



GOODWIN CONSULTING GROUP

**Improvement Area No. 1 of the
City of Merced
Community Facilities District No. 2005-1
(Bellevue Ranch West)
\$7,410,000 Special Tax Bonds, Series 2006
Continuing Disclosure Annual Report for
Fiscal Year 2014-15
(per SEC Rule 15c2-12(b)(5))**

CUSIP Numbers

\$80,000	587606AA2*	\$170,000	587606AK0
\$120,000	587606AB0*	\$180,000	587606AL8
\$125,000	587606AC8*	\$190,000	587606AM6
\$130,000	587606AD6*	\$200,000	587606AN4
\$135,000	587606AE4*	\$210,000	587606AP9
\$140,000	587606AF1*	\$220,000	587606AQ7
\$150,000	587606AG9*	\$1,270,000	587606AR5
\$155,000	587606AH7*	\$3,775,000	587606AS3
\$160,000	587606AJ3*		

** Retired as of the date of this report*

January 31, 2016

***Continuing Disclosure Annual Report
for
Improvement Area No. 1 of the
City of Merced
Community Facilities District No. 2005-1
(Bellevue Ranch West)
\$7,410,000 Special Tax Bonds, Series 2006
Fiscal Year 2014-15***

This Continuing Disclosure Annual Report (“Annual Report”) contains certain information required to be filed annually per SEC rule 15c2-12(b)(5) (the “Rule”) by Improvement Area No. 1 (“Improvement Area No. 1”) of the City of Merced (the “City”) Community Facilities District No. 2005-1 (Bellevue Ranch West) (the “CFD”). The Rule is applicable to the Improvement Area No. 1 Special Tax Bonds, Series 2006 (the “Series 2006 Bonds”) issued in the aggregate principal amount of \$7,410,000 by the CFD on July 27, 2006. The Rule requires that an issuer undertake in a written agreement or contract, for the benefit of holders of the securities issued, to file with national and state repositories the following:

- i. Certain financial information as presented in the Continuing Disclosure Agreement
- ii. Audited financial statements of the City
- iii. Notice of certain enumerated significant events
- iv. Notice of any failure to provide such annual financial information as agreed

In compliance with the Rule, the City signed the Continuing Disclosure Agreement on July 27, 2006, requiring the City to provide annually, or as they occur, the aforementioned enumerated documents or events. Per the Continuing Disclosure Agreement, the City is required to file an annual report with all national and State of California repositories which includes:

- a) The City’s audited financial statements for the most recently completed fiscal year.

→ **See Appendix A.**

- b) The balance in the Reserve Fund held under the Fiscal Agent Agreement.

→ **As of October 31, 2015, the balance in the Reserve Fund was \$498,737, and the Reserve Fund Requirement is \$498,525; therefore, pursuant to the Series 2006 Bonds covenants, the Reserve Fund is fully funded.**

- c) The principal amount of the Series 2006 Bonds outstanding.
- **As of the date of this report, \$6,215,000 of the Series 2006 Bonds remains outstanding.**
- d) The amount of prepayments of the special tax, if any.
- **As of the date of this report, there have been no prepayments of the special tax obligation.**
- e) The total assessed value of all parcels currently subject to the special tax within Improvement Area No. 1, showing the total assessed valuation for all land and the total assessed valuation for all improvements within Improvement Area No. 1 and distinguishing between the assessed value of developed property and undeveloped property.

Total Assessed Value of all Land	\$12,403,304
Total Assessed Value of all Improvements	\$39,520,344
Total Assessed Value of all Parcels	\$51,923,648
Assessed Value of Developed Property	\$46,583,721
Assessed Value of Undeveloped Property	\$5,339,927
Total Assessed Value of all Parcels	\$51,923,648

- f) Identification of each parcel within Improvement Area No. 1 for which any special tax payment is delinquent, together with the following information respecting each such parcel: (A) the amount delinquent; (B) the date of each delinquency; (C) in the event a foreclosure complaint has been filed respecting such delinquent parcel and such complaint has not yet been dismissed, the date on which the complaint was filed; and (D) in the event a foreclosure sale has occurred respecting such delinquent parcel, a summary of the results of such foreclosure sale.
- **See Appendix B.**

- g) A land ownership summary listing property owners responsible for more than ten percent (10%) of the annual special tax levy, as shown on the Merced County Assessor’s last equalized tax roll prior to the September next preceding the Annual Report date.

