

CITY OF SOUTH LAKE TAHOE

\$5,765,000

2012 CERTIFICATES OF PARTICIPATION (ROAD IMPROVEMENT PROJECTS)

El Dorado County, California

Dated: July 24, 2012

Base CUSIP⁺: 838661



2019 ANNUAL CONTINUING DISCLOSURE INFORMATION STATEMENT

As of May 18, 2020

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* In its role as Disclosure Consultant and Dissemination Agent, Willdan Financial Services has not passed upon the accuracy, completeness or fairness of the statements contained herein.

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I. INTRODUCTION

The City of South Lake Tahoe (the “City”) issued 2012 Certificates of Participation (Road Improvement Projects) (the “Certificates”) in the principal amount of \$5,765,000. The proceeds from the sale of the Certificates were used to finance street and other improvements within the City.

The City is located in El Dorado County (the “County”), on the South Shore of America’s largest alpine lake. The City extends about five miles west-southwest along U.S. Route 50, also known as Lake Tahoe Boulevard. The County reaches to the west within 25 miles of Sacramento, California. 150 miles west of the County is San Francisco, while 400 miles south is Los Angeles. Placerville is located 44 miles east of Sacramento. The City, sixty miles east of Placerville, is the hub of the Tahoe recreation area.

The Certificates represent a direct, undivided fractional interest of the Owners thereof in the Lease Payments (which include principal and interest components) to be made by the City for the right to the use of certain real property and improvements thereon (the “Leased Property”) within the City pursuant to that certain Lease Agreement, dated as of July 1, 2012 (the “Lease Agreement”). The City has covenanted in the Lease Agreement to make the Lease Payments for the Leased Property as provided for therein, to include all such Lease Payments in each of its budgets and to make the necessary annual appropriations for all such Lease Payments. However, the Certificates and the obligation of the City to make Lease Payments do not constitute an obligation for which the City is obligated to levy or pledge any form of taxation. Neither the Certificates nor the obligation of the City to make Lease Payments constitutes an indebtedness of the City, the State of California or any political subdivision thereof within the meaning of any constitutional or statutory debt limit or restriction.

This Annual Continuing Disclosure Information Statement (the “Report”) is being provided pursuant to a covenant made by the City for the benefit of the holders of the Certificates and includes the information specified in a Continuing Disclosure Certificate. For further information and a more complete description of the City and the Certificates, reference is made to the Official Statement dated July 12, 2012.

The information set forth herein has been furnished by the City and by other sources, which is believed to be accurate and reliable, but is not guaranteed as to accuracy or completeness. Statements contained in this Report that involve estimates, forecasts, or other matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. Further, the information and expressions of opinion contained herein are subject to change without notice and the delivery of this Report will not, under any circumstances, create any implication that there has been no change in the affairs of the City or any other parties described herein.

THIS REPORT IS OF A FACTUAL NATURE WITHOUT SUBJECTIVE ASSUMPTIONS, OPINIONS, OR VIEWS AND MAY NOT BE RELIED UPON AS ADVICE OR RECOMMENDATION TO PURCHASE OR SELL ANY PRODUCT OR UTILIZE ANY PARTICULAR STRATEGY RELATING TO THE ISSUANCE OF MUNICIPAL SECURITIES OR PURCHASE OF FINANCIAL PRODUCTS. IN PROVIDING THIS REPORT, WILLDAN FINANCIAL SERVICES AND ITS EMPLOYEES (COLLECTIVELY "WILLDAN") DO NOT RECOMMEND ANY ACTIONS AND ARE NOT ACTING AS AN ADVISOR TO ANY MUNICIPAL ENTITY, BOARD, OFFICER, AGENT, EMPLOYEE OR OBLIGATED PERSON PURSUANT TO SECTION 15B OF THE EXCHANGE ACT UNLESS SPECIFICALLY AGREED TO IN A SEPARATE WRITING WITH THE RECIPIENT. PRIOR TO ACTING ON ANY INFORMATION OR MATERIAL CONTAINED IN THIS REPORT, YOU SHOULD DISCUSS IT WITH APPROPRIATE INTERNAL OR EXTERNAL ADVISORS AND EXPERTS AND ONLY RELY UPON THEIR ADVICE.

