



## *City of Liberty Lake*

# *Quarterly Financial Report*

4th 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 fourth quarter increased by 8.6% compared to this time last year.
- 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 slightly down compared to last year. Telephone Utility Provider has decreased amount of tax to the City. City has issued an administrative subpoena to the utility provider to get further information.
- Building Permit revenue is less compared to last year, but higher than years previous.

#### **General Fund Expenditures**

Study and property abatement of a mobile home. City also established a Municipal Facilities Fund, adjustments to the Liberty Lake Road Project, and a City owned Deice Truck.

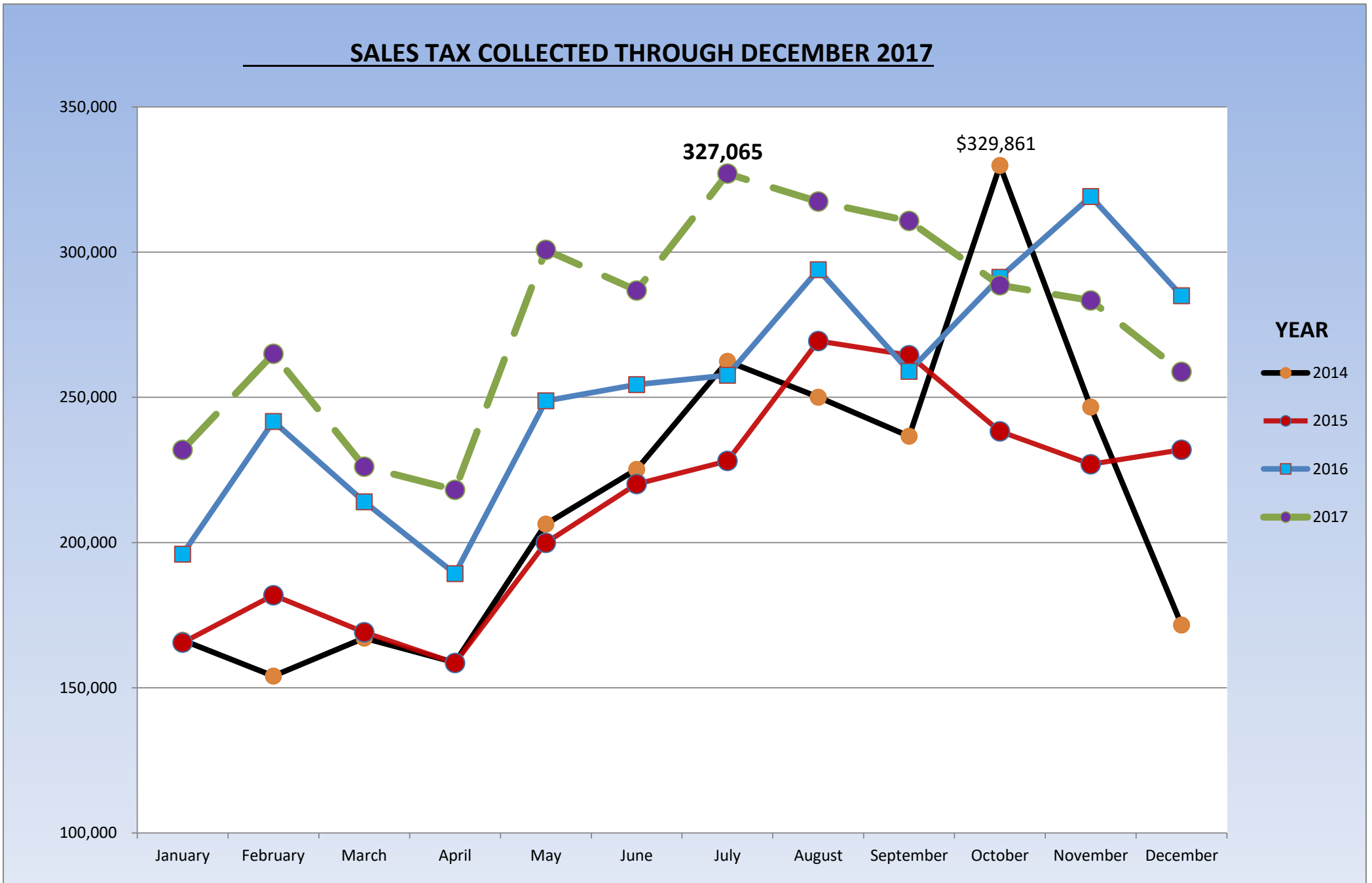
- Liberty Lake Road construction has been completed. City also completed Phase 1 of the Liberty Heights Overlay.

