



## *City of Liberty Lake*

# *Quarterly Financial Report*

Third 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 third quarter increased by 15% 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. The City receives 12.5% of the Property Tax that is paid by property owners.
- Utility tax revenue is up by 6% compared to last year. Telephone Utility Tax has dropped in the 3rd Quarter due to a utility provider change in practice. City is investigating.
- Building Permit revenue and activity is equivalent to 2016.

#### **General Fund Expenditures**

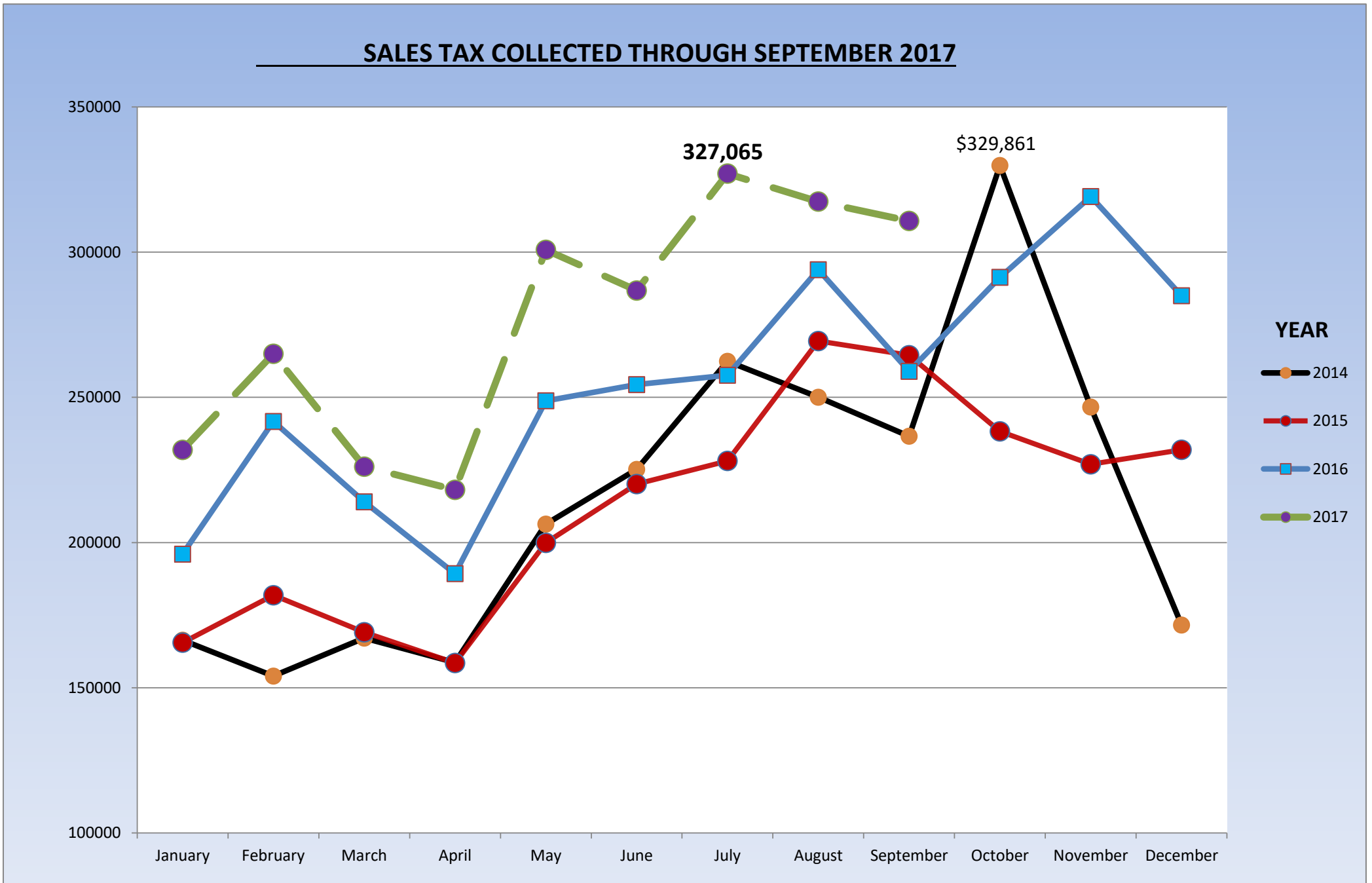
- Overall, 5% increase in comparison to last year due to winter snow and ice issues, increase in staffing, and professional services for Regional Sports Complex Study and property abatement of a mobile home. City also established a Municipal Facilities Fund for the 2017 Budget.
- Liberty Lake Road construction has been completed. City also completed Phase 1 of the Liberty Heights Overlay.

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

**GENERAL FUND/STREETS FUND: REVENUES**

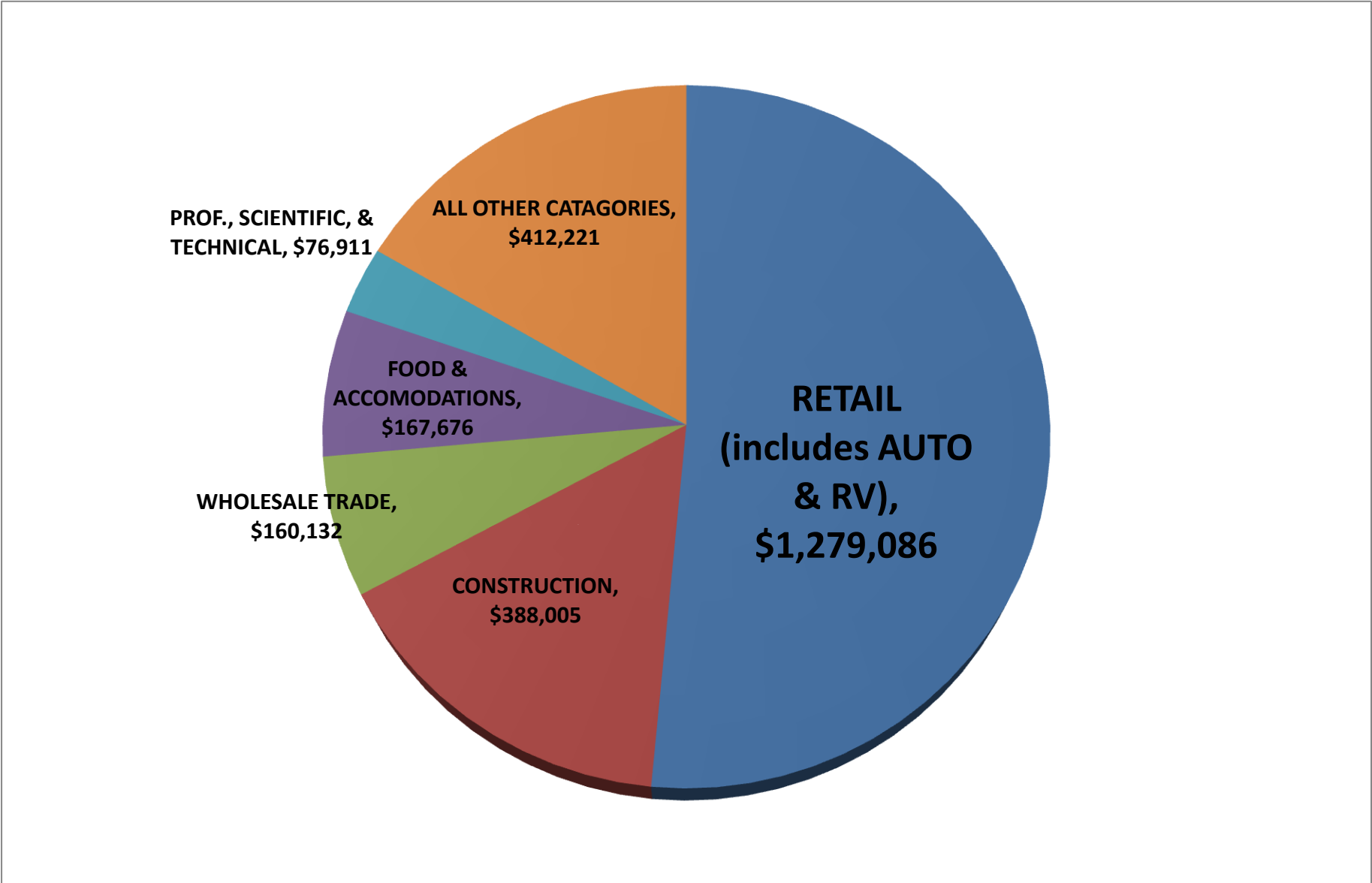
Revenue Category	9/30/2017 YTD Actual		Budgeted		% of Revenues Collected	
	01/01/16 - 9/30/16	01/01/17 - 9/30/17	2016	2017	2016	2017
Sales Tax	2,154,717	2,483,034	2,300,000	2,800,000	94%	89%
Property Tax	1,100,583	1,183,604	2,030,000	2,100,000	54%	56%
Other Taxes	268,347	279,774	287,931	341,000	93%	82%
Licenses and Permits	752,099	738,003	458,000	569,000	164%	130%
Intergovernmental Revenue	147,305	162,432	195,479	201,364	75%	81%
Charges for Services	139,909	147,327	61,920	99,800	226%	148%
Fines and Forfeitures	37,387	33,319	55,650	56,150	67%	59%
Miscellaneous Revenues	44,005	92,649	24,705	25,985	178%	357%
Utility Tax	667,355	708,720	745,000	896,000	90%	79%
Motor Vehicle Fuel Tax	149,686	154,648	175,000	212,703	86%	73%
<b>Subtotal</b>	<b>5,461,392</b>	<b>5,983,511</b>	<b>6,333,685</b>	<b>7,302,002</b>	<b>86%</b>	<b>82%</b>
Non Revenue Sources	52,384	55,175	118,550	61,100	44%	90%
<b>Total Revenues</b>	<b>5,513,776</b>	<b>6,038,687</b>	<b>6,452,235</b>	<b>7,363,102</b>	<b>85%</b>	<b>82%</b>

The following graph demonstrates sales tax by month for the years 2014 thru 2017.



