



**Disclosure and Financial Consulting**

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**ANNUAL REPORT**

*For Fiscal Year 2016-17*

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

*City of South Lake Tahoe*

May 2018

## **Section A - 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 June 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.

**Financial and Operating Data**

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The principle amount of Bonds outstanding as of September 30, 2017 (the end of the City's fiscal year) was \$10,055,000. The Revenue Fund held by the fiscal agent had a balance of \$38,859 as of August 31, 2017.

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.

<b>Annual Report Requirement</b>	<b>CAFR Location</b>
vi. Assessed Value	Page 171
vii. Current property tax levies / collections	Page 175
viii. Secured taxpayers	Page 173
ix. Actual TOT	Table 3
x. Top TOT Generators	Page 174
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.

<b>General Fund Debt</b>	
	Balance - 9/30/17
Certificates of Participation	\$5,270,000
Pension Obligation Bonds	11,905,000
2014 Lease for Road Improvements	1,885,000
State Revolving Loans	306,224
Total	19,366,224
Assessed Value - 2016-17	4,271,686,000
Ratio	0.45%

Table 1  
City of South Lake Tahoe

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

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Actual	FY 2016-17 Actual
<b>Revenues</b>					
Taxes and Assessments	22,929,567	25,723,575	28,007,656	32,363,006	34,029,206
Licenses and permits	1,411,579	1,476,166	1,447,553	1,575,213	1,607,311
Fines and penalties	172,308	218,503	124,706	109,270	31,295
Use of money and property	256,596	246,578	336,716	285,753	359,202
Intergovernmental revenue	2,320,253	2,044,568	2,437,425	2,304,195	2,178,724
Charges for current services	3,161,520	3,332,316	4,418,685	4,104,940	4,009,334
Other revenues	291,019	197,698	246,949	378,324	234,278
<b>Total Revenues</b>	<b>30,542,842</b>	<b>33,239,404</b>	<b>37,019,690</b>	<b>41,120,701</b>	<b>42,449,350</b>
<b>Expenditures</b>					
General government	5,524,511	5,427,445	5,452,758	6,176,652	6,967,874
Public safety	12,695,919	12,880,769	11,904,737	12,879,028	14,042,563
Public works	3,257,466	3,731,009	4,428,515	5,586,247	5,523,717
Parks and recreation	2,262,803	2,218,253	2,127,678	1,625,167	1,780,597
Capital Outlay	973	2,107,453	224,465	199,894	354,224
Debt Service - Principal	29,418	33,956	35,252	21,772	47,300
Debt Service - Interest and fiscal charges	210,642	3,240	1,718	678	74
<b>Total Expenditures</b>	<b>23,981,732</b>	<b>26,402,125</b>	<b>24,175,123</b>	<b>26,489,438</b>	<b>28,716,349</b>
<b>Other Financing Sources (Uses)</b>					
Proceeds from Sale of Property	1,104	3,065	1,926	274,405	300,000
Transfer In	664,259	766,675	361,989	428,987	405,064
Transfer out	(5,895,475)	(6,999,455)	(8,431,001)	(12,573,343)	(9,415,848)
RDA Asset Transfer		425,000	0	0	0
<b>Total Other Financing Sources</b>	<b>(5,230,112)</b>	<b>(5,804,715)</b>	<b>(8,067,086)</b>	<b>(11,869,951)</b>	<b>(8,710,784)</b>
Net Change in Fund Balance	1,330,998	1,032,564	4,777,481	2,761,312	5,022,217
Beginning Fund Balance	16,211,858	17,542,856	18,575,420	23,352,901	26,114,213
<b>Ending Fund Balance</b>	<b>17,542,856</b>	<b>18,575,420</b>	<b>23,352,901</b>	<b>26,114,213</b>	<b>31,136,430</b>

Source: City of South Lake Tahoe Comprehensive Annual Financial Report

Table 2  
City of South Lake Tahoe

**GENERAL FUND BALANCE SHEET**

	FY 2016-17 Actual
<b>Assets</b>	
Cash and Investments	\$22,009,349
Restricted cash and investments	0
Accounts Receivable	3,014,449
Interest Receivable	104,709
Due from other funds	358,371
Prepaid Items	184,911
Inventory	234,078
Land Held for resale	3,957,647
Loans Receivable	0
Advances to other Funds	0
Advances to RDA Successor Agency	4,638,627
<b>Total Assets</b>	<b>34,502,141</b>
<b>Liabilities</b>	
Accounts Payable	860,603
Accrued expenditures	899,151
Due to other funds	0
Deposits	1,344,297
Due to Developers	261,620
Unearned Revenue	0
Advance from other funds	0
<b>Total Liabilities</b>	<b>3,365,671</b>
<b>Fund Balances</b>	
Nonspendable	9,015,263
Restricted	0
Committed	0
Assigned	199,173
Unassigned	21,921,994
Total Fund Balance	31,136,430
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>34,502,101</u>

Source: City of South Lake Tahoe Comprehensive Annual Financial Report

Table 3  
City of South Lake Tahoe

**GENERAL FUND BUDGET  
FISCAL YEARS 2015-16 AND 2016-17 (1)**

	FY 2016-17 Budget	FY 2016-17 Actual	FY 2017-18 Budget
<b>Revenues</b>			
Property Tax	\$7,367,093	\$7,285,775	\$7,617,000
Transient Occupancy Tax	8,720,717	10,495,478	9,869,800
Sales Tax Revenue	4,984,000	5,205,933	5,218,000
Measure Q	2,609,000	2,758,339	2,735,000
Vehicle License Fee	1,800,000	1,912,392	2,026,000
Franchise Fees	1,400,000	1,513,064	1,475,000
Business License Fees	1,341,000	1,566,472	1,406,000
Parks and Recreation	1,123,983	1,339,760	1,135,483
Public Safety	1,369,635	1,337,277	1,388,994
Public Services	1,793,235	2,202,392	1,974,235
All Other revenues	6,104,794	7,642,192	6,544,796
<b>Total Revenues</b>	<b>38,613,457</b>	<b>43,259,074</b>	<b>41,390,308</b>
<b>Expenditures</b>			
General administration	3,063,974	2,843,900	3,555,444
Finance	2,648,215	2,483,727	2,416,935
Miscellaneous General Fund	1,139,575	1,891,382	4,029,332
Police	9,497,104	8,770,708	9,972,358
Fire	5,654,250	5,528,398	6,506,719
Public works	4,570,497	4,369,013	4,841,161
Development Services	2,278,408	1,834,417	1,835,898
Recreation	1,469,938	1,505,223	1,428,632
<b>Total Expenditures</b>	<b>30,321,961</b>	<b>29,226,768</b>	<b>34,586,479</b>
Revenues Over (Under) expenditures/ Net Change in Fund Balance	8,291,496	14,032,306	6,803,829
<b>Other Financing Sources (Uses)</b>			
Operating Transfers In	280,267	220,305	211,596
Operating Transfers Out	(17,158,261)	(9,142,632)	(8,463,685)
<b>Total Other Financing Sources</b>	<b>(16,877,994)</b>	<b>(8,922,327)</b>	<b>(8,252,089)</b>
Fund Balance at Beginning Of Fiscal Year	26,114,213	26,114,213	31,224,192
<b>Fund Balance - End of Fiscal Year</b>	<b>17,527,715</b>	<b>31,224,192</b>	<b>29,775,932</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