



## *City of Liberty Lake*

# *Quarterly Financial Report*

First Quarter 2014

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### **Overview**

The Quarterly Financial Report provides a summary of budget-to-actual comparison of revenues and expenditures for each fund through the end of the most recently completed fiscal quarter. The report also provides end-of-year data including a summary budget-to-actual comparison of revenues and expenditures for the year. The information contained in this report is prepared on a cash basis. Please note that these numbers are still preliminary and adjustments may need to be made as the Annual Financial Report is prepared.

### **General Fund / Streets Fund**

#### **Revenues**

- Collections of General fund revenues in the first quarter of 2014 increased in comparison to last year.
- Retail sales tax revenue for the first quarter increased by 10% compared to last year with increases from Auto/RV Sales and construction.
- Property tax revenues are typically received during the second and fourth quarters of the year. Property Tax counts for 33% of the expected General Fund revenue in 2014.
- Permitting revenue for the first three months is \$115K which is 38% of the anticipated budget for 2014. Note: this is revenue that the City collects first, and then performs the service for inspections.
- Utility Tax collection higher than in 2013 by 10% due to increase rates imposed by Avista and colder than average winter for 2014.

#### **General Fund Expenditures**

- Expenditures are in line with the 2014 budget.
- Overall, 3% increase in the 1st Quarter in comparison to last year.

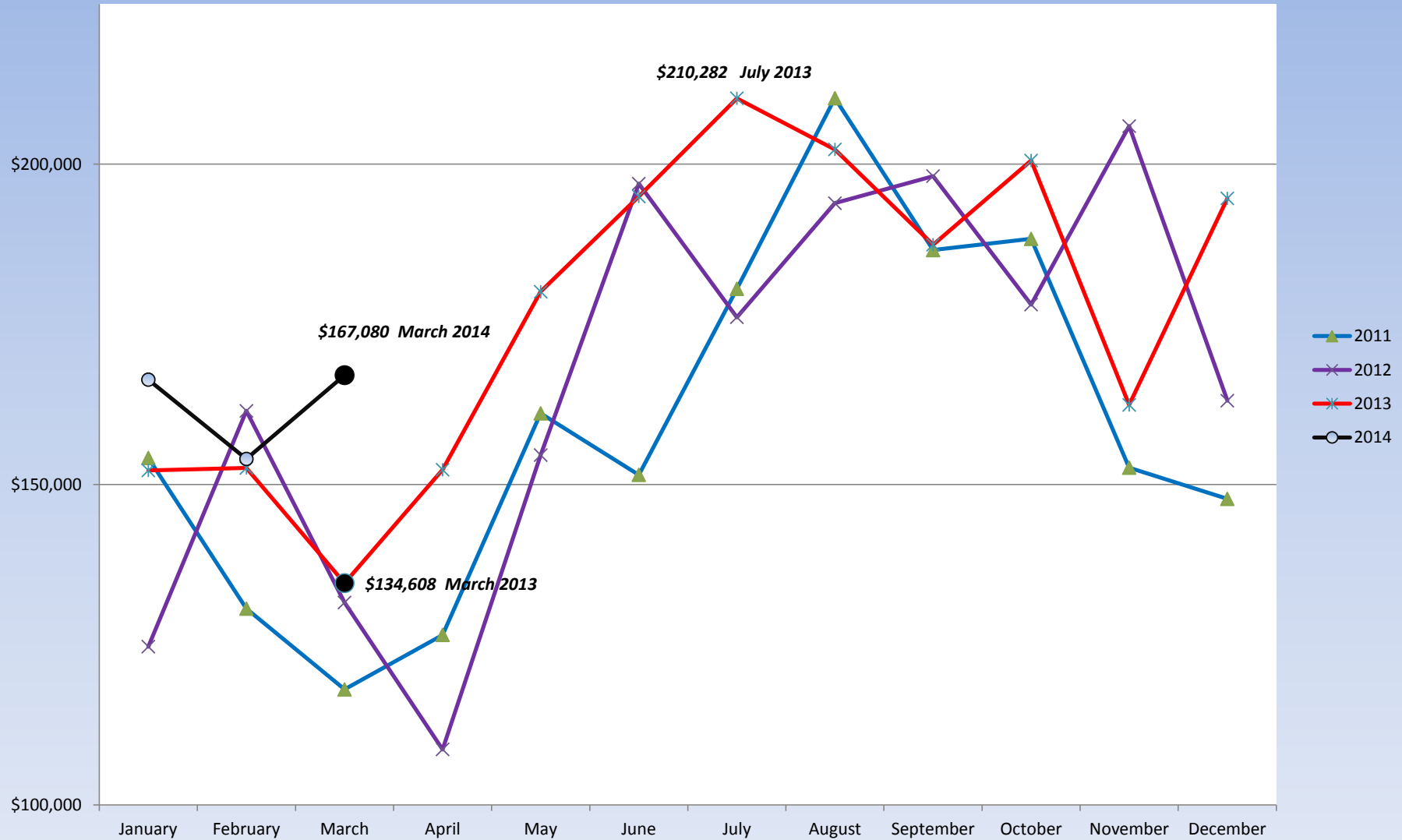
The following table shows budgeted and actual revenues for first quarter 2014:

**GENERAL FUND/STREETS FUND: REVENUES**

Revenue Category	First Quarter Actual		Budgeted		% of Revenues Collected	
	01/01/13 - 03/31/13	01/01/14 - 03/31/14	2013	2014	2013	2014
Sales Tax	441,415	491,812	1,940,000	1,940,000	23%	25%
Property Tax	54,374	55,476	1,825,000	1,825,000	3%	3%
Other Taxes	49,176	52,235	249,500	249,500	20%	21%
Licenses and Permits	204,185	173,112	360,000	360,000	57%	48%
Intergovernmental Revenue	34,191	40,935	127,500	127,500	27%	32%
Charges for Services	33,993	19,490	79,995	79,995	42%	24%
Fines and Forfeitures	13,756	14,617	75,650	75,650	18%	19%
Miscellaneous Revenues	14,026	6,846	7,885	7,885	178%	87%
Utility Tax	177,300	197,772	662,000	662,000	27%	30%
Motor Vehicle Fuel Tax (Gas Tax)	38,227	40,369	153,000	153,000	25%	26%
<b>Subtotal</b>	<b>1,060,642</b>	<b>1,092,665</b>	<b>5,480,530</b>	<b>5,480,530</b>	<b>19%</b>	<b>20%</b>
Non Revenue Sources	13,918	16,637	88,915	88,915	16%	19%
<b>Total Revenues</b>	<b>1,074,560</b>	<b>1,109,303</b>	<b>5,569,445</b>	<b>5,569,445</b>	<b>19%</b>	<b>20%</b>