II. REFERENCE TO PREVIOUSLY FILED INFORMATION

For historical information, reference is made to the Reports previously filed on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website ("EMMA").

III. CERTIFICATE INFORMATION

A. PRINCIPAL OUTSTANDING

Certificate Issue	As of March 31, 2020
2012 COP (Road Improvement Projects)	\$5,000,000

B. FUND INFORMATION

Fund	As of March 31, 2020
Reserve Balance	\$335,202
Reserve Requirement	\$334,925

IV. FINANCIAL INFORMATION

A. AUDITED FINANCIAL STATEMENTS

The audited financial statements for the City for the fiscal year ended September 30, 2019 have been separately filed on EMMA and are hereby incorporated by reference into this Report.

B. GENERAL FUND BALANCE SHEET

	Fiscal Year				
	2014/15	2015/16	2016/17	2017/18	2018/19
Assets					
Cash and Investments	\$13,573,914	\$18,750,885	\$20,514,502	\$22,009,349	\$17,636,497
Accounts Receivable – net	2,378,260	2,393,298	2,814,708	3,014,449	3,683,783
Interest Receivable	15,871	19,243	52,718	104,709	310,118
Due from Other Funds	374,795	215,943	214,821	358,371	288,753
Prepaid Items	91,896	126,093	144,703	184,911	121,406
Inventory	336,772	251,178	207,025	234,078	211,010
Land Held for Resale	800,000	800,000	800,000	3,957,647	1,000,000
Advances to RDA Successor Agency	4,638,627	4,638,627	4,638,627	4,638,627	4,638,627
Total Assets	\$22,210,135	\$27,195,267	\$29,387,104	\$34,502,141	\$27,890,194
Liabilities					
Accounts Payable	\$842,532	\$955,372	\$698,002	\$860,603	\$968,762
Accrued Expenditures	1,948,880	1,775,842	1,046,001	899,191	548,453
Deposits	499,851	793,870	1,068,379	1,344,297	1,403,299
Due to Developers	250,592	270,392	460,509	261,620	148,399
Unearned Revenue	92,860	46,890	0	0	0
Total Liabilities	\$3,634,715	\$3,842,366	\$3,272,891	\$3,365,711	\$3,068,913
Fund Balances					
Nonspendable	\$5,867,295	\$5,815,898	\$5,790,355	\$9,015,263	\$5,971,043
Restricted	750,000	750,000	0	0	750,000
Assigned	129,569	476,210	305,689	199,173	607,125
Unassigned	11,828,556	16,310,793	20,018,169	21,921,994	17,493,113
Total Fund Balances	\$18,575,420	\$23,352,901	\$26,114,213	\$31,136,430	\$24,821,281
Total Liabilities and Fund Balances	\$22,210,135	\$27,195,267	\$29,387,104	\$34,502,141	\$27,890,194

C. GENERAL FUND REVENUES, EXPENDITURES AND BALANCES

The following table sets forth the City's General Operating Fund Revenues and Expenditures for the last five fiscal years.

