



Disclosure and Financial Consulting

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ANNUAL REPORT

For Fiscal Year 2018-19

**South Tahoe Joint Powers Financing Authority
Refunding Lease Revenue Bonds
2016 Series A**

City of South Lake Tahoe

May 2020

Introduction

In July 2016, the South Tahoe Joint Public Financing Authority (Authority) issued its 2016 Refunding Lease Revenue Bonds, Series A (Bonds) in the amount of \$10,055,000. As part of the issuance of the Bonds, the City executed a Continuing Disclosure Certificate. The Disclosure Certificate was executed and delivered by the City for the benefit of the holders and beneficial owners of the bonds and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

The Disclosure Certificate requires the City to file an Annual Report with the MSRB on the EMMA web-site no later than nine months after the close of the fiscal year. The Annual Report must therefore be filed by July 1 of each year.

The Annual Report needs to contain or incorporate by reference the following financial information or operating data on the City:

- (i) Principle amount of Bonds outstanding.
- (ii) Balance in each fund under the Indenture as of August 2 of the preceding filing of the Annual Report.
- (iii) General Fund statement of revenues and expenditures and Balance Sheet for the most recent fiscal year in substantially the form of Table 1 and Table 2 of the Official Statement.
- (iv) General Fund budgeted revenues, sources and uses of funds in substantially the form of Table 3 from the Official Statement.
- (v) General Fund revenues by source in substantially the form of Table 4.
- (vi) Assessed valuation of property in the City in substantially the form of Table 5.
- (vii) The current property tax levies and collection in substantially the form of Table 7.
- (viii) Principle secured taxpayers in substantially the form of Table 8.
- (ix) Actual Transient Occupancy Tax (TOT) Revenues received in the most recently ended fiscal year, in substantially the form of Table 9.
- (x) Top Ten Transient Occupancy Tax generators, in substantially the form of Table 10.
- (xi) Sales and use tax rates in substantially the form of Table 12.
- (xii) Updated descriptions of outstanding general fund debt and lease obligations, with ratio to current assessed value.

The Annual Report must also contain the Audited Financial Statements of the City prepared in accordance with generally accepted accounting principles.

Subsequent Events

Since the City completed its 2018-19 fiscal year, 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 Bonds.

Financial and Operating Data

The principle amount of Bonds outstanding as of September 30, 2019 (the end of the City’s fiscal year) was \$8,105,000. The Revenue Fund held by the fiscal agent had a zero cash balance as of August 31, 2019.

Tables 1 through 3 attached shows the financial and operating data required to be disclosed for items iii, iv and v. The balance of the information can be found in the City’s CAFR on the following pages, on Tables 1 through 3, or in the Official Statement for the 2016 Bonds.

Annual Report Requirement	CAFR Location
vi. Assessed Value	Page 157
vii. Current property tax levies / collections	Page 161
viii. Secured taxpayers	Page 159
ix. Actual TOT	Table 3
x. Top TOT Generators	Page 160
xi. Sales and Use tax rates	Official Statement page 35

The following shows the outstanding General Fund debt and lease obligations and the current ratio to assessed value as of September 30, 2019.

General Fund Debt	
	Balance - 9/30/19
Certificates of Participation	\$5,000,000
Lease Revenue Bonds	8,105,000
Pension Obligation Bonds	10,105,000
2014 Lease for Road Improvements	1,643,000
State Revolving Loans	35,269
Total	24,888,269
Assessed Value - 2018-19	4,858,297,000
Ratio	0.51%