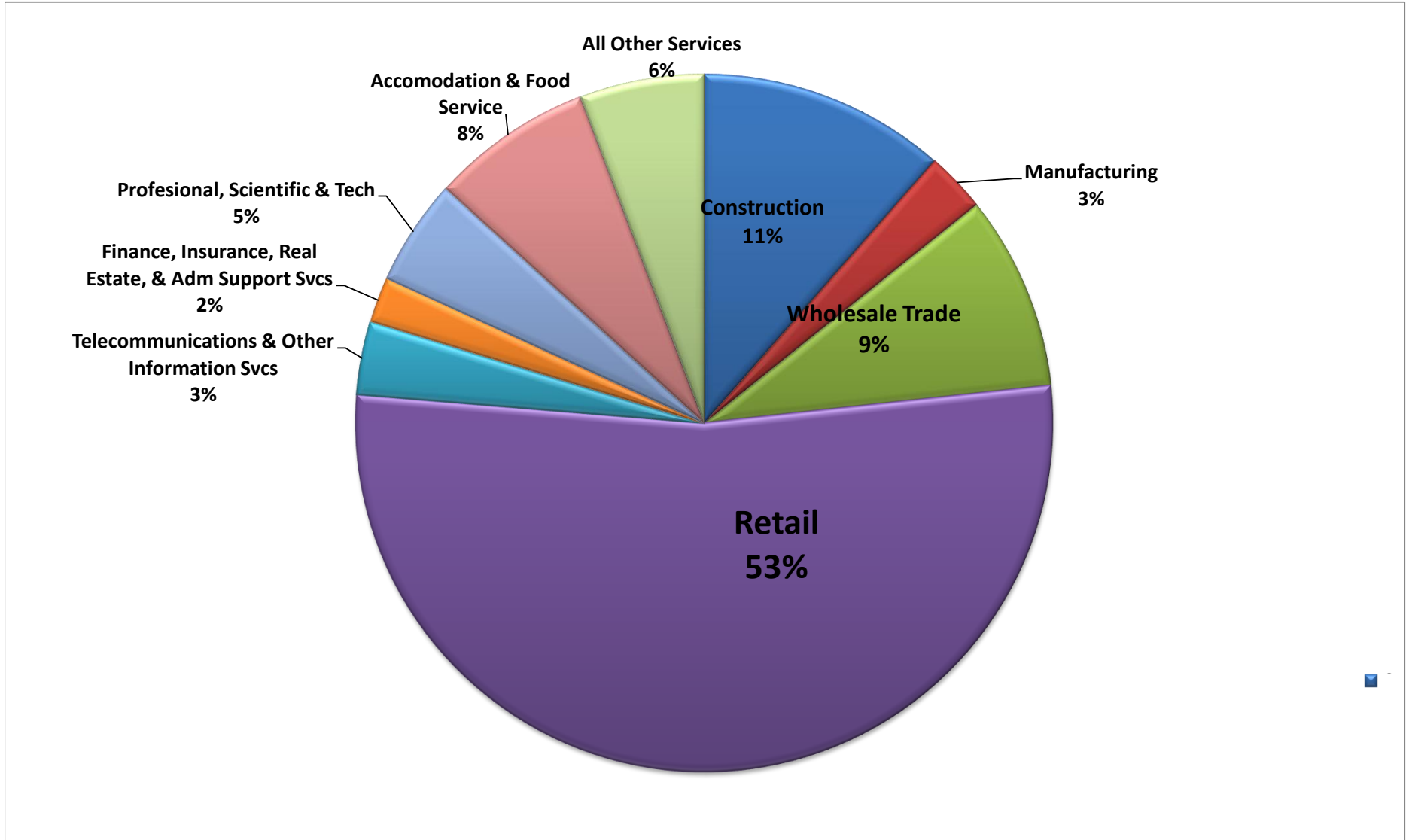
Following graph demonstrates sales tax by month for the years 2011 thru 2014. In March of 2014, Sales tax is trending "up" where in past years it trends "down" in the 1st quarter and then starts to rise mid 2nd quarter.

## Sales Tax - 2011 thru 2014



## 2014 1st Quarter Sales Tax = \$491K

Following graph demonstrates the different categories of sales tax for the 1st Qrt 2014.



Following Table demonstrates the sales tax for different categories during the 1st Qrt of the year.

1st Quarter Comparison for Sales Tax		YR 2011	YR 2012	YR 2013	YR 2014
RETAIL (includes AUTO & RV)		198,771	223,788	222,062	259,674
CONSTRUCTION		44,624	53,428	51,177	56,249
WHOLESALE TRADE		48,924	31,924	57,749	44,167
FOOD & ACCOMADATIONS		25,516	28,415	30,237	36,696
PROF., SCIENTIFIC, & TECHNICAL		19,177	12,513	18,990	24,140
ALL OTHER CATAGORIES		65,793	67,710	59,182	70,883
<b>TOTAL SALES TAX 1ST QUARTER</b>		<b>\$ 402,805</b>	<b>\$ 417,778</b>	<b>\$ 439,397</b>	<b>\$ 491,809</b>

The following table shows budgeted and actual expenditures for first quarter 2014. Typically, expenses are lower in the 1st Quarter as compared to the rest of the year in Parks, Recreation, and Streets.

**GENERAL FUND/STREETS FUND: EXPENDITURES**

Expenditure Category	First Quarter Actual		Budget		% Expended Through First Quarter	
	01/01/13 - 03/31/13	01/01/14 - 03/31/14	2013	2014	2013	2014
General Government Services	48,683	47,944	<b>986,574</b>	<b>644,981</b>	5%	7%
Legislative	5,835	9,551	41,845	58,362	14%	16%
Municipal Court	29,446	20,379	120,000	135,000	25%	15%
Executive	47,574	54,872	205,231	230,336	23%	24%
Legal	10,000	10,000	60,000	60,000	17%	17%
Finance & Administrative Services	123,351	123,867	625,669	647,451	20%	19%
Law Enforcement	363,963	370,063	1,588,169	1,684,287	23%	22%
Planning and Building Services	74,873	86,879	320,964	353,072	23%	25%
Library	97,435	104,264	415,680	427,670	23%	24%
Recreation & Youth Programs	23,779	25,591	137,998	163,983	17%	16%
Parks	65,869	74,762	517,125	<b>1,099,626</b>	13%	7%
Street Fund	111,237	108,633	845,630	<b>1,056,709</b>	13%	10%

<b>Subtotal</b>	<b>1,002,047</b>	<b>1,036,803</b>	<b>5,864,885</b>	<b>6,561,477</b>	<b>17%</b>	<b>16%</b>
Non Expenditures	-	644	86,250	88,010	0%	1%
<b>Total Expenditures</b>	<b>1,002,047</b>	<b>1,037,447</b>	<b>5,951,135</b>	<b>6,649,487</b>	<b>17%</b>	<b>16%</b>

- General Government Services, YR 2013 Budget includes a \$610K interfund loan for LIFT to be reimbursed in 2014.
- General Government Services, YR 2014 Budget includes \$100K payment to LIFT and \$175K transfer for the pedestrian safety improvements.
- Parks, YR 2014 Budget includes increase in seasonal staff and \$482K in improvements to Pavilion Park, Rocky Hill Park, and Townsquare Park.
- Street Fund, YR 2014 Budget includes \$190K for Pedestrian Safety Improvements.

## City of Liberty Lake 2014 Cash Summary By Fund

The following table lists what the Cash Balances are in each fund at the end of March 31, 2014.

FUND	FUND #	2013 Ending Fund Balance	2014 1st Qrt Rev	2014 1st Qrt Expenditures	3-31-2014 Ending Cash Balance	Projected Year End Cash Balance
<i>General Fund + Street Fund</i>	<i>001 &amp; 110</i>	\$2,694,290	1,109,303	1,037,447	2,766,146	2,546,693
Tourism Promotion Fund	115	\$63,871	7,325	4,000	67,196	16,170
Tourism Promotion Area Fund	117	\$4,228	10,321	-	14,550	3
Restricted Reserve Fund	120	\$1,211,436	58	-	1,211,495	1,215,700
LTGO Redemption Note	212	\$0	42,003	42,003	-	-
City Land LTGO Bond Fund	214	\$0	-	-	-	-
City Hall Bond Fund	240	\$592,860	165	-	593,025	-
REET 1 Capital Projects Fund	310	\$785,639	142,686	7,773	920,552	91,000
REET 2 Capital Projects Fund	311	\$714,671	138,972	1,372	852,271	216,500
Street Capital Projects Fund	312	\$660,331	146	18,989	641,489	847,500
Townsquare Capital Fund	313	\$0	7,500	7,500	-	-
Harvard Road Mitigation Fund	320	\$8,353	17,096	-	25,449	50,500
Library Capital Fund	330	\$91,723	26	-	91,748	70,687
Police Capital Fund	334	\$130,206	36	-	130,242	-
Stormwater Utility Fund	410	\$223,838	1,657	198	225,297	150,250
Aquifer Protection Fund	411	\$120,091	29	-	120,120	80,000
Golf Course	420	\$170,500	50,570	129,244	91,825	91,082
Unemployment Fund	510	\$0	-	-	-	-
		<b>\$ 7,472,039</b>	<b>\$ 1,527,895</b>	<b>\$ 1,248,525</b>	<b>\$ 7,751,405</b>	<b>\$ 5,376,085</b>

- Projected Year End Cash balance column are dollars that are "unappropriated or unbudgeted" in 2014.
- REET 1 and REET 2 (Funds 310 & 311) revenue collection for 1st Qrt 2014 is over 90% of expected budget for 2014.
- REET 1 and REET 2 revenues are to be used for Liberty Lake Fields and Townsquare Park in 2014.
- City will pay in full the City Hall Bond (Fund 240) in June that will save the City \$70K in interest.
- City is proposing a new fund called Building and Contingency Fund for Council to consider in second quarter of 2014.

