



City of Liberty Lake

Quarterly Financial Report

Third Quarter 2016

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

- Retail sales tax revenue for the third quarter increased by 16% compared to last year.
- Property tax revenues are received during the second and fourth quarters of the year. Property Tax counts for 31% of the expected General Fund revenue in 2016.
- Permit revenue for the third quarter increased by 70% compared to last year.
- Utility tax revenue for mid year increased by 4% compared to last year. Majority of the increase is coming from the Telephone Utility Tax.

General Fund Expenditures

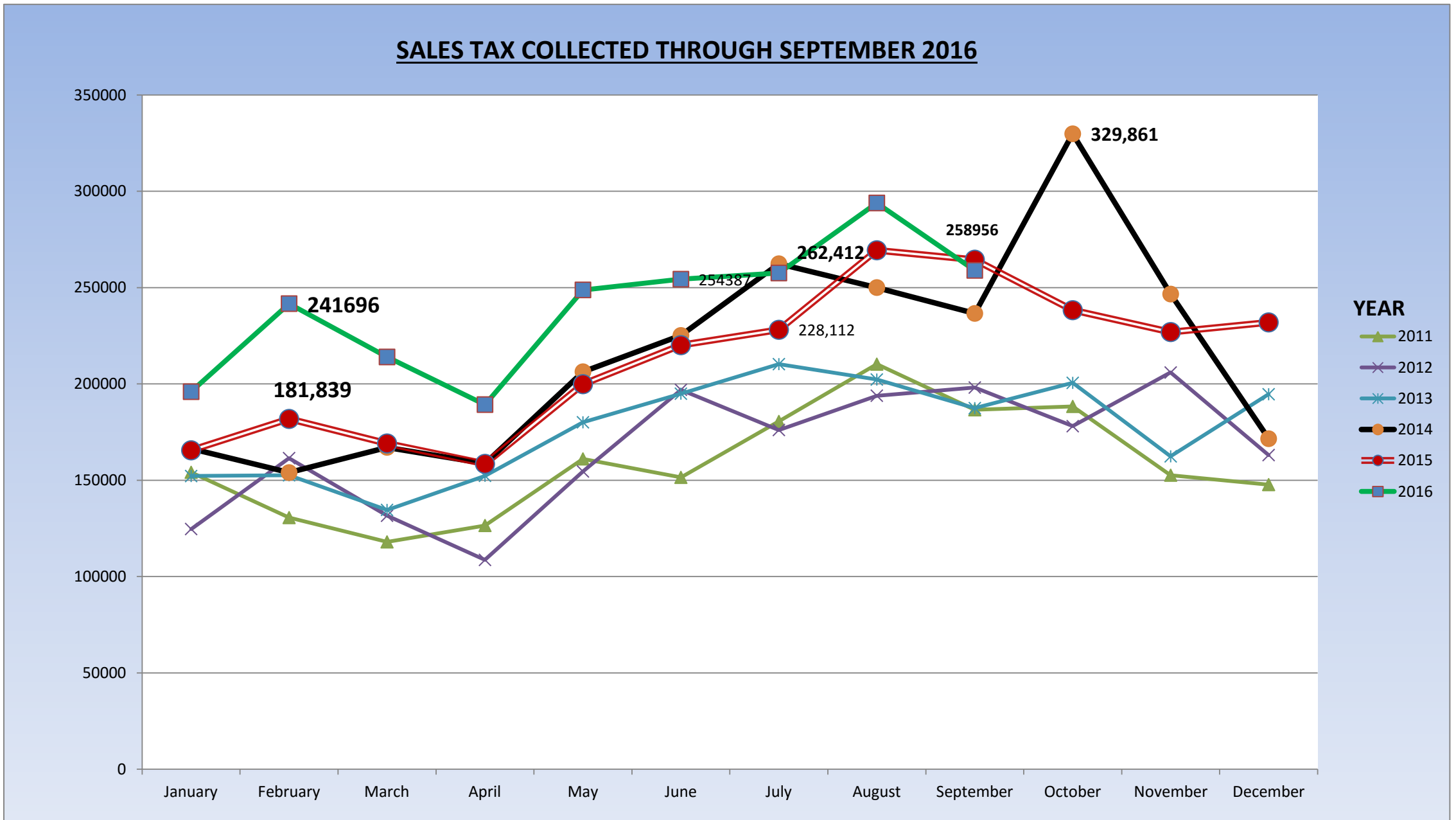
- Overall, 15% increase in comparison to last year. However, this number includes the purchase of Liberty Lake Uplands of \$330,000. The other major increase comes from the design work on the Town Square project.

