15c2-12 for the fiscal year ending June 30, 2011 (the "Annual Report").

The Annual Report, including any amendment or supplement hereto, is electronically transmitted by the City acting as the Dissemination Agent to the Electronic Municipal Market Access ("EMMA") System of the Municipal Securities Rulemaking Board ("MSRB").

The Annual Report is provided in accordance with the terms of the Continuing Disclosure Certificate, and does not purport to provide full and complete information on the terms of the Bonds. The filing of the Annual Report does not constitute or imply any representation that no changes, circumstances or events have occurred since the end of the fiscal year to which the Annual Report relate (other than as contained in the Annual Report), or that no other information exists which may have a bearing on the security for the Bonds, or an investor's decision to buy, sell or hold the Bonds. Certain information and data provided herein was obtained from sources other than the City (the "Outside Information"), as indicated by the source citations. Although the information contained in the Annual Report has been obtained from sources which are believed to be reliable, the City has not independently verified such Outside Information, and the City cannot guarantee its completeness or accuracy. No statements in this annual report should be construed as a prediction or representation about future financial performance of the City or Assessment District No. 4096 (Piper Ranch).

The City is acting as the Dissemination Agent for the above stated issuance. The City does not have any obligation to update this report other than as expressly provided in the Continuing Disclosure Certificate.

Any statements regarding the above stated issuance, other than a statement made by the City in an official release or subsequent notice or annual report, published in a financial newspaper of general circulation and/or filed with the MSRB's EMMA system, are not authorized by the City. The City shall not be responsible for the accuracy, completeness or fairness of any such unauthorized statement.

DATED: March 14, 2012

CITY OF SAN DIEGO

By: 
Jay M. Goldstone
Chief Operating Officer

CITY OF SAN DIEGO
Assessment District No. 4096 (Piper Ranch)
Limited Obligation Improvement Bonds

Annual Report Under the Continuing Disclosure Certificate
Fiscal Year Ending June 30, 2011

This Annual Report includes information required by the Continuing Disclosure Certificate for the City of San Diego Assessment District No. 4096 (Piper Ranch) Limited Obligation Improvement Bonds.

(a) Financial Statements:

The requirement that the City file its audited financial statements as a part of the Annual Report has been included in the Disclosure Agreement solely to satisfy the provisions of Rule 15c2-12. The inclusion of this information does not mean that the Bonds are secured by any resources or property of the City.

Refer to the City of San Diego's Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2011 ("CAFR"), filed on the MSRB's EMMA site on March 1, 2012. The District Funds can be found under the Supplementary Information section, under the heading Fiduciary Funds, Other Miscellaneous Agency and the capital improvements financed by District Funds can be found in the Supplementary Information section, under the heading Nonmajor Governmental Funds - Capital Projects (Special Assessment/Special Tax Bonds), of the City's CAFR.

(b) All data is as of December 31, 2011 (except as noted in the attached tables), pursuant to the Continuing Disclosure Certificate.

(i) Principal Amount of Bonds Outstanding: \$ 4,040,000

Source: City of San Diego, Debt Management

(ii) Balance in the Reserve Fund: \$ 341,475

Reserve Requirement: \$341,083

The Reserve Requirement is, as of the date of any calculation the least of:

- (a) 10% of the original aggregate principal amount of the Bonds;
- (b) maximum annual debt service on the Bonds; and
- (c) 125% of average annual debt service on the Bonds.

In calculating such amounts, the principal amount of the Deemed Escrow Bonds, as of such date of calculation, and the annual debt service thereon, shall be excluded.

Source: Union Bank of California Trustee Statements; City of San Diego, Debt Management

(iii) Balance in the Improvement Fund: \$ 0

Source: Union Bank of California Trustee Statements; City of San Diego, Debt Management

(iv) The assessment delinquency rate for the District as of December 31 of the prior calendar year; the number of parcels delinquent in payment of assessments as of December 31 of the prior calendar year; the amount of each delinquency; the length of time delinquent and the date on which foreclosure was commenced.

See Attached **Exhibit 1**

(v) The status of foreclosure proceedings and summary of the results of any foreclosure sales as of December 31 of the prior calendar year.

See Attached **Exhibit 1**

(vi) The identity of any property owner, representing more than 5% of the assessment levy, delinquent in payment of assessments as of December 31 of the prior calendar year.

As of December 31, 2011, no property owners representing more than 5% of the assessment levy were delinquent in payment of assessments.

Source: City of San Diego, Debt Management; San Diego County Delinquency Reports

(vii) Update of the information contained in Table 1 of the Official Statement:

See Attached **Exhibit 2**

(c) In addition to any of the information expressly required to be provided under subsections (a) and (b) of this Section, the City shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

The City is unaware of any further information that may be necessary to make the information expressly required under subsections (a) and (b) not misleading.