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

**GENERAL FUND/STREETS FUND: REVENUES**

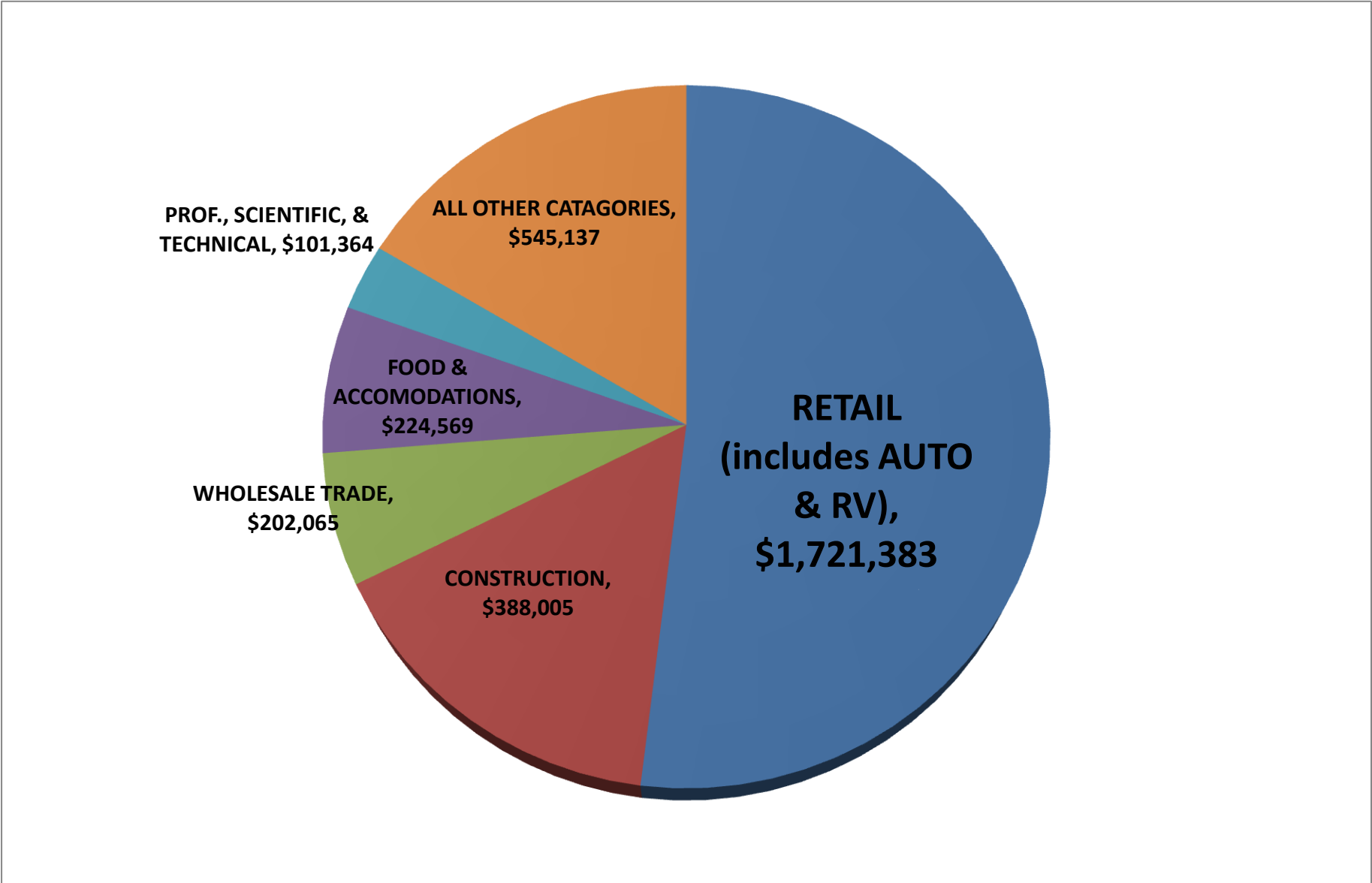
Revenue Category	12/31/2017 YTD Actual		Budgeted		% of Revenues Collected	
	01/01/16 - 12/31/16	01/01/17 - 12/31/17	2016	2017	2016	2017
Sales Tax	3,050,207	3,313,789	2,300,000	2,800,000	133%	118%
Property Tax	1,970,927	2,062,676	2,030,000	2,100,000	97%	98%
Other Taxes	348,528	366,468	287,931	341,000	121%	107%
Licenses and Permits	1,032,311	895,003	458,000	569,000	225%	157%
Intergovernmental Revenue	195,008	268,026	195,479	251,364	100%	107%
Charges for Services	186,256	248,944	61,920	99,800	301%	249%
Fines and Forfeitures	45,328	50,578	55,650	56,150	81%	90%
Miscellaneous Revenues	51,132	66,150	24,705	25,985	207%	255%
Utility Tax	898,807	890,449	745,000	896,000	121%	99%
Motor Vehicle Fuel Tax	202,869	211,756	175,000	212,703	116%	100%
<b>Subtotal</b>	<b>7,981,374</b>	<b>8,373,840</b>	<b>6,333,685</b>	<b>7,352,002</b>	<b>126%</b>	<b>114%</b>
Non Revenue Sources	63,463	80,189	118,550	61,100	54%	131%
<b>Total Revenues</b>	<b>8,044,837</b>	<b>8,454,029</b>	<b>6,452,235</b>	<b>7,413,102</b>	<b>125%</b>	<b>114%</b>