The following table shows budgeted and actual revenues through third quarter 2016:

GENERAL FUND/STREETS FUND: REVENUES

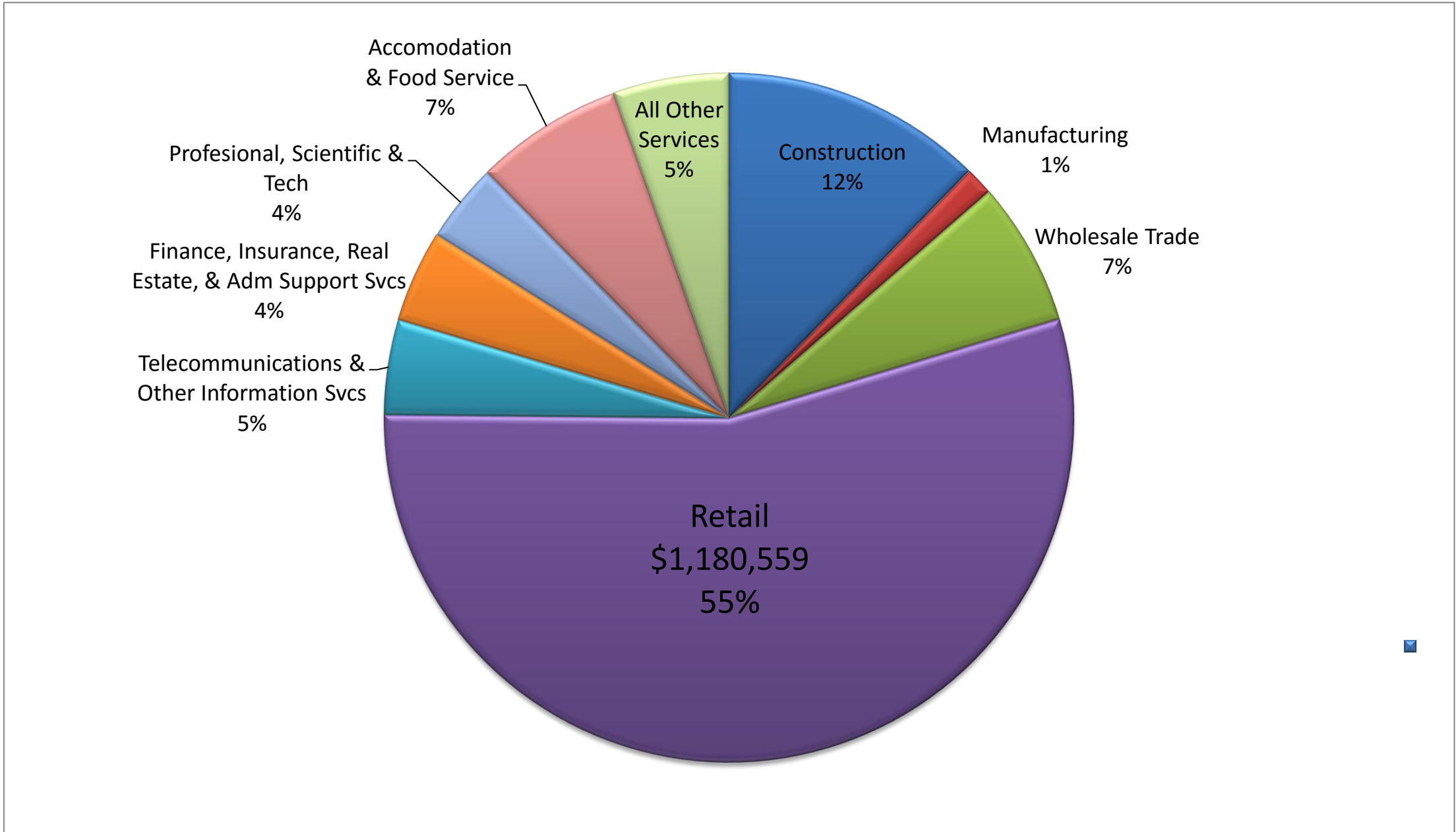
Revenue Category	9/30/2016 YTD Actual		Budgeted		% of Revenues Collected	
	01/01/15 - 9/30/15	01/01/16 - 9/30/16	2015	2016	2015	2016
Sales Tax	1,857,011	2,154,717	2,200,000	2,300,000	84%	94%
Property Tax	1,103,588	1,100,583	1,950,000	2,030,000	57%	54%
Other Taxes	247,612	268,357	278,431	287,931	89%	93%
Licenses and Permits	484,622	752,099	451,000	458,000	107%	164%
Intergovernmental Revenue	125,359	147,294	156,880	195,479	80%	75%
Charges for Services	135,178	139,909	106,220	61,920	127%	226%
Fines and Forfeitures	41,495	37,387	55,650	55,650	75%	67%
Miscellaneous Revenues	45,613	44,005	26,565	24,705	172%	178%
Utility Tax	639,729	667,355	684,000	745,000	94%	90%
Motor Vehicle Fuel Tax	134,001	149,686	170,000	175,000	79%	86%
Subtotal	4,814,208	5,461,392	6,078,746	6,333,685	79%	86%
Non Revenue Sources	45,040	52,384	85,900	118,550	52%	44%
Total Revenues	4,859,248	5,513,776	6,164,646	6,452,235	79%	85%

The following graph demonstrates sales tax by month for the years 2011 thru 2016.



2016 YTD Sales Tax = \$2,154,717

The following graph demonstrates the different categories of sales tax for YTD 2016.



The following table demonstrates the sales tax for different categories through the 3rd qtr of the year.

3rd Quarter YTD Comparison for Sales Tax	YR 2011	YR 2012	YR 2013	YR 2014	YR 2015	YR 2016
RETAIL (includes AUTO & RV)	725,669	793,112	891,536	1,012,768	1,051,809	1,180,559
CONSTRUCTION	144,652	157,465	136,828	193,764	146,990	264,976
WHOLESALE TRADE	121,122	95,600	144,039	125,476	154,262	145,637
FOOD & ACCOMODATIONS	86,548	98,137	108,194	121,242	139,466	149,558
PROF., SCIENTIFIC, & TECHNICAL	75,355	76,483	73,056	89,319	81,689	79,909
ALL OTHER CATAGORIES	266,036	224,451	213,134	291,953	282,795	334,078
TOTAL SALES TAX 3rd QUARTER	\$ 1,419,382	\$ 1,445,248	\$ 1,566,787	\$ 1,834,522	\$ 1,857,011	\$ 2,154,717

The following table shows budgeted and actual expenditures for third quarter 2016.

GENERAL FUND/STREETS FUND: EXPENDITURES

Expenditure Category	9/30/2016 YTD Actual		Budget		% Expended Through Third Quarter	
	01/01/15 - 9/30/15	01/01/16 - 9/30/16	2015	2016	2015	2016
General Government Services	226,374	227,646	885,915	944,839	26%	24%
Legislative	36,435	41,726	64,562	69,562	56%	60%
Executive	168,191	181,922	241,289	247,277	70%	74%
Finance & Administrative Services	575,865	728,728	860,586	959,954	67%	76%
Legal	40,000	44,000	60,000	66,000	67%	67%
Law Enforcement	1,428,830	1,426,045	1,943,309	2,092,934	74%	68%
Planning and Building Services	272,213	337,531	397,952	482,998	68%	70%
Library	310,342	322,782	438,032	458,782	71%	70%
Parks and Recreation	802,187	1,108,752	976,172	1,205,856	82%	92%
Street Fund	547,583	645,584	935,365	1,026,204	59%	63%
Subtotal	4,408,021	5,064,715	6,803,182	7,554,406	65%	67%
Non Expenditures	31,823	33,497	86,310	65,960	37%	51%
Total Expenditures	4,439,845	5,098,212	6,889,492	7,620,366	64%	67%