Source: City of San Diego, Debt Management

CITY OF SAN DIEGO
Assessment District No. 4096 (Piper Ranch)
Limited Obligation Improvement Bonds
Delinquency Summary
As of December 31, 2011

District Delinquency History

Fiscal Year	Parcels Assessed	Parcels Delinquent	Assessment Levy	Fiscal Year-End Delinquencies ^(a)		Amount Remaining Delinquent As of 1/10/12	Percent Remaining Delinquent As of 1/10/12
				Amount Delinquent ^(a)	Percent Delinquent		
2011-2012 ^(b)	21	1	\$ 184,939	\$ 6,938	3.75%	\$ 6,938	3.75%
2010-2011	21	1	370,240	3,760	1.02%	0	0.00%
2009-2010	21	1	363,995	6,464	1.78%	0	0.00%
2008-2009	21	2	356,731	20,789	5.83%	3,623	1.02%
2007-2008	27	0	382,310	6,792	1.78%	0	0.00%
2006-2007	27	0	390,811	6,943	1.78%	0	0.00%
2005-2006	27	0	407,744	0	0.00%	0	0.00%
2004-2005	23	0	319,676	0	0.00%	0	0.00%
Total Amount Delinquent:						\$ 10,561	

^(a) The data is as of August 8, 2007 for Fiscal Year 2006-07; August 27, 2008 for Fiscal Year 2007-08; August 18, 2009 for Fiscal Year 2008-09; and August 17, 2010 for Fiscal Year 2009-10; and August 10, 2011 for Fiscal Year 2010-11.

^(b) The data is as of January 10, 2012 for Fiscal Year 2011-12; first installment only.

Delinquent Parcel Detail

Parcel Number	Fiscal Year	Delinquent Installment	Amount Delinquent	Percent of Assessment Levy	Date Foreclosure Commenced ^(a)	Status of Foreclosure Proceedings
646-240-58-00	2008-2009	2nd (due 4/10/09)	\$ 3,623	2.03%	NA	NA
		Account Subtotal:	3,623			
646-240-59-00	2011-2012	1st (due 12/10/11)	\$ 6,938	3.75%	NA	NA
		Account Subtotal:	6,938			
Total Amount Delinquent:			<u>\$ 10,561</u>			

^(a) The District has covenanted that it will commence judicial foreclosure proceedings against parcels with delinquent special assessments in excess of \$12,500 by the November 1 following the close of each fiscal year in which such special assessments were levied. As of December 31, 2011, there were no parcels that exceeded the foreclosure threshold.

City of San Diego
Description of Assessment District No. 4096 (Piper Ranch)⁽¹⁾

(Update of Table 1 of Official Statement – as of December 31, 2011)

APN	Net Acres	Total 2011-12 Assessed Values ⁽²⁾	Remaining Assessment Amount ⁽³⁾
646-240-49-00	6.65	\$ 5,067,875	\$ 444,368
646-240-50-00	5.25	6,605,640	350,817
646-240-51-00	6.63	8,439,152	443,032
646-240-52-00	0.88	1,316,473	59,088
646-240-53-00	1.04	1,536,248	69,831
646-240-54-00 ⁽²⁾	1.03	1,305,592	69,160
646-240-55-00	0.88	1,267,514	59,088
646-240-56-00	1.78	2,762,423	119,519
646-240-57-00	1.19	2,789,268	79,903
646-240-58-00	1.19	1,944,481	79,903
646-240-59-00	2.20	2,657,974	147,720
646-240-60-00 ⁽²⁾	2.20	2,790,581	147,720
646-240-61-00 ⁽²⁾	1.06	1,550,000	71,174
646-240-62-00	1.06	1,547,452	71,174
646-240-63-00	1.78	2,402,958	119,519
646-240-67-00	2.20	3,269,325	147,088
646-240-68-00	0.87	1,436,062	58,167
646-240-69-00	0.92	1,365,203	61,510
646-240-70-00	1.46	1,662,000	97,613
646-240-77-00 ⁽²⁾	10.02	16,758,733	643,928
646-240-78-00 ⁽²⁾	9.31	14,968,575	598,301
	59.60	\$ 83,443,529	\$ 3,938,627

(1) All data reflects parcel/lot line reconfigurations subsequent to issuance of the Official Statement.

(2) Fiscal Year 2011-12 Assessed Values include land value and improvement value as of January 1, 2011 provided by the San Diego County Assessor. The above Assessed Values do not reflect any corrections that have been processed regularly by the County Assessor. As of December 31, 2011, there are a several parcels of which the Assessed Values have been subsequently updated on the Tax Collector's Secured Property Tax Roll which are Assessor's Parcel Numbers 646-240-54-00 (\$1,200,000); 646-240-60-00 (\$2,520,000); 646-240-61-00 (\$1,375,000); 646-240-77-00 (\$9,700,000); 646-240-78-00 (\$8,400,000).

(3) Remaining Assessment Amount is net of \$97,407, which was billed in Fiscal Year 2011-12.