	Fiscal Year				
	2014/15	2015/16	2016/17	2017/18	2018/19
Revenues					
Taxes and Assessments	\$28,007,656	\$32,363,006	\$34,029,206	\$36,288,798	\$37,011,629
Licenses, Permits and Impact Fees	1,447,553	1,575,213	1,607,311	1,718,645	1,786,359
Fines and Penalties	124,706	109,270	31,295	130,204	85,963
Use of Money and Property	336,716	285,753	359,202	542,840	777,230
Intergovernmental Revenue	2,437,425	2,304,195	2,178,724	2,355,954	2,475,758
Charges for Current Services	4,418,685	4,104,940	4,009,334	4,130,233	3,850,649
Other Revenue	246,949	378,324	234,278	285,999	1,609,464
Loss on Investment in Land Held for Resale	0	0	0	(2,157,647)	0
Total Revenues	\$37,019,690	\$41,120,701	\$42,449,350	\$43,295,026	\$47,597,052
Expenditures					
Current:					
General Government	\$5,452,758	\$6,176,652	\$6,967,874	\$10,910,495	\$9,335,325
Public Safety	11,904,737	12,879,028	14,042,563	15,571,856	18,199,843
Public Works	4,428,515	5,586,247	5,523,717	5,675,760	6,339,496
Parks and Recreation	2,127,678	1,625,167	1,780,597	1,751,749	1,913,163
Capital Outlay	224,465	199,894	354,224	236,414	75,475
Debt Service:					
Principal	35,252	21,772	47,300	0	0
Interest and Fiscal Charges	1,718	678	74	0	0
Total Expenditures	\$24,175,123	\$26,489,438	\$28,716,349	\$34,146,274	\$35,863,302
Excess (Deficiency) of Revenues over Expenditures	\$12,844,567	\$14,631,263	\$13,733,001	\$9,148,752	\$11,733,750
Other Financing Sources (Uses)					
Proceeds from Sale of Property	\$1,926	\$274,405	\$300,000	\$0	\$0
Transfers In	361,989	428,987	405,064	343,493	94,070
Transfers Out	(8,431,001)	(12,573,343)	(9,415,848)	(9,820,181)	(17,815,033)
Total Other Financing Sources (Uses)	(\$8,067,086)	(\$11,869,951)	(\$8,710,784)	(\$9,476,688)	(\$17,720,963)
Net Change in Fund Balances	\$4,777,481	\$2,761,312	\$5,022,217	(\$327,936)	(\$5,987,213)
Beginning Fund Balances	\$18,575,420	\$23,352,901	\$26,114,213	\$31,136,430	\$30,808,494
Ending Fund Balances	\$23,352,901	\$26,114,213	\$31,136,430	\$30,808,494	\$24,821,281

V. OPERATING INFORMATION

A. GENERAL FUND REVENUES BY TYPE

The following table sets forth the City's General Fund Revenues by Type.

	Fiscal Year Ended September 30,				
	2016	2017	2018	2019	2020 ⁽¹⁾
Property Tax ⁽²⁾	\$6,913,751	\$7,285,775	\$7,765,569	\$8,113,063	\$8,104,000
Transient Occupancy Tax ⁽³⁾	9,861,388	10,495,478	11,024,055	11,099,128	11,506,783
Sales Tax Revenue	5,269,471	5,205,933	5,695,794	5,671,451	5,413,000
Measure Q	2,526,452	2,758,339	3,130,878	3,151,668	2,850,000
Vehicle License Fees	1,829,621	1,912,392	2,038,137	2,176,433	2,180,000
Franchise Fees	1,437,379	1,472,670	1,553,605	1,589,655	1,400,000
Business License Fees	1,344,513	1,432,783	1,494,146	1,737,109	1,606,600
Parks and Recreation ⁽⁴⁾	1,086,204	1,339,760	1,373,381	1,237,441	1,375,900
Public Safety ⁽⁴⁾	1,630,945	1,337,277	1,452,592	2,753,784	2,053,419
Public Services ⁽⁴⁾	2,407,746	2,202,392	2,214,280	2,224,587	1,963,965
Transfers In ⁽⁵⁾	203,064	220,305	172,419	48,826	536,293
All Other Revenue	7,313,559	7,816,275	5,978,298	8,329,396	7,872,136
Total Revenues	\$41,824,093	\$43,479,379	\$43,893,154	\$48,132,541	\$46,862,096

(1) Budgeted.

(2) Does not include property tax attributable to property in the redevelopment area.

(3) Does not include Transient Occupancy Tax ("TOT") attributable to property in the redevelopment area; due to the statewide dissolution of redevelopment agencies, in the future such TOT will become general fund moneys. Does not include VHR audits.

(4) Includes transfers-in to these departments.

(5) Transfers In represents residual amounts not included in any of the following categories: Parks and Recreation, Public Safety, or Public Services.

B. ASSESSED VALUATION

The following table sets forth the total assessed valuations for the City.