Property Owner	FY 2015-16 Special Tax Levy	Percentage	Number of Parcels	Total 2015 Assessed Value
Merced HS Quarterback Club	\$53,627	10.48%	1	\$2,175,000
Forebay Farms, LLC	\$292,983	57.27%	507	\$3,164,927

- **On March 31, 2015 and September 30, 2015, Continuing Disclosure Semi-Annual Reports were provided by Forebay Farms, LLC, and filed with the Municipal Securities Rulemaking Board. These filings met the requirements set forth in the Continuing Disclosure Agreement for the reports due March 31, 2015 and September 30, 2015.**
- **On April 1, 2015, a “Notice of Failure to File” was filed with the Municipal Securities Rulemaking Board in connection to the Continuing Disclosure Semi-Annual Report due on March 31, 2015, for Baxter Ranches, LLC. As of the date of this report, no Continuing Disclosure Semi-Annual Reports have been provided by Baxter Ranches, LLC.**
- **On September 30, 2015, a “Notice of Termination of Reporting Requirements” was filed on behalf of Baxter Ranches, LLC after ownership of their property was transferred to the Merced HS Quarterback Club. Therefore, Baxter Ranches, LLC was not obligated to provide a Continuing Disclosure Semi-Annual Report on September 30, 2015.**
- **On October 1, 2015, a “Notice of Failure to File” was filed with the Municipal Securities Rulemaking Board in connection to the Continuing Disclosure Semi-Annual Report due on September 30, 2015, for the Merced High School Quarterback Club. On January 15, 2016, the Merced High School Quarterback Club provided a Continuing Disclosure Semi-Annual Report for the periods ending March 31, 2015 and September 30, 2015.**

- h) A description of the status of the facilities being constructed with proceeds of the Series 2006 Bonds.

- **All facilities authorized to be constructed with proceeds of the Series 2006 Bonds were completed as of August 16, 2010.**

i) Changes, if any to the rate and method of apportionment.

→ **No changes to the rate and method of apportionment took place during this past fiscal year.**

The amount of special taxes generated by the developed parcels and undeveloped parcels within Improvement Area No. 1.

Property Classification	Number of Parcels	FY 2015-16 Special Tax Levy	Percentage of Total Special Tax Levy
Developed	204	\$164,964	32.25%
Undeveloped	508	\$346,611	67.75%

j) To the extent not provided pursuant to (b) through (j) above, the annual information required to be filed with the California Debt and Investment Advisory Commission.

→ **See Appendix B.**

k) **Senate Bill 165 Reporting Requirements.** On September 18, 2000, former Governor Gray Davis signed Senate Bill 165 which enacted the Local Agency Special Tax and Bond Accountability Act. In approving the bill, the Legislature declared that local agencies need to demonstrate to voters that special taxes and bond proceeds are being spent on the facilities and services for which they were intended. To further this objective, the Legislature added Sections 50075.3 and 53411 to the California Government Code setting forth annual reporting requirements relative to special taxes collected and bonds issued by a public agency. The amount of special taxes collected and expended for the fiscal year 2014-15 special tax levy is set forth in the table on the following page:

Fiscal Year 2014-15 Revenues

Interest	\$1,114
Assessments	\$512,432
Total Revenues Collected	\$513,546

Fiscal Year 2014-15 Expenditures

Bond Interest	\$337,109
Bond Principal	\$155,000
Fiscal Agent Fees	\$2,310
Professional Services	\$7,394
Support Services	\$124
Administrative Services	\$2,387
Direct Service Charges	\$2,276
Total Expenditures	\$506,600

Beginning Fund Balance*	\$860,695
Ending Fund Balance*	\$867,641

Net Change in Fund Balance	\$6,946
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* Includes Reserve Requirement.

- 1) **Reporting of Significant Events.** Pursuant to the provisions of the Continuing Disclosure Agreement, the CFD shall give, or cause to be given, notice of the occurrence of any of the following events, if material:
1. Principal and interest payments delinquencies.
 2. Non-payment related defaults.
 3. Modifications to rights of Bondholders.
 4. Optional, contingent or unscheduled bond calls.
 5. Defeasances
 6. Rating changes.
 7. Adverse tax opinions or events adversely affecting the tax-exempt status of the bonds.
 8. Unscheduled draws on debt service reserves reflecting financial difficulties.
 9. Unscheduled draws on credit enhancements reflecting financial difficulties.
 10. Substitution of credit or liquidity providers, or their failure to perform.
 11. Release, substitution, or sale of property securing repayment of the bonds.

From July 1, 2014 through the date of this report, no significant events have been reported by the CFD.

APPENDIX A

*Audited Financial Statements
for the Fiscal Year Ending June 30, 2015
(To Come Under Separate Cover)*

THE FOLLOWING FINANCIAL STATEMENT IS PROVIDED SOLELY TO COMPLY WITH THE SECURITIES AND EXCHANGE COMMISSION STAFF'S INTERPRETATION OF RULE 15c2-12. NO FUNDS OR ASSETS OF THE CITY OF MERCED (OTHER THAN THE SPECIAL TAXES LEVIED IN THE COMMUNITY FACILITIES DISTRICT) ARE REQUIRED TO BE USED TO PAY DEBT SERVICE ON THE BONDS AND THE CITY IS NOT OBLIGATED TO ADVANCE AVAILABLE FUNDS FROM THE CITY TREASURY TO COVER ANY DELINQUENCIES. INVESTORS SHOULD NOT RELY ON THE FINANCIAL CONDITION OF THE CITY IN EVALUATING WHETHER TO BUY, HOLD OR SELL THE BONDS.