- Finance and Administration expenses are higher due to the new roof at the Golf Course and the Town Square Project.
- General Government Services budget includes LIFT payment of \$385K.
- Parks increase comes from the purchase of the Liberty Lake Upland Trailhead Property of \$330K.
- Streets Fund includes \$200K transfer to Streets Capital Fund.

City of Liberty Lake 2016 Cash & Investment Summary By Fund

The following table lists what the Cash/Investment Balances are in each fund at the end of September 30, 2016.

FUND	FUND #	9/30/2016			
		2015 Ending Fund Balance	2016 Actual Revenue	2016 Actual Expenditures	ACTUAL Cash Balance
General Fund + Street Fund	001 & 110	\$3,335,695	5,513,776	5,098,212	3,751,260
Tourism Promotion Fund	115	\$15,909	42,297	26,686	31,519
Tourism Promotion Capital Fund	116	\$0	16,556	-	16,556
Tourism Promotion Area Fund	117	\$16,594	53,687	48,735	21,546
Restricted Reserve Fund	120	\$1,227,460	1,876	-	1,229,336
LTGO Redemption Note	212	\$0	126,073	126,073	(0)
City Land LTGO Bond Fund	214	\$0	80,760	80,760	-
REET 1 Capital Projects Fund	310	\$255,778	260,249	52,794	463,233
REET 2 Capital Projects Fund	311	\$403,298	260,861	-	664,159
Street Capital Projects Fund	312	\$356,257	799,784	857,614	298,427
Harvard Road Mitigation Fund	320	\$200,641	150,802	35,316	316,127
Library Capital Fund	330	\$60,281	205	-	60,486
Police Capital Fund	334	\$7,767	27	-	7,794
Stormwater Utility Fund	410	\$198,628	38,255	44,471	192,411
Aquifer Protection Fund	411	\$139,312	16,144	-	155,456
Golf Course	420	\$201,272	541,622	592,051	150,843
Unemployment Fund	510	\$0	18,362	18,362	-
		\$6,418,891	\$ 7,921,335	\$ 6,981,075	\$ 7,359,152

Description of Other Funds

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 Capital Fund- Special excise tax of 1.3% on the sale of or charge made for the furnishing of lodging to be used solely for the purpose of paying all or any part of the cost of tourist promotion, acquisition of tourism-related facilities, or operation of tourism-related facilities or to pay for any other uses as authorized in Chapter 67-28 RCW. Ordinance No. 17-B

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 outlined in the 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.

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 - September 30, 2016

	2014 Actual	2015 Actual	2016 Actual	2016 Budget
Pro Shop Sales	42,677	43,754	48,143	43,000
Season Passes	16,658	23,694	18,140	19,000
Green Fees	202,848	206,870	211,511	195,000
Lessons	10,224	14,404	12,295	10,000
Driving Range	83,662	90,407	95,916	80,000
Golf Cart Trail Fees	2,606	2,355	1,941	2,000
School Driving Range Fees	1,740	1,472	1,104	1,100
Restaurant	25,108	32,700	35,560	32,400
Golf Cart	37,929	36,584	36,100	39,000
Misc	26,250	5,817	6,844	5,165
Non Revenue	58,138	69,391	74,066	69,000
Total Revenue	507,839	527,447	541,622	495,665
Salaries/Benefits	127,812	126,584	135,188	173,197
Supplies	114,529	137,114	145,293	154,300
Services	84,534	61,161	69,411	89,000
Non Expenditures	46,952	54,989	60,723	66,000
Operations	373,827	379,848	410,614	482,497
Capital	159,717	29,180	181,437	177,500
Capital and Other	159,717	29,180	181,437	177,500
Total Expenditures	533,544	409,028	592,051	659,997