Fiscal Year	Secured Value	Utility Value	Unsecured Value	Total Assessed Valuation	Percentage Change
2015/16	\$4,012,840,871	\$0	\$90,397,095	\$4,103,237,966	4.66%
2016/17	4,195,441,787	0	91,432,001	4,286,873,788	4.48%
2017/18	4,466,533,482	0	94,195,752	4,560,729,234	6.39%
2018/19	4,768,126,346	0	114,917,413	4,883,043,759	7.07%
2019/20	4,993,100,046	0	116,098,828	5,109,198,874	4.63%

Source: California Municipal Statistics, Inc.

C. SECURED TAX CHARGES AND DELINQUENCIES

The following table illustrates historical property tax delinquencies within the City.

Fiscal Year	Secured Tax Levy ⁽¹⁾	Amount Delinquent June 30	Percent Delinquent June 30
2013/14	\$39,561,819	\$979,736	2.48%
2014/15	40,321,679	691,350	1.71%
2015/16	43,908,455	606,575	1.38%
2016/17	45,689,821	627,323	1.37%
2017/18	47,698,530	696,975	1.46%
2018/19 ⁽²⁾	387,940,232	5,388,387	1.39%

(1) All secured ad-valorem taxes collected by the County for the property located within the City except for El Dorado Irrigation District ad-valorem tax for land only property.

(2) El Dorado County can no longer provide the Tax Delinquency Report needed for this table. 2018/19 data is the County-wide delinquency rate.

Source: California Municipal Statistics, Inc.

D. OUTSTANDING LONG-TERM DEBT

September 30, 2019 and 2018

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenue Bonds	\$8,983,435	\$10,134,841	\$6,615,000	\$6,855,000	\$15,598,435	\$16,989,841
Pension Bonds	10,105,000	11,030,000	0	0	10,105,000	11,030,000
COPs	5,000,000	5,135,000	0	0	5,000,000	5,135,000
Loans payable	411,776	596,600	72,629	80,007	484,405	676,607
Capital lease obligations	2,298,139	4,234,515	0	0	2,298,139	4,234,515
Totals	\$26,798,350	\$31,130,956	\$6,687,629	\$6,935,007	\$33,485,979	\$38,065,963

Note: Additional information on the City's long-term debt can be found in **Note 7** of the City's Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2019.

E. PENSION PLANS

Substantially all full-time City employees are eligible to participate in pension plans offered by California Public Employees Retirement System (“CalPERS”). The City’s employees participate in the separate Safety (police and fire) and Miscellaneous (all other) Employee Plans. CalPERS operates an agent multiple employer defined benefit pension plan for the City’s miscellaneous plans and operates a cost sharing multiple employer defined benefit plan for the City’s safety plans.

As of September 30, 2019, the City reported total net pension liability, deferred outflows of resources and deferred inflows of resources for both Miscellaneous and Safety Plans as follows:

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Miscellaneous Plan	\$35,613,750	\$3,392,995	\$375,499	\$5,247,122
Safety Plan	40,016,396	7,346,394	4,331,016	1,789,774
Totals	\$75,630,146	\$10,739,389	\$4,706,515	\$7,036,896

For more information on the City’s Pension Plans, reference is made to **Note 10** of the City’s Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2019.

Miscellaneous Plan

Total contributions made by the City to the Miscellaneous Plan during fiscal year 2018/19 were \$3,016,430. For the measurement period ended June 30, 2018, the City recognized pension expense of \$5,247,122.

The following table sets forth the schedule of funding for the Miscellaneous Plan.

**Schedule of Changes in Net Pension Liability and Related Ratios During the Measurement Period –
Miscellaneous Plan – Last 10 Years ***

	2015	2016	2017	2018	2019
Total pension liability					
Service cost	\$1,289,914	\$1,298,374	\$1,640,573	\$1,634,361	\$1,565,769
Interest on total pension liability	5,921,706	6,167,070	6,290,481	6,501,556	6,791,789
Changes of assumptions	(1,373,535)	0	4,933,223	(541,838)	0
Difference between expected and actual experience	(675,672)	613,254	(436,341)	473,296	1,287,266
Benefit payments, including refunds of employee contributions	(4,441,507)	(4,801,972)	(4,737,930)	(5,076,733)	(5,582,622)
Net change in total pension liability	\$720,906	\$3,276,726	\$7,690,006	\$2,990,642	\$4,062,202
Total pension liability - beginning	81,032,930	81,753,836	85,030,562	92,720,568	95,711,210
Total pension liability - ending (a)	\$81,753,836	\$85,030,562	\$92,720,568	\$95,711,210	\$99,773,412
Plan fiduciary net position					
Contributions - employer	\$1,964,036	\$2,330,646	\$2,660,201	\$2,690,016	\$3,025,533
Contributions - employee	538,590	579,366	637,329	639,930	744,445
Net investment income	1,263,648	267,823	6,053,996	4,945,510	3,998,103
Plan to plan resource movements	0	13,996	0	(235)	0
Benefit payments, including refunds of employee contributions	(4,441,507)	(4,801,972)	(4,737,930)	(5,076,733)	(5,582,622)
Administrative expense	(63,276)	(34,250)	(80,545)	(92,073)	(44,258)
Other miscellaneous income/expense	0	0	0	(174,849)	144
Net change in fiduciary net position	(\$738,509)	(\$1,644,391)	\$4,533,051	\$2,931,566	\$2,141,345
Plan fiduciary net position - beginning	56,936,600	56,198,091	54,553,700	59,086,751	62,018,317
Plan fiduciary net position - ending (b)	\$56,198,091	\$54,553,700	\$59,086,751	\$62,018,317	\$64,159,662
Net pension liability - ending (a) - (b)	\$25,555,745	\$30,476,862	\$33,633,817	\$33,692,893	\$35,613,750
Plan fiduciary net position as a percentage of the total pension liability	68.74%	64.16%	63.73%	64.80%	64.31%
Covered payroll	\$6,923,639	\$7,567,926	\$8,459,217	\$8,387,476	\$9,235,423
Net pension liability as a percentage of covered payroll	369.11%	402.71%	397.60%	401.70%	385.62%
Measurement date	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019

Notes to Schedule:

Changes in assumptions: In 2015, the discount rate was changed from 7.50% to 7.65%. In 2017, the discount rate was changed from 7.65% to 7.15%. In 2018, the demographic assumptions, and inflation rate changed from 2.75% to 2.5%.

* Fiscal year 2014/15 was the first year of implementation, therefore only five years are shown.

**Schedule of Contributions –
Miscellaneous Plan – Last 10 Years ***

	2015	2016	2017	2018	2019
Actuarially determined contributions	\$2,039,415	\$2,424,596	\$2,672,952	\$2,688,342	\$3,016,430
Contributions in relation to the actuarially determined contribution	(2,039,415)	(2,424,596)	(2,672,952)	(2,688,342)	(3,016,430)
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0
Covered payroll	\$7,025,581	\$7,818,112	\$8,280,014	\$8,467,344	\$9,411,567
Contributions as a percentage of covered payroll	29.03%	31.01%	32.28%	31.75%	32.05%

* Fiscal year 2014/15 was the first year of implementation, therefore only five years are shown.

Safety Plan

Total contributions made by the City to the Safety Plan during fiscal year 2018/19 were \$2,937,395. For the year ended September 30, 2019, the City recognized pension expense of \$1,789,774.

The following table sets forth the schedule of funding for the Safety Plan.

**Schedule of the City's Proportionate Share of the Net Pension Liability –
Safety Cost Sharing Plan – Last 10 Years ***

	2015	2016	2017	2018	2019
City's proportion of the net pension liability	0.3640%	0.3761%	0.3764%	0.3935%	0.6200%
City's proportionate share of the net pension liability	\$24,987,173	\$32,546,803	\$37,323,632	\$37,917,732	\$40,016,396
City's covered payroll	\$6,149,004	\$6,144,036	\$6,460,385	\$6,572,142	\$6,759,736
City's proportionate share of the net pension liability as a percentage of covered payroll	406.36%	529.73%	577.73%	576.95%	591.98%
Plan fiduciary net position as a percentage of the total pension liability	78.40%	74.06%	73.31%	75.26%	72.47%
Measurement Date	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019

Notes to Schedule:

Changes in assumptions: In 2015, the discount rate was changed from 7.50% to 7.65%. In 2017, the discount rate was changed from 7.65% to 7.15%. In 2018, the demographic assumptions, and inflation rate changed from 2.75% to 2.5%.

