



## *City of Liberty Lake*

# *Quarterly Financial Report & Mid-Year Report*

Second 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 second quarter of 2014 increased in comparison to last year.
- Retail sales tax revenue for the second quarter increased by 12% 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 six months is \$225K which is 69% 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 9.5% due to increase rates imposed by Avista, colder than average winter for 2014 and growth.

#### **General Fund Expenditures**

- Expenditures are in line with the 2014 budget.
- Overall, 10% increase in the 2nd Quarter in comparison to last year.

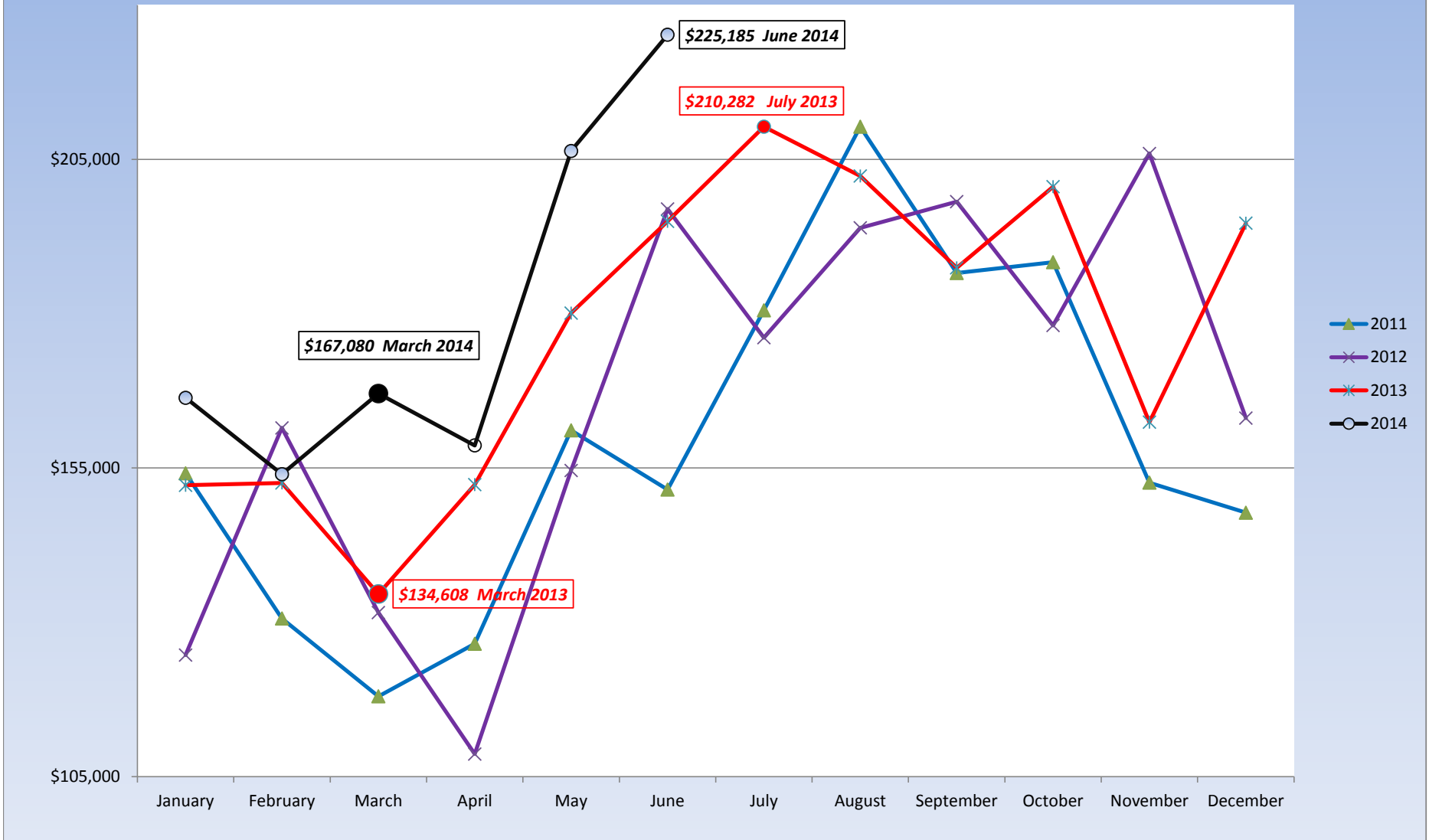
The following table shows budgeted and actual revenues through second quarter 2014:

**GENERAL FUND/STREETS FUND: REVENUES**

Revenue Category	6-30-2014 YTD Actual		Budgeted		% of Revenues Collected	
	01/01/13 - 06/30/13	01/01/14 - 06/30/14	2013	2014	2013	2014
Sales Tax	969,693	1,085,458	1,940,000	2,020,000	50%	54%
Property Tax	991,119	1,049,161	1,825,000	1,880,000	54%	56%
Other Taxes	124,166	138,195	249,500	260,000	50%	53%
Licenses and Permits	354,749	293,485	360,000	520,000	99%	56%
Intergovernmental Revenue	69,041	80,337	127,500	145,050	54%	55%
Charges for Services	63,594	85,413	79,995	89,900	79%	95%
Fines and Forfeitures	29,906	27,844	75,650	65,650	40%	42%
Miscellaneous Revenues	18,605	12,944	7,885	27,955	236%	46%
Utility Tax	339,443	371,844	662,000	662,000	51%	56%
Motor Vehicle Fuel Tax (Gas Tax)	76,948	80,148	153,000	160,000	50%	50%
<b>Subtotal</b>	<b>3,037,263</b>	<b>3,224,829</b>	<b>5,480,530</b>	<b>5,830,555</b>	<b>55%</b>	<b>55%</b>
Non Revenue Sources	31,514	32,511	88,915	695,250	35%	5%
<b>Total Revenues</b>	<b>3,068,777</b>	<b>3,257,340</b>	<b>5,569,445</b>	<b>6,525,805</b>	<b>55%</b>	<b>50%</b>