APPENDIX B

*Special Tax Delinquencies
as of September 2, 2015*

City of Merced
Improvement Area No. 1 of
Community Facilities District No. 2005-1 (Bellevue Ranch West)
Delinquencies as of September 2, 2015 /1

Assessor's Parcel Number	Amount Delinquent	Date of Earliest Delinquency	Status of Foreclosure Proceedings	Action Taken	Date Complaint Filed
230-063-017-000	\$771.00	12/10/2014	None	Reminder Letter Mailed 9/14/2015	N/A
230-110-019-000	\$325.50	4/10/2015	None	Reminder Letter Mailed 9/14/2015	N/A

Number of Parcels Delinquent:

2

Total Amount Delinquent:

\$1,096.50

/1 The fiscal year 2014-15 delinquency rate for CFD No. 2005-1 (Bellevue Ranch West) is at 0.21%. However, CFD No. 2005-1 is under the County of Merced Teeter Plan; therefore, the City of Merced received 100% of the CFD Special Tax levied at fiscal year end.

Source: Merced County Tax Collector's Office; Goodwin Consulting Group, Inc.

APPENDIX B

*California Debt and Investment Advisory Commission Report
for the Fiscal Year Ending June 30, 2015*

STATE OF CALIFORNIA

**MELLO-ROOS COMMUNITY FACILITIES DISTRICT (CFD)
YEARLY FISCAL STATUS REPORT**

Submitted:
Wednesday, October 28, 2015
4:03:51PM
CDIAC #: 2006-0358

California Debt and Investment Advisory Commission
915 Capitol Mall, Room 400, Sacramento, CA 95814
P.O. Box 942809, Sacramento, CA 94209-0001
(916) 653-3269 Fax (916) 654-7440

For Office Use Only
Fiscal Year _____

I. GENERAL INFORMATION

A. Issuer Merced CFD No 2005-1

B. Project Name Bellevue Ranch West IA No 1

C. Name/ Title/ Series of Bond Issue 2006 Special Tax Bonds

D. Date of Bond Issue 7/12/2006

E. Original Principal Amount of Bonds \$7,410,000.00

F. Reserve Fund Minimum Balance Required Yes Amount \$498,525.00 No

II. FUND BALANCE FISCAL STATUS

Balances Reported as of: 6/30/2015

A. Principal Amount of Bonds Outstanding \$6,375,000.00

B. Bond Reserve Fund \$500,695.87

C. Capitalized Interest Fund \$0.00

D. Construction Fund(s) \$0.00

III. ASSESSED VALUE OF ALL PARCELS IN CFD SUBJECT TO SPECIAL TAX

A. Assessed or Appraised Value Reported as of: 7/1/2015

From Equalized 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 \$51,923,648.00

IV. TAX COLLECTION INFORMATION

A. Total Amount of Special Taxes Due Annually \$512,431.62

B. Total Amount of Unpaid Special Taxes Annually \$1,096.50

C. Taxes are Paid Under the County's Teeter Plan? Y

V. DELINQUENT REPORTING INFORMATION

Delinquent Parcel Information Reported as of Equalized Tax Roll of: 9/2/2015

A. Total Number of Delinquent Parcels: 2

B. Total Amount of Taxes Due on Delinquent Parcels: \$1,096.50
(Do not include penalties, penalty interest, etc.)

VI. FORECLOSURE INFORMATION FOR FISCAL YEAR

(Aggregate totals, if foreclosure commenced on same date) *(Attach additional sheets if necessary.)*

Date Foreclosure Commenced	Total Number of Foreclosure Parcels	Total Amount of Tax Due on Foreclosure Parcels
		\$0.00
		\$0.00
		\$0.00
		\$0.00
		\$0.00

STATE OF CALIFORNIA

MELLO-ROOS COMMUNITY FACILITIES DISTRICT (CFD)
YEARLY FISCAL STATUS REPORT

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For Office Use Only Fiscal Year _____
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VII. ISSUE RETIRED

This issue is retired and no longer subject to the Yearly Fiscal Status report filing requirements.
(Indicate reason for retirement)

Matured Redeemed Entirely Other

If Matured, indicate final maturity date:

If Redeemed Entirely, state refunding bond title & CDIAC #:
and redemption date:

If Other:
and date:

VIII. NAME OF PARTY COMPLETING THIS FORM

Name Andrew Bavender
Title Sr Associate
Firm/ Agency Goodwin Consulting Group Inc
Address 555 UNIVERSITY AVE Suite 280
City/ State/ Zip SACRAMENTO, CA 95825
Phone Number (916) 561-0890 Date of Report 10/28/2015
E-Mail andrew@goodwinconsultinggroup.net

IX. ADDITIONAL COMMENTS: