



## *City of Liberty Lake*

# *Quarterly Financial Report*

Second Quarter 2017

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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.

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

#### **Revenues**

- Retail sales tax revenue for the second quarter increased by 13% compared to this time last year. Major increase in sales have been from two large construction projects in Liberty Lake.
- Property tax revenues are received during the second and fourth quarters of the year. Property Tax counts for 28% of the expected General Fund revenue.
- Utility tax revenue for the second quarter increased by 12% compared to last year. Major increase is due to the colder winter weather this year. The other reason for the increase is the growth of the City related to telecommunications.
- Building Permit revenue is \$28K higher than at this point in 2016.

#### **General Fund Expenditures**

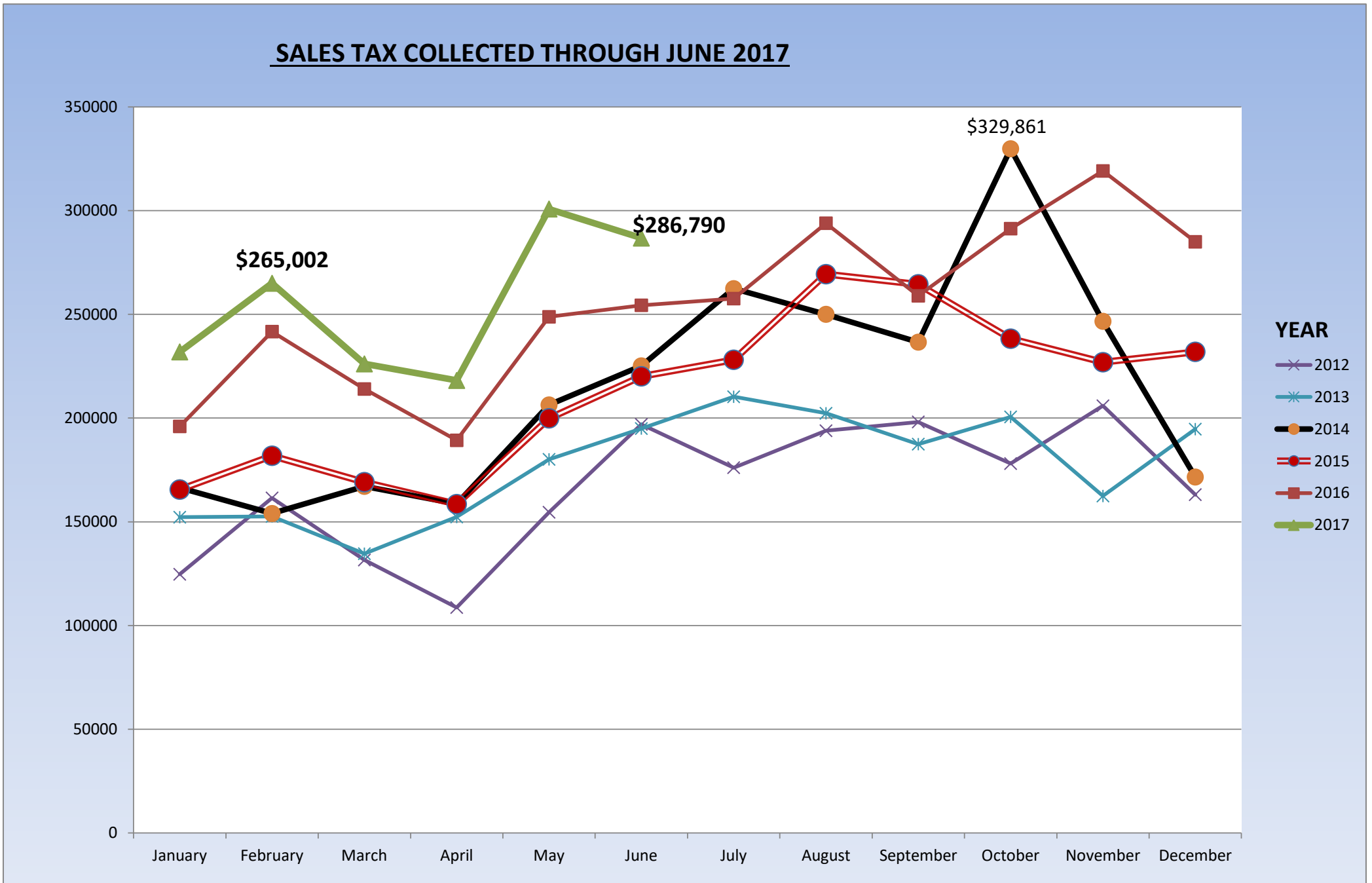
- Overall, 10% increase in comparison to last year due to winter snow and ice issues, increase in staffing, and professional services for Regional Sports Complex Study and property abatement of a mobile home. City also established a Municipal Facilities Fund for the 2017 Budget.

The following table shows budgeted and actual revenues through second quarter 2017:

**GENERAL FUND/STREETS FUND: REVENUES**

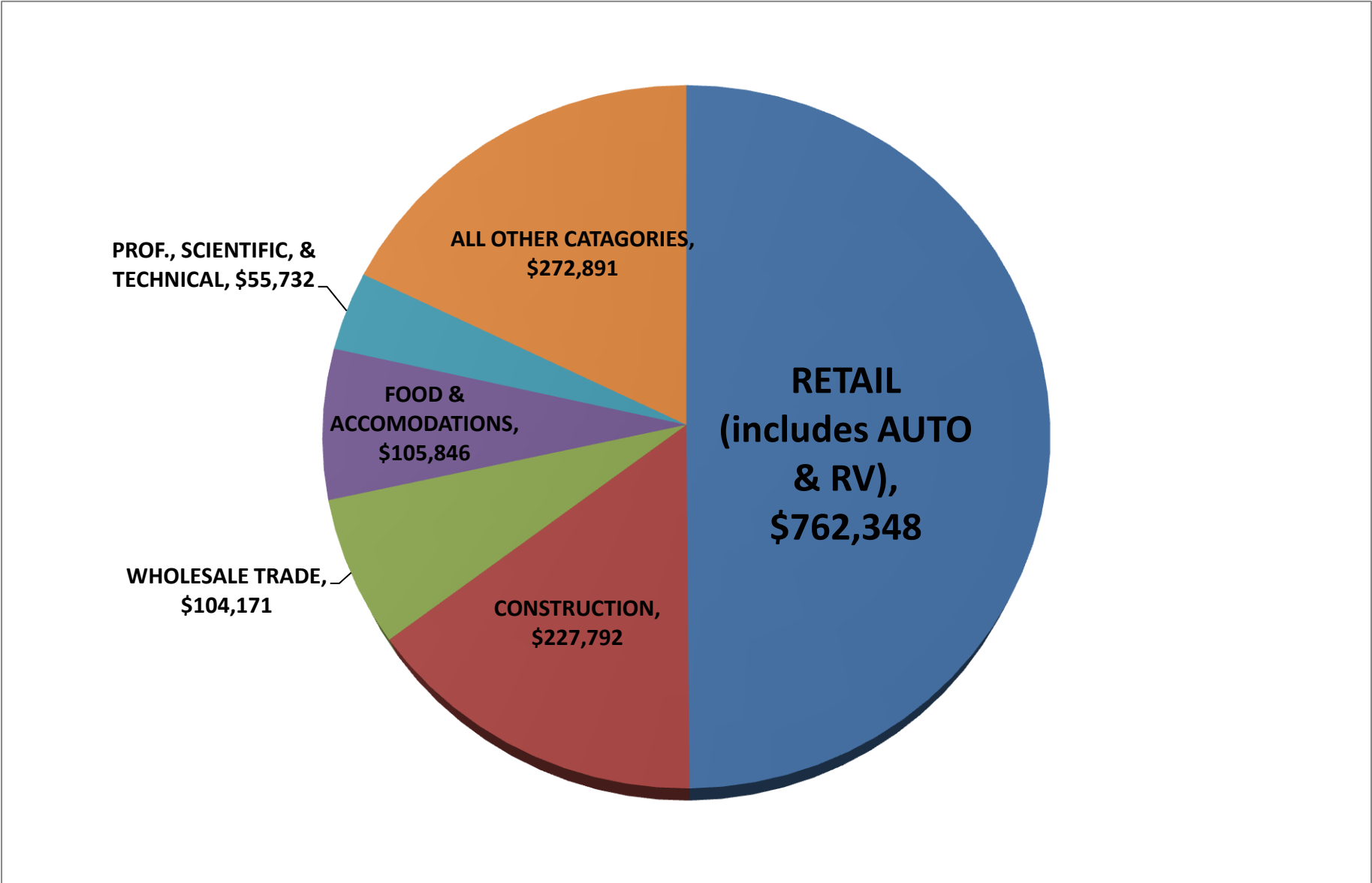
Revenue Category	6/30/2017 YTD Actual		Budgeted		% of Revenues Collected	
	01/01/16 - 6/30/16	01/01/17 - 6/30/17	2016	2017	2016	2017
Sales Tax	1,344,200	1,528,779	2,300,000	2,800,000	58%	55%
Property Tax	1,077,792	1,149,533	2,030,000	2,100,000	53%	55%
Other Taxes	165,615	166,714	287,931	341,000	58%	49%
Licenses and Permits	448,024	488,450	458,000	569,000	98%	86%
Intergovernmental Revenue	100,606	109,802	195,479	201,364	51%	55%
Charges for Services	92,086	112,846	61,920	99,800	149%	113%
Fines and Forfeitures	25,289	18,771	55,650	56,150	45%	33%
Miscellaneous Revenues	27,558	30,806	24,705	25,985	112%	119%
Utility Tax	448,361	502,400	745,000	896,000	60%	56%
Motor Vehicle Fuel Tax	98,854	97,070	175,000	212,703	56%	46%
<b>Subtotal</b>	<b>3,828,386</b>	<b>4,205,172</b>	<b>6,333,685</b>	<b>7,302,002</b>	<b>60%</b>	<b>58%</b>
Non Revenue Sources	32,165	34,611	118,550	61,100	27%	57%
<b>Total Revenues</b>	<b>3,860,550</b>	<b>4,239,783</b>	<b>6,452,235</b>	<b>7,363,102</b>	<b>60%</b>	<b>58%</b>

The following graph demonstrates sales tax by month for the years 2012 thru 2017.



**2017 YTD Sales Tax = \$1,528,780**

The following graph demonstrates the different categories of sales tax for YTD 2017.



The following table demonstrates the sales tax for different categories through the second quarter of the year.

1st Quarter YTD Comparison for Sales Tax		YR 2012	YR 2013	YR 2014	YR 2015	YR 2016	YR 2017
RETAIL (includes AUTO & RV)		477,510	526,676	587,199	609,458	704,517	762,348
CONSTRUCTION		102,061	89,341	133,004	89,372	149,832	227,792
WHOLESALE TRADE		67,732	108,850	81,601	84,323	104,166	104,171
FOOD & ACCOMODATIONS		59,722	65,468	74,706	89,142	91,275	105,846
PROF., SCIENTIFIC, & TECHNICAL		45,031	41,881	44,952	54,165	53,372	55,732
ALL OTHER CATAGORIES		125,025	135,547	163,994	168,543	241,038	272,891
<b>TOTAL SALES TAX 1ST QUARTER</b>		\$ 877,081	\$ 967,763	\$ 1,085,456	\$ 1,095,003	\$ 1,344,200	\$ 1,528,780

The following table shows budgeted and actual expenditures for second quarter 2017.

**GENERAL FUND/STREETS FUND: EXPENDITURES**

Expenditure Category	6/30/2017 YTD Actual		Budget		% Expended Through First Quarter	
	01/01/16 - 6/30/16	01/01/17 - 6/30/17	2016	2017	2016	2017
General Government Services	179,326	352,305	944,839	1,297,545	19%	27%
Legislative	27,998	33,582	69,562	97,317	40%	35%
Executive	123,253	132,826	247,277	262,373	50%	51%
Finance & Administrative Services	585,568	456,902	959,954	738,073	61%	62%
Legal	27,500	27,500	66,000	66,000	42%	42%
Law Enforcement	891,951	939,246	2,092,934	2,193,515	43%	43%
Planning and Building Services	218,224	222,130	482,998	490,561	45%	45%
Library	223,925	234,436	458,782	476,582	49%	49%
Parks & Recreation	803,147	515,712	1,539,193	1,379,773	52%	37%
Street Fund	459,673	368,732	1,026,204	1,122,530	45%	33%
<b>Subtotal</b>	<b>3,540,567</b>	<b>3,283,371</b>	<b>7,887,743</b>	<b>8,124,269</b>	<b>45%</b>	<b>40%</b>
Non Expenditures	19,595	10,412	65,960	60,360	30%	17%
<b>Total Expenditures</b>	<b>3,560,162</b>	<b>3,293,782</b>	<b>7,953,703</b>	<b>8,184,629</b>	<b>45%</b>	<b>40%</b>

- Finance & Admin costs include \$11K for property abatement.
- Executive includes \$12K for 2016 Regional Sports Complex Study with Spokane County
- General Government Services includes \$350K transfer for Municipal Facilities Fund.
- In 2016, City purchased Liberty Lake Uplands for \$333K.
- Street Fund, YR 2017 Expenses higher than 2016 due to snow and ice.
- Streets Fund includes \$400K transfer to Streets Capital Fund in 2017 for the Liberty Lake Rd, Heights, Signalization of Appleyway.