## Description of Other Funds

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*Hotel/Motel Tax (Tourism Promotion Fund)*- The Hotel/Motel Tax is derived from the sale or charge made for the furnishing of lodging by any hotel, motel, rooming house, tourist court, or trailer camp within the city limits of Liberty Lake for less than 30 consecutive days. In Spokane County, there must be 40 or more units for the tax to apply. The City levies a special excise tax of two percent.

*Tourism Promotion Area (Tourism Promotion Area Fund)*- The City established a tourism promotion area (TPA) that encompasses the entire City of Liberty Lake and has authorized lodging charges within the established area. Lodging businesses in the TPA that have 40 or more units must collect the lodging charge from persons who purchase lodging. The City receives \$2.00 per night of stay from lodging businesses with 40 or more units with lodging revenues exceeding five hundred thousand dollars during the preceding calendar year. The City receives \$.50 per night of stay from lodging businesses with 40 or more units with lodging revenues below five hundred thousand dollars during the preceding calendar year.

*Restricted Reserve Fund*- The Restricted Reserve Fund is generally maintained at 15% of the General Fund's projected or actual, if known, operating revenues for the fiscal year. Policies for management and use of the Restricted Reserve Fund are laid out in City of Liberty Lake Ordinance No. 107-D.

*REET (Capital Projects Fund & Special Capital Projects Fund)*- Real Estate Excise Tax (REET) of one-quarter of one percent of the selling price is imposed on each sale of property in the City of Liberty Lake. The tax is deposited into the Capital Projects Fund and is restricted to fund any capital purpose identified in a capital improvement plan and local capital improvements including those listed in RCW 35.43.040.

There is an additional one-quarter of one percent on real estate sales within the city limits. According to state law, cities planning under GMA (Growth Management Act) have the authority to levy a second quarter percent tax (REET 2). Funds from REET 2 are placed in a Special Capital Project Fund and used solely for financing capital projects as specified in a capital facilities plan element of the comprehensive plan.

*Street Capital/Library Capital /Police Capital Funds*- These are unreserved dollars set aside for Capital Projects

*Harvard Road Mitigation Fund - Mitigation fees collected for road improvements. This plan has been updated in 2014 with a fee increase to start May 2014.*

*Townsquare Capital Fund - Project is slated to start in 2014 with funding coming from REET, Stormwater, and General Fund.*

*Stormwater Utility Fund* - City collects money from property owners to maintain its stormwater system. Ordinance #88A.

*Aquifer Protection Fund* - City collects money from property owners to protect the Aquifer. Ordinance #208.

*Golf Course Fund* - This is an Enterprise Fund where fees are charged to external users for services.

*G.O. & LTGO Bond/Note Funds*- Debt service funds that track bond and note payments. Revenue for these funds are typically interfund transfers.



**CITY OF LIBERTY LAKE  
SUMMARY OF GOLF COURSE FUND - MARCH 31, 2014**

	<b>Budget</b>	<b>Actual</b>
Pro Shop Sales	35,000.00	6,071.31
Season Passes	16,000.00	8,970.90
Green Fees	185,000.00	8,549.74
Lessons	15,000.00	219.05
Driving Range	75,000.00	16,265.68
Golf Cart Trail Fees	2,000.00	307.28
School Driving Range Fees	1,500.00	735.98
Restaurant	32,000.00	2,700.00
Golf Cart	29,000.00	714.84
Misc	5,670.00	257.23
Non Revenue	67,000.00	5,777.51
<b>Total Revenue</b>	<b>463,170.00</b>	<b>50,569.52</b>
Salaries/Benefits	170,438.00	34,063.33
Supplies	119,950.00	17,374.73
Services	86,600.00	12,727.25
Non Expenditures	61,500.00	2,006.03
<b>Operations</b>	<b>438,488.00</b>	<b>66,171.34</b>
Unemployment	2,500.00	-
Capital	144,000.00	63,072.88
Debt Service	-	-
Capital and Debt	<b>146,500.00</b>	<b>63,072.88</b>
<b>Total Expenditures</b>	<b>584,988.00</b>	<b>129,244.22</b>

Notes:

- City purchased (Capital) new golf carts in 2014.
- New doors were installed in 2014 to protect golfers on the driving range from the weather.