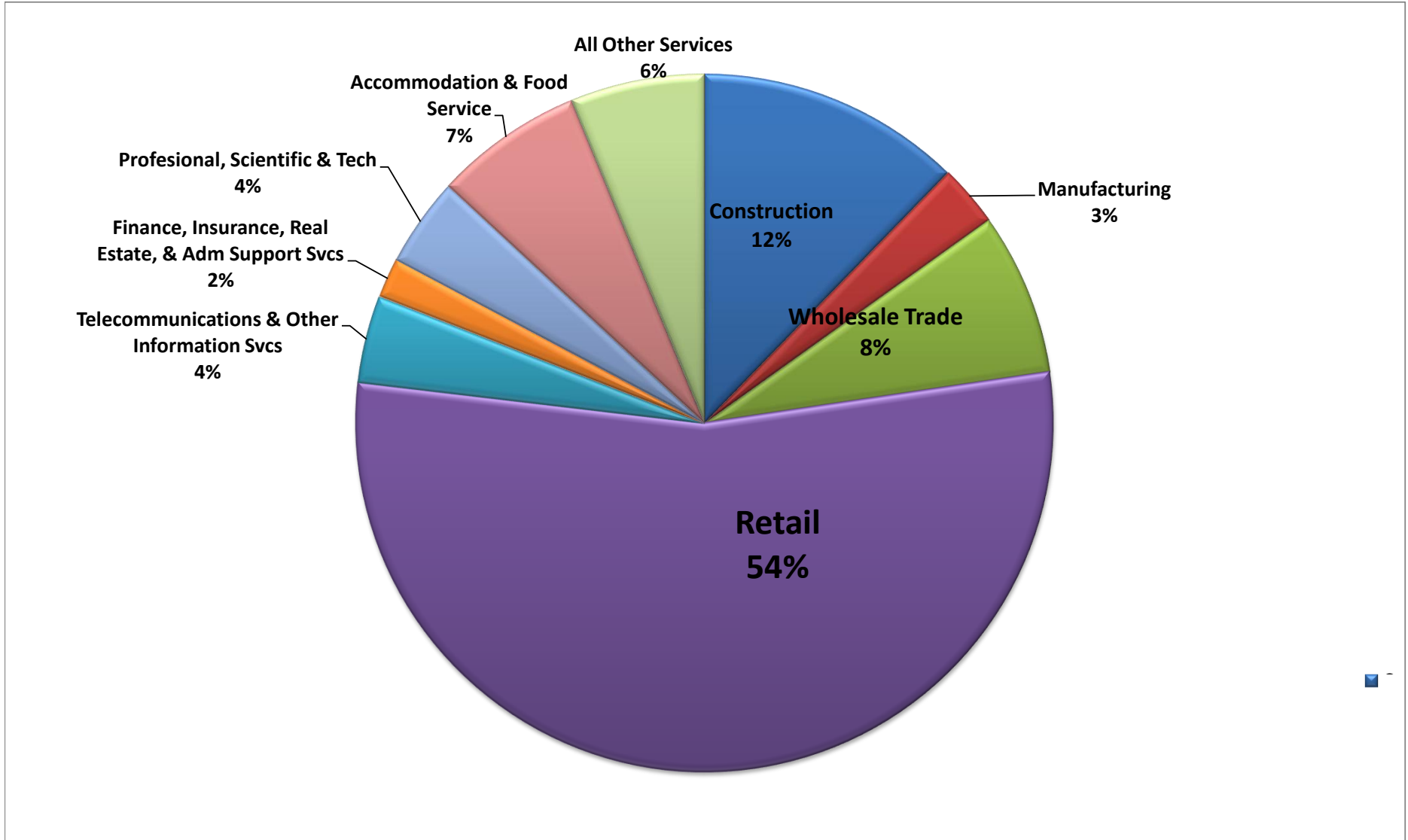
Following graph demonstrates sales tax by month for the years 2011 thru 2014. In March of 2014, Sales tax is trending "up" where in past years it trends "down" in the 1st quarter and then starts to rise mid 2nd quarter.

## Sales Tax - 2011 thru 2014



## 2014 2nd Quarter Sales Tax = \$1,049,161

Following graph demonstrates the different categories of sales tax for the 2nd Qrt 2014.



Following Table demonstrates the sales tax for different categories during the 2nd Qrt of the year.

2nd Quarter Comparison for Sales Tax		YR 2011	YR 2012	YR 2013	YR 2014
RETAIL (includes AUTO & RV)		428,299	477,510	526,676	587,199
CONSTRUCTION		88,160	102,061	89,341	133,004
WHOLESALE TRADE		85,383	67,732	108,850	81,601
FOOD & ACCOMADATIONS		51,694	59,722	65,468	74,706
PROF., SCIENTIFIC, & TECHNICAL		40,874	45,031	41,881	44,952
ALL OTHER CATAGORIES		147,548	125,025	134,547	163,994
<b>TOTAL SALES TAX 2ND QUARTER</b>		<b>\$ 841,958</b>	<b>\$ 877,081</b>	<b>\$ 966,763</b>	<b>\$ 1,085,456</b>

The following table shows budgeted and actual expenditures for second quarter 2014. Overall, expenses are tracking per budget. Expenses in Parks are the highest during the summer months which will reflect in the third quarter.

**GENERAL FUND/STREETS FUND: EXPENDITURES**

Expenditure Category	6-30-2014 YTD Actual		Budget		% Expended Through Second Quarter	
	01/01/13 - 06/30/13	01/01/14 - 06/30/14	2013	2014	2013	2014
General Government Services	178,133	177,120	986,574	470,681	18%	38%
Legislative	16,388	20,354	41,845	58,362	39%	35%
Municipal Court	45,656	50,717	120,000	135,000	38%	38%
Executive	98,954	112,583	205,231	230,336	48%	49%
Legal	25,000	25,000	60,000	60,000	42%	42%
Finance & Administrative Services	254,915	313,053	625,669	772,451	41%	41%
Law Enforcement	745,302	790,223	1,588,169	1,684,287	47%	47%
Planning and Building Services	161,665	172,668	320,964	378,072	50%	46%
Library	199,850	215,501	415,680	427,670	48%	50%
Recreation & Youth Programs	56,961	63,754	137,998	163,983	41%	39%
Parks	200,548	255,102	517,125	1,099,626	39%	23%
Street Fund	217,962	243,988	845,630	1,056,709	26%	23%
<b>Subtotal</b>	<b>2,201,333</b>	<b>2,440,063</b>	<b>5,864,885</b>	<b>6,537,177</b>	<b>38%</b>	<b>37%</b>
Non Expenditures	13,864	18,675	86,250	87,310	16%	21%
<b>Total Expenditures</b>	<b>2,215,197</b>	<b>2,458,738</b>	<b>5,951,135</b>	<b>6,624,487</b>	<b>37%</b>	<b>37%</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 June 30, 2014.

FUND	FUND #	2013 Ending Fund Balance	2014 2nd Qrt Rev	2014 2nd Qrt Expenditures	6-30-2014 Ending Cash Balance	Projected Year End Cash Balance
General Fund + Street Fund	001 & 110	\$2,694,290	3,257,340	2,458,738	3,492,892	2,546,693
Tourism Promotion Fund	115	\$63,871	17,158	20,194	60,835	16,170
Tourism Promotion Area Fund	117	\$4,228	22,977	14,550	12,656	3
Restricted Reserve Fund	120	\$1,211,436	1,858	-	1,213,294	1,215,700
LTGO Redemption Note	212	\$0	84,006	84,006	-	-
City Land LTGO Bond Fund	214	\$0	80,760	80,760	-	161,520
City Hall Bond Fund	240	\$592,860	261	577,029	16,093	-
REET 1 Capital Projects Fund	310	\$785,639	228,367	412,890	601,116	91,000
REET 2 Capital Projects Fund	311	\$714,671	224,638	8,374	930,935	216,500
Street Capital Projects Fund	312	\$660,331	271	46,459	614,144	847,500
Townsquare Capital Fund	313	\$0	29,543	29,543	-	-
Harvard Road Mitigation Fund	320	\$8,353	30,078	27,500	10,931	50,500
Library Capital Fund	330	\$91,723	45	31,124	60,644	70,687
Police Capital Fund	334	\$130,206	63	56,649	73,620	-
Stormwater Utility Fund	410	\$223,838	35,526	1,073	258,291	150,250
Aquifer Protection Fund	411	\$120,091	26,543	-	146,633	80,000
Golf Course	420	\$170,500	290,091	389,998	70,592	91,082
Unemployment Fund	510	\$0	3,167	3,167	-	6,334
		<b>\$ 7,472,039</b>	<b>\$ 4,332,693</b>	<b>\$ 4,242,053</b>	<b>\$ 7,562,675</b>	<b>\$ 5,543,939</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 2nd Qrt 2014 is 151% 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 paid in full the City Hall Bond (Fund 240) in June that will save the City \$70K in interest.

## 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 - JUNE 30, 2014**

	<b>Budget</b>	<b>Actual</b>
Pro Shop Sales	35,000.00	27,149.76
Season Passes	16,000.00	16,657.73
Green Fees	185,000.00	97,382.15
Lessons	15,000.00	6,281.04
Driving Range	75,000.00	51,787.31
Golf Cart Trail Fees	2,000.00	1,904.40
School Driving Range Fees	1,500.00	1,739.95
Restaurant	32,000.00	14,307.80
Golf Cart	29,000.00	16,897.64
Misc	30,670.00	22,901.25
Non Revenue	67,000.00	33,081.47
<b>Total Revenue</b>	<b>488,170.00</b>	<b>290,090.50</b>
Salaries/Benefits	170,438.00	81,431.31
Supplies	119,950.00	76,666.78
Services	86,600.00	52,409.08
Non Expenditures	61,500.00	21,184.30
<b>Operations</b>	<b>438,488.00</b>	<b>231,691.47</b>
Unemployment	2,500.00	1,340.40
Capital	144,000.00	156,966.62
Debt Service	-	-
Capital and Debt	<b>146,500.00</b>	<b>158,307.02</b>
<b>Total Expenditures</b>	<b>584,988.00</b>	<b>389,998.49</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.

**2014 PROJECT UPDATE: SPENT THRU JULY 15TH, 2014**

<b>LIBERTY LAKE FIELDS</b>	
BUDGET	885,000.00
SPENT TO DATE	<u>619,346.73</u>
REMAINING	<u>265,653.27</u>
Status: On Schedule, on Budget	

<b>TOWNSQUARE</b>	
BUDGET	785,000.00
SPENT TO DATE	<u>113,291.57</u>
REMAINING	<u>671,708.43</u>
Status: On Schedule, on Budget	

<b>FALLEN HEROES - PAVILLION PARK</b>	
BUDGET	35,000.00
SPENT TO DATE	<u>8,374.31</u>
REMAINING	<u>26,625.69</u>
Status: Work completed. Within Budget	

<b>ROCKY HILL IMPROVEMENTS</b>	
BUDGET	20,000.00
SPENT TO DATE	<u>2,378.00</u>
REMAINING	<u>17,622.00</u>
Status: Fall Project	

<b>ROCKY HILL BARN RESTORE</b>	
BUDGET	85,000.00
SPENT TO DATE	<u>8,374.31</u>
REMAINING	<u>76,625.69</u>
Status: Fall Project	

<b>PEDESTRIAN SAFETY</b>	
BUDGET	199,000.00
SPENT TO DATE	<u>29,498.82</u>
REMAINING	<u>169,501.18</u>
Status: Summer/Fall Project	

<b>SHADE STRUCTURE AT PAVILLION</b>	
BUDGET	60,000.00
SPENT TO DATE	<u>1,950.00</u>
REMAINING	<u>58,050.00</u>
Status: On Schedule, on Budget	

<b>HILLSIDE LANDSCAPING AND WATER GARDEN</b>	
BUDGET	55,000.00
SPENT TO DATE	-
REMAINING	<u>55,000.00</u>
Status: Fall Project	

<b>LIGHTING FOR PAVILLION PARK</b>	
BUDGET	75,000.00
SPENT TO DATE	<u>4,050.00</u>
REMAINING	<u>70,950.00</u>
Status: On Schedule, on Budget	

<b>APPLEWAY &amp; LIBERTY LAKE RD PROJECTS</b>	
BUDGET	214,000.00
SPENT TO DATE	<u>25,250.00</u>
REMAINING	<u>188,750.00</u>
Status: 2015 Project, 2014 Design	

<b>READING GARDEN - LIBRARY</b>	
BUDGET	35,000.00
SPENT TO DATE	-
REMAINING	<u>35,000.00</u>
Status: Work completed. Within Budget	

<b>ROOF REPLACEMENT AT POLICE/LIBRARY</b>	
BUDGET	101,000.00
SPENT TO DATE	<u>87,772.15</u>
REMAINING	<u>13,227.85</u>
*project completed within Budget	

<b>TRAILHEAD BANQUET/BATHROOM</b>	
BUDGET	35,000.00
SPENT TO DATE	<u>24,935.51</u>
REMAINING	<u>10,064.49</u>
*Project completed within Budget	

**NOTES:**  
 #1. Appleyway Rd Project covers multiple years, budget only reflects what is appropriated in 2014.