Table 1
City of South Lake Tahoe

**GENERAL FUND REVENUE AND EXPENDITURE
BY SOURCE AND USE**

	FY 2014-15 Actual	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Actual
Revenues					
Taxes and Assessments	28,007,656	32,363,006	34,029,206	36,288,798	37,011,629
Licenses and permits	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 revenues	246,949	378,324	234,278	285,999	1,609,464
Loss on 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					
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
Debt Service - 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
Other Financing Sources (Uses)					
Proceeds from Sale of Property	1,926	274,405	300,000	0	0
Transfer In	361,989	428,987	405,064	343,493	94,070
Transfer out	(8,431,001)	(12,573,343)	(9,415,848)	(9,820,181)	(17,815,033)
RDA Asset Transfer	0	0	0	0	0
Total Other Financing Sources	(8,067,086)	(11,869,951)	(8,710,784)	(9,476,688)	(17,720,963)
Net Change in Fund Balance	4,777,481	2,761,312	5,022,217	(327,936)	(5,987,213)
Beginning Fund Balance	18,575,420	23,352,901	26,114,213	31,136,430	30,808,494
Ending Fund Balance	23,352,901	26,114,213	31,136,430	30,808,494	24,821,281

Source: City of South Lake Tahoe Comprehensive Annual Financial Report

Table 2
City of South Lake Tahoe

GENERAL FUND BALANCE SHEET

	FY 2018-19 Actual
Assets	
Cash and Investments	\$17,636,497
Restricted cash and investments	0
Accounts Receivable	3,683,783
Interest Receivable	310,118
Due from other funds	288,753
Prepaid Items	121,406
Inventory	211,010
Land Held for resale	1,000,000
Loans Receivable	0
Advances to other Funds	0
Advances to RDA Successor Agency	4,638,627
Total Assets	27,890,194
Liabilities	
Accounts Payable	968,762
Accrued expenditures	548,453
Due to other funds	0
Deposits	1,403,299
Due to Developers	148,399
Advance from other funds	0
Total Liabilities	3,068,913
Fund Balances	
Nonspendable	5,971,043
Restricted	750,000
Committed	0
Assigned	607,125
Unassigned	17,493,113
Total Fund Balance	24,821,281
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>27,890,194</u>

Source: City of South Lake Tahoe Comprehensive Annual Financial Report

Table 3
City of South Lake Tahoe

**GENERAL FUND BUDGET
FISCAL YEARS 2018-19 AND 2019-20 (1)**

	FY 2018-19 Budget	FY 2018-19 Actual	FY 2019-20 Budget
Revenues			
Property Tax	\$8,017,000	\$8,113,063	\$8,300,500
Transient Occupancy Tax	11,087,386	11,099,128	9,864,648
Sales Tax Revenue	5,363,000	5,671,451	4,850,975
Measure Q	2,720,000	2,908,031	2,612,025
Vehicle License Fee	2,180,000	2,176,432	2,266,000
Franchise Fees	1,475,000	1,589,655	1,475,000
Business License Fees	1,476,000	1,737,108	1,606,600
Parks and Recreation	1,155,900	1,237,441	1,375,900
Public Safety	1,572,175	2,753,784	2,212,046
Public Services	1,828,794	2,224,587	2,008,965
All Other revenues	7,890,218	8,573,037	7,115,471
Total Revenues	44,765,473	48,083,717	43,688,130
Expenditures			
General administration	3,151,725	2,616,843	3,123,518
Finance	2,620,521	2,147,449	2,719,033
Miscellaneous General Fund	3,093,174	4,585,688	3,454,748
Police	10,394,679	11,048,463	11,319,333
Fire	6,820,748	7,408,609	8,165,820
Public works	5,362,988	5,205,402	5,625,607
Development Services	1,937,059	1,804,691	2,020,956
Recreation	1,706,880	1,572,824	1,710,524
Total Expenditures	35,087,774	36,389,969	38,139,539
Revenues Over (Under) expenditures/ Net Change in Fund Balance	9,677,699	11,693,748	5,548,591
Other Financing Sources (Uses)			
Operating Transfers In	48,825	48,824	257,716
Operating Transfers Out	(16,605,719)	(17,665,032)	(6,003,656)
Total Other Financing Sources	(16,556,894)	(17,616,208)	(5,745,940)
Fund Balance at Beginning Of Fiscal Year	25,723,196	30,808,494	24,886,034
Fund Balance - End of Fiscal Year	18,844,001	24,886,034	24,688,685

(1) This presentation excludes certain minor funds consolidated with the General Fund in Table 1, which results in minor differences between the two tables.

Source: City of South Lake Tahoe