**2017 YTD Sales Tax = \$2,483,034**

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 third quarter of the year.

3rd Quarter YTD Comparison for Sales Tax		YR 2012	YR 2013	YR 2014	YR 2015	YR 2016	YR 2017
RETAIL (includes AUTO & RV)		793,112	891,536	1,012,768	1,051,809	1,180,559	1,279,086
CONSTRUCTION		157,465	136,828	193,764	146,990	264,976	388,005
WHOLESALE TRADE		95,600	144,039	125,476	154,262	145,637	160,132
FOOD & ACCOMODATIONS		98,137	108,194	121,242	139,466	149,558	167,676
PROF., SCIENTIFIC, & TECHNICAL		76,483	73,056	89,319	81,689	79,909	76,911
ALL OTHER CATAGORIES		224,451	213,134	291,953	282,795	334,078	412,221
<b>TOTAL SALES TAX 3RD QUARTER</b>		\$ 1,445,248	\$ 1,566,787	\$ 1,834,522	\$ 1,857,011	\$ 2,154,717	\$ 2,484,031

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

**GENERAL FUND/STREETS FUND: EXPENDITURES**

Expenditure Category	9/30/2017 YTD Actual		Budget		% Expended Through Third Quarter	
	01/01/16 - 9/30/16	01/01/17 - 9/30/17	2016	2017	2016	2017
General Government Services	227,646	533,289	944,839	1,297,545	24%	41%
Legislative	41,726	49,020	69,562	97,317	60%	50%
Executive	181,922	197,761	247,277	262,373	74%	75%
Finance & Administrative Services	728,728	602,035	959,954	738,073	76%	82%
Legal	44,000	38,500	66,000	66,000	67%	58%
Law Enforcement	1,426,045	1,493,849	2,092,934	2,193,515	68%	68%
Planning and Building Services	337,531	327,426	482,998	490,561	70%	67%
Library	322,782	349,708	458,782	476,582	70%	73%
Parks & Recreation	1,108,752	846,631	1,539,193	1,379,773	72%	61%
Street Fund	645,584	904,725	1,026,204	1,352,530	63%	67%
<b>Subtotal</b>	<b>5,064,715</b>	<b>5,342,942</b>	<b>7,887,743</b>	<b>8,354,269</b>	<b>64%</b>	<b>64%</b>
Non Expenditures	33,497	18,140	65,960	60,360	51%	30%
<b>Total Expenditures</b>	<b>5,098,212</b>	<b>5,361,082</b>	<b>7,953,703</b>	<b>8,414,629</b>	<b>64%</b>	<b>64%</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 September 30, 2017.

FUND	FUND #	2016 Ending Fund Balance	2017 Actual Revenue	2017 Actual Expenditures	9/30/2017 ACTUAL Cash Balance
General Fund + Street Fund	001 & 110	\$3,832,472	6,038,687	5,361,082	4,510,076
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>\$ 7,353,570</b>	<b>\$ 6,204,872</b>	<b>\$ 9,004,835</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 - September 30, 2017**

	<i>2015 Actual</i>	<i>2016 Actual</i>	<i>2017 Actual</i>	<i>2017 Budget</i>
Pro Shop Sales	42,677	43,754	42,346	45,000
Season Passes	16,658	23,694	19,007	19,000
Green Fees	202,848	206,870	179,018	200,000
Lessons	10,224	14,404	8,311	10,000
Driving Range	83,662	90,407	87,282	85,000
Golf Cart Trail Fees	2,606	2,355	2,337	2,000
School Driving Range Fees	1,740	1,472	1,104	1,100
Restaurant	25,108	32,700	29,700	32,400
Golf Cart	37,929	36,584	33,174	39,000
Misc	26,250	5,817	5,076	5,615
Non Revenue	58,138	69,391	70,599	80,000
<b>Total Revenue</b>	<b>507,839</b>	<b>527,447</b>	<b>477,953</b>	<b>519,115</b>
Salaries/Benefits	127,812	126,584	144,922	181,511
Supplies	114,529	137,114	122,942	157,800
Services	84,534	61,161	69,781	89,000
Non Expenditures	46,952	54,989	55,598	70,000
<b>Operations</b>	<b>373,827</b>	<b>379,848</b>	<b>393,243</b>	<b>498,311</b>
Unemployment	-	-	-	-
Capital	159,717	29,180	70,690	113,850
Debt Service	-	-	-	-
Capital and Other	159,717	29,180	70,690	113,850
<b>Total Expenditures</b>	<b>533,544</b>	<b>409,028</b>	<b>463,933</b>	<b>612,161</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.