



**Disclosure and Financial Consulting**

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**ANNUAL REPORT**

*For Fiscal Year 2020-21*

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

*City of South Lake Tahoe*

May 2022

## **Introduction**

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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.

The spread of the COVID-19 coronavirus pandemic has impacted governments, businesses and people in a manner that has had negative effects on global, national and local economies. The pandemic has been mitigated by the distribution of several different vaccines. The City did see a drop in some of its revenue streams during 2019-20,

especially TOT revenues which are dependent on tourism. In 2020-21 TOT revenues saw a substantial increase.

### **Financial and Operating Data**

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The principal amount of Bonds outstanding as of September 30, 2021 (the end of the City's fiscal year) was \$5,990,000. The Revenue Fund held by the fiscal agent had a zero cash balance as of August 31, 2021.

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 Annual Comprehensive Financial Report (Financial Report) on the following pages, on Tables 1 through 3, or in the Official Statement for the 2016 Bonds.

<b>Annual Report Requirement</b>	<b>Financial Report Location</b>
vi. Assessed Value	Page 174
vii. Current property tax levies / collections	Page 178
viii. Secured taxpayers	Page 176
ix. Actual TOT	Table 3
x. Top TOT Generators	Page 177
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, 2021.

<b>General Fund Debt</b>	
	Balance - 9/30/21
Certificates of Participation	\$4,710,000
Pension Obligation Bonds	8,070,000
2014 Lease for Road Improvements	1,380,000
State Revolving Loans	288,893
<b>Total</b>	<b>14,448,893</b>
Assessed Value - 2020-21	5,370,157,000
Ratio	0.27%

Table 1  
City of South Lake Tahoe

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

	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Actual
<b>Revenues</b>					
Taxes and Assessments	34,029,206	36,288,798	37,011,629	33,662,711	42,597,200
Licenses and permits	1,607,311	1,718,645	1,786,359	1,728,392	1,763,093
Fines and penalties	31,295	130,204	85,963	78,433	96,556
Use of money and property	359,202	542,840	777,230	442,873	105,111
Intergovernmental revenue	2,178,724	2,355,954	2,475,758	3,385,405	3,393,370
Charges for current services	4,009,334	4,130,233	3,850,649	3,852,064	3,281,080
Other revenues	234,278	285,999	1,609,464	404,246	658,085
Loss on land held for resale	0	(2,157,647)	0	0	0
<b>Total Revenues</b>	<b>42,449,350</b>	<b>43,295,026</b>	<b>47,597,052</b>	<b>43,554,124</b>	<b>51,894,495</b>
<b>Expenditures</b>					
General government	6,967,874	10,910,495	9,335,325	9,428,305	9,753,308
Public safety	14,042,563	15,571,856	18,199,843	18,315,577	19,921,546
Public works	5,523,717	5,675,760	6,339,496	6,294,092	5,850,205
Parks and recreation	1,780,597	1,751,749	1,913,163	1,531,608	1,438,655
Capital Outlay	354,224	236,414	75,475	702,997	231,032
Debt Service - Principal	47,300	0	0	0	0
Debt Service - Interest and fiscal charges	74	0	0	0	0
<b>Total Expenditures</b>	<b>28,716,349</b>	<b>34,146,274</b>	<b>35,863,302</b>	<b>36,272,579</b>	<b>37,194,746</b>
<b>Other Financing Sources (Uses)</b>					
Proceeds from Sale of Property	300,000	0	0	0	0
Transfer In	405,064	343,493	94,070	2,875,293	372,846
Transfer out	(9,415,848)	(9,820,181)	(17,815,033)	(6,554,584)	(10,859,767)
Proceeds from Sale of Capital Assets	0	0	0	0	41
<b>Total Other Financing Sources</b>	<b>(8,710,784)</b>	<b>(9,476,688)</b>	<b>(17,720,963)</b>	<b>(3,679,291)</b>	<b>(10,486,880)</b>
Net Change in Fund Balance	5,022,217	(327,936)	(5,987,213)	3,602,254	4,212,869
Beginning Fund Balance	26,114,213	31,136,430	30,808,494	24,821,281	28,423,535
<b>Ending Fund Balance</b>	<b>31,136,430</b>	<b>30,808,494</b>	<b>24,821,281</b>	<b>28,423,535</b>	<b>32,636,404</b>

Source: City of South Lake Tahoe Annual Comprehensive Financial Report

Table 2  
City of South Lake Tahoe

**GENERAL FUND BALANCE SHEET**

	FY 2020-21 Actual
<b>Assets</b>	
Cash and Investments	\$25,657,208
Restricted cash and investments	0
Accounts Receivable	3,732,545
Interest Receivable	42,555
Due from other funds	481,513
Prepaid Items	114,910
Inventory	238,298
Land Held for resale	1,225,000
Loans Receivable	382,361
Advances to other Funds	0
Advances to RDA Successor Agency	4,638,627
<b>Total Assets</b>	<b>36,513,017</b>
<b>Liabilities</b>	
Accounts Payable	1,334,556
Accrued expenditures	253,890
Due to other funds	0
Deposits	1,733,268
Due to Developers	465,255
Unearned Revenue	89,644
Advance from other funds	0
<b>Total Liabilities</b>	<b>3,876,613</b>
<b>Fund Balances</b>	
Nonspendable	6,216,835
Restricted	750,000
Committed	0
Assigned	788,610
Unassigned	24,880,959
Total Fund Balance	32,636,404
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>36,513,017</u>

Source: City of South Lake Tahoe Annual Comprehensive Financial Report

Table 3  
City of South Lake Tahoe

**GENERAL FUND BUDGET  
FISCAL YEARS 2020-21 AND 2021-22 (1)**

	FY 2020-21 Budget	FY 2020-21 Actual	FY 2021-22 Budget
<b>Revenues</b>			
Property Tax	\$8,877,425	\$9,135,477	\$9,175,180
Transient Occupancy Tax	7,778,401	11,166,043	10,227,113
Sales Tax Revenue	5,232,000	7,152,233	6,300,650
Measure Q	2,598,000	3,695,854	3,192,325
Vehicle License Fee	2,280,000	2,409,143	2,285,000
Franchise Fees	1,475,000	1,627,041	1,540,000
Business License Fees	1,406,600	1,756,995	1,690,050
Parks and Recreation	925,900	272,917	1,155,400
Public Safety	2,338,469	3,028,605	2,368,909
Public Services	1,681,803	2,331,402	1,946,303
All Other revenues	5,634,474	7,028,615	7,947,942
<b>Total Revenues</b>	<b>40,228,072</b>	<b>49,604,325</b>	<b>47,828,872</b>
<b>Expenditures</b>			
General administration	4,239,499	3,175,673	4,650,013
Finance	1,559,818	2,451,365	2,535,290
Miscellaneous General Fund	4,861,085	4,235,919	5,936,163
Police	11,956,910	11,181,833	13,058,507
Fire	8,695,276	9,179,635	9,659,528
Public works	5,337,242	4,426,216	3,960,353
Development Services	2,004,411	1,607,577	2,176,898
Recreation	1,539,405	1,551,953	3,282,639
<b>Total Expenditures</b>	<b>40,193,646</b>	<b>37,810,171</b>	<b>45,259,391</b>
Revenues Over (Under) expenditures/ Net Change in Fund Balance	34,426	11,794,154	2,569,481
<b>Other Financing Sources (Uses)</b>			
Operating Transfers In	528,519	546,917	1,337,387
Operating Transfers Out	(8,837,038)	(8,933,558)	(10,748,761)
<b>Total Other Financing Sources</b>	<b>(8,308,519)</b>	<b>(8,386,641)</b>	<b>(9,411,374)</b>
Fund Balance at Beginning Of Fiscal Year	27,983,947	28,056,489	31,464,002
<b>Fund Balance - End of Fiscal Year</b>	<b>19,709,854</b>	<b>31,464,002</b>	<b>24,622,109</b>

(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