* Fiscal year 2014/15 was the first year of implementation, therefore only five years are shown.

**Schedule of Contributions –
Miscellaneous Plan – Last 10 Years ***

	2015	2016	2017	2018	2019
Actuarially determined contributions	\$1,692,799	\$1,978,077	\$2,405,473	\$2,762,331	\$2,937,395
Contributions in relation to the actuarially determined contribution	(13,140,470)	(1,978,077)	(2,405,473)	(2,762,331)	(2,937,395)
Contribution deficiency (excess)	(\$11,447,671)	\$0	\$0	\$0	\$0
Covered payroll	\$6,110,069	\$6,170,675	\$6,308,623	\$6,615,298	\$7,007,680
Contributions as a percentage of covered payroll	(215.06%)	(32.06%)	(38.13%)	(41.76%)	(41.92%)

* Fiscal year 2014/15 was the first year of implementation, therefore only five years are shown.

F. CITY EMPLOYEES

As of September 30, 2019, the City employed approximately 199 full-time equivalent budgeted employees. There are six employee bargaining unions as shown below. In addition, the City employs approximately 15 management employees who are not represented by a union or other collective bargaining agent. The City has not experienced any work stoppages or strikes by its employees.

<u>Labor Organization</u>	<u>Employees</u>	<u>Contract Expiration Date</u>
Police Employee Unit	22	December 31, 2020
Police Officers Association	31	December 31, 2020
Police Supervisors Committee	13	December 31, 2020
Admin & Confidential Employees	18	December 31, 2020
Stationary Engineers, Local 39	66	December 31, 2020
Firemen's Association	27	December 31, 2020

G. TEETER PLAN

The County assesses properties and bills, collects, and distributes property taxes to the City. The City participates in the County “Teeter Plan” method of property tax distribution. Under the Teeter Plan, the County remits the entire amount levied and handles all delinquencies, retaining interest and penalties. Secured and unsecured property taxes are levied on January 1 of the preceding fiscal year.

Secured property tax is due in two installments, on November 1 and March 1, and becomes a lien on those dates. It becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on July 1 and becomes delinquent on August 31.

The term “unsecured” refers to taxes on personal property other than real estate, land and buildings. These taxes are secured by liens on the property being taxed. Property tax revenues are recognized by the City in the fiscal year they are assessed, provided they become available as defined above.

VI. SUBSEQUENT EVENTS

The outbreak of COVID-19 has been characterized as a pandemic by the World Health Organization and is currently affecting many parts of the world, including the State of California and local governmental agencies within the State. As of the date of this Report, the City believes it will continue to be able to make debt service payments on the Certificates.

VII. OCCURRENCE OF LISTED EVENTS

The Continuing Disclosure Covenants outline the Occurrence of Listed Events that must be reported in not more than ten (10) business days after the occurrence of the event, **irrespective of any determination as to whether such event may or may not be deemed material**. The City has no knowledge that any of the events listed below have occurred that have not been previously reported during the fiscal year ended September 30, 2019.

1. Principal and interest payment delinquencies on the Certificates.
2. Unscheduled draws on debt service reserves reflecting financial difficulties.
3. Unscheduled draws on credit enhancements reflecting financial difficulties.
4. Substitution of credit or liquidity providers, or their failure to perform.
5. Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Certificates.
6. Defeasances.
7. Tender offers.
8. Bankruptcy, insolvency, receivership or similar proceedings pertaining to the City.
9. Ratings changes.

The Continuing Disclosure Covenants outline the Occurrence of Listed Events that must be reported in not more than ten (10) business days after the occurrence of the event, **if deemed material**. The City has no knowledge that any of the events listed below have occurred that have not been previously reported during the fiscal year ended September 30, 2019.

10. Mergers, consolidations, acquisitions, the sale of all or substantially all of the assets of the City or the dissolution of the City.
11. Appointment of a successor or additional Trustee or the change of the name of the Trustee or any successor or additional Trustee.
12. Non-payment related defaults.
13. Modifications to the rights of Holders.
14. Optional, contingent or unscheduled certificate calls, prepayment or redemptions other than defeasances.
15. Release, substitution or sale of property securing repayment of the Certificates.