## City of Liberty Lake 2017 Cash Summary By Fund

The following table lists the cash balances at the end of June 30, 2017.

FUND	FUND #	2016 Ending Fund Balance	2017 Actual Revenue	2017 Actual Expenditures	6/30/2017 ACTUAL Cash Balance
General Fund + Street Fund	001 & 110	\$3,832,472	4,239,783	3,293,782	4,778,472
Tourism Promotion Fund	115	\$12,075	18,699	17,500	13,274
Tourism Promotion Capital Fund	116	\$6,199	12,242	-	18,441
Tourism Promotion Area Fund	117	\$28,827	23,484	4,705	47,606
Restricted Reserve Fund	120	\$1,229,612	4,288	-	1,233,900
LTGO Redemption Note	212	\$0	84,049	84,049	-
City Land LTGO Bond Fund	214	\$0	80,760	80,760	-
REET 1 Capital Projects Fund	310	\$533,330	165,218	-	698,548
REET 2 Capital Projects Fund	311	\$734,506	165,986	34,696	865,796
Street Capital Projects Fund	312	\$497,716	1,962	237,042	262,636
Orchard Park Capital Fund	314	\$0	34,696	34,696	-
Harvard Road Mitigation Fund	320	\$239,595	186,325	3,499	422,421
Library Capital Fund	330	\$90,561	358	-	90,919
Municipal Facilities Fund	331	\$0	175,287	-	175,287
Police Capital Fund	334	\$7,803	31	-	7,834
Community Messaging Fund	335	\$100,000	392	1,206	99,186
Underground Utility Fund	336	\$25,021	99	-	25,120
Building Contingency Fund	337	\$86,000	340	-	86,340
Stormwater Utility Fund	410	\$174,474	39,134	28,420	185,188
Aquifer Protection Fund	411	\$146,904	26,703	-	173,607
Golf Course	420	\$111,041	286,226	308,611	88,655
Unemployment Fund	510	\$0	8,607	8,607	-
		<b>\$7,856,136</b>	<b>\$ 5,554,666</b>	<b>\$ 4,137,572</b>	<b>\$ 9,273,230</b>

## 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 outlined 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/Municipal Facilities/Community Messaging/Underground Utilities/ Building Contingency Funds*- These are unreserved dollars set aside for Capital Projects

*Harvard Road Mitigation Fund* - Mitigation fees collected for road improvements.

*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, 2017**

	<i>2015 Actual</i>	<i>2016 Actual</i>	<i>2017 Actual</i>	<i>2017 Budget</i>
Pro Shop Sales	29,035	34,758	27,359	45,000
Season Passes	22,814	17,766	18,633	19,000
Green Fees	109,225	108,235	86,547	200,000
Lessons	10,662	8,186	6,062	10,000
Driving Range	60,188	63,371	57,889	85,000
Golf Cart Trail Fees	1,895	1,465	1,835	2,000
School Driving Range Fees	1,472	1,104	1,104	1,100
Restaurant	18,900	16,250	24,300	32,400
Golf Cart	18,302	17,379	14,624	39,000
Misc	2,893	4,368	2,383	5,615
Non Revenue	42,357	45,003	45,490	80,000
<b>Total Revenue</b>	<b>317,742</b>	<b>317,885</b>	<b>286,226</b>	<b>519,115</b>
Salaries/Benefits	78,890	84,166	90,577	173,197
Supplies	87,598	114,197	88,032	154,300
Services	37,891	45,360	46,322	89,000
Non Expenditures	25,951	29,454	26,740	66,000
<b>Operations</b>	<b>230,330</b>	<b>273,177</b>	<b>251,671</b>	<b>482,497</b>
Unemployment	-	-	-	-
Capital	8,465	175,234	56,941	177,500
Debt Service	-	-	-	-
Capital and Other	<b>8,465</b>	<b>175,234</b>	<b>56,941</b>	<b>177,500</b>
<b>Total Expenditures</b>	<b>238,794</b>	<b>448,411</b>	<b>308,611</b>	<b>659,997</b>

Notes:

Decrease in revenue is due to winter weather. In the past few years, the entire course was open for play in early February.  
Restaurant payments are currently up to date.