



Disclosure and Financial Consulting

225 Holmfirth Court
Roseville CA 95661

Phone: (916) 791-8958
FAX: (916) 791-9234

ANNUAL REPORT

For Fiscal Year 2019-20

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

City of South Lake Tahoe

May 2021

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.

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. 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, 2020 (the end of the City's fiscal year) was \$7,065,000. The Revenue Fund held by the fiscal agent had a zero cash balance as of August 31, 2020.

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

Annual Report Requirement	Financial Report Location
vi. Assessed Value	Page 170
vii. Current property tax levies / collections	Page 174
viii. Secured taxpayers	Page 172
ix. Actual TOT	Table 3
x. Top TOT Generators	Page 173
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, 2020.

General Fund Debt	
	Balance - 9/30/20
Certificates of Participation	\$4,860,000
Lease Revenue Bonds	7,065,000
Pension Obligation Bonds	9,120,000
2014 Lease for Road Improvements	1,514,000
State Revolving Loans	23,813
Total	22,828,813
Assessed Value - 2019-20	5,085,402,000
Ratio	0.45%

Table 1
City of South Lake Tahoe

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

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Actual
Revenues					
Taxes and Assessments	32,363,006	34,029,206	36,288,798	37,011,629	33,662,711
Licenses and permits	1,575,213	1,607,311	1,718,645	1,786,359	1,728,392
Fines and penalties	109,270	31,295	130,204	85,963	78,433
Use of money and property	285,753	359,202	542,840	777,230	442,873
Intergovernmental revenue	2,304,195	2,178,724	2,355,954	2,475,758	3,385,405
Charges for current services	4,104,940	4,009,334	4,130,233	3,850,649	3,852,064
Other revenues	378,324	234,278	285,999	1,609,464	404,246
Loss on land held for resale	0	0	(2,157,647)	0	0
Total Revenues	41,120,701	42,449,350	43,295,026	47,597,052	43,554,124
Expenditures					
General government	6,176,652	6,967,874	10,910,495	9,335,325	9,428,305
Public safety	12,879,028	14,042,563	15,571,856	18,199,843	18,315,577
Public works	5,586,247	5,523,717	5,675,760	6,339,496	6,294,092
Parks and recreation	1,625,167	1,780,597	1,751,749	1,913,163	1,531,608
Capital Outlay	199,894	354,224	236,414	75,475	702,997
Debt Service - Principal	21,772	47,300	0	0	0
Debt Service - Interest and fiscal charges	678	74	0	0	0
Total Expenditures	26,489,438	28,716,349	34,146,274	35,863,302	36,272,579
Other Financing Sources (Uses)					
Proceeds from Sale of Property	274,405	300,000	0	0	0
Transfer In	428,987	405,064	343,493	94,070	2,875,293
Transfer out	(12,573,343)	(9,415,848)	(9,820,181)	(17,815,033)	(6,554,584)
RDA Asset Transfer	0	0	0	0	0
Total Other Financing Sources	(11,869,951)	(8,710,784)	(9,476,688)	(17,720,963)	(3,679,291)
Net Change in Fund Balance	2,761,312	5,022,217	(327,936)	(5,987,213)	3,602,254
Beginning Fund Balance	23,352,901	26,114,213	31,136,430	30,808,494	24,821,281
Ending Fund Balance	26,114,213	31,136,430	30,808,494	24,821,281	28,423,535

Source: City of South Lake Tahoe Comprehensive Annual Financial Report

Table 2
City of South Lake Tahoe

GENERAL FUND BALANCE SHEET

	FY 2019-20 Actual
Assets	
Cash and Investments	\$20,471,033
Restricted cash and investments	0
Accounts Receivable	4,479,512
Interest Receivable	116,516
Due from other funds	63,840
Prepaid Items	137,094
Inventory	230,159
Land Held for resale	1,225,000
Loans Receivable	0
Advances to other Funds	0
Advances to RDA Successor Agency	4,638,627
Total Assets	31,361,781
Liabilities	
Accounts Payable	961,483
Accrued expenditures	366,439
Due to other funds	0
Deposits	1,385,122
Due to Developers	225,202
Advance from other funds	0
Total Liabilities	2,938,246
Fund Balances	
Nonspendable	6,230,880
Restricted	750,000
Committed	0
Assigned	350,876
Unassigned	21,091,779
Total Fund Balance	28,423,535
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>31,361,781</u>

Source: City of South Lake Tahoe Comprehensive Annual Financial Report

Table 3
City of South Lake Tahoe

**GENERAL FUND BUDGET
FISCAL YEARS 2019-20 AND 2020-21 (1)**

	FY 2019-20 Budget	FY 2019-20 Actual	FY 2020-21 Budget
Revenues			
Property Tax	\$8,300,500	\$8,632,709	\$8,877,425
Transient Occupancy Tax	9,864,648	9,538,728	7,778,401
Sales Tax Revenue	4,850,975	5,460,038	5,232,000
Measure Q	2,612,025	2,915,365	2,598,000
Vehicle License Fee	2,266,000	2,284,264	2,280,000
Franchise Fees	1,475,000	1,593,143	1,475,000
Business License Fees	1,606,600	1,723,693	1,406,600
Parks and Recreation	1,375,900	380,845	925,900
Public Safety	2,212,046	1,842,947	2,338,469
Public Services	2,008,965	2,657,474	1,681,803
All Other revenues	7,115,471	6,617,061	5,634,474
Total Revenues	43,688,130	43,646,267	40,228,072
Expenditures			
General administration	3,123,518	3,720,478	4,239,499
Finance	2,719,033	1,518,519	1,559,818
Miscellaneous General Fund	3,454,748	4,322,307	4,861,085
Police	11,319,333	11,231,738	11,956,910
Fire	8,165,820	7,706,752	8,695,276
Public works	5,625,607	5,040,449	5,337,242
Development Services	2,020,956	1,930,570	2,004,411
Recreation	1,710,524	1,063,736	1,539,405
Total Expenditures	38,139,539	36,534,549	40,193,646
Revenues Over (Under) expenditures/ Net Change in Fund Balance	5,548,591	7,111,718	34,426
Other Financing Sources (Uses)			
Operating Transfers In	257,716	2,953,292	528,519
Operating Transfers Out	(6,003,656)	(6,383,967)	(8,837,038)
Total Other Financing Sources	(5,745,940)	(3,430,675)	(8,308,519)
Fund Balance at Beginning Of Fiscal Year	24,886,034	24,302,904	27,983,947
Fund Balance - End of Fiscal Year	24,688,685	27,983,947	19,709,854

(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