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



**2017 YTD Sales Tax = \$3,313,789**

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 fourth 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)		1,108,034	1,225,365	1,400,257	1,423,804	1,594,896	1,721,383
CONSTRUCTION		200,115	211,348	252,360	224,645	408,313	519,271
WHOLESALE TRADE		126,651	179,152	171,801	221,134	193,115	202,065
FOOD & ACCOMODATIONS		134,535	156,219	166,365	186,777	205,661	224,569
PROF., SCIENTIFIC, & TECHNICAL		106,656	88,916	125,028	115,291	118,559	101,364
ALL OTHER CATAGORIES		316,113	263,457	466,819	382,535	529,663	545,137
<b>TOTAL SALES TAX 3RD QUARTER</b>		\$ 1,992,104	\$ 2,124,457	\$ 2,582,630	\$ 2,554,186	\$ 3,050,207	\$ 3,313,789

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

**GENERAL FUND/STREETS FUND: EXPENDITURES**

Expenditure Category	12/31/2017 YTD Actual		Budget		% Expended Through Third Quarter	
	01/01/16 - 12/31/16	01/01/17 - 12/31/17	2016	2017	2016	2017
General Government Services	951,713	1,351,313	944,839	1,472,545	101%	92%
Legislative	63,060	73,544	69,562	97,317	91%	76%
Executive	242,031	260,557	247,277	262,373	98%	99%
Finance & Administrative Services	888,145	784,415	959,954	738,073	93%	106%
Legal	66,000	66,000	66,000	66,000	100%	100%
Law Enforcement	1,910,272	2,046,071	2,092,934	2,193,515	91%	93%
Planning and Building Services	451,238	432,026	482,998	490,561	93%	88%
Library	431,942	466,799	458,782	476,582	94%	98%
Parks & Recreation	1,301,213	1,077,941	1,539,193	1,379,773	85%	78%
Street Fund	1,169,713	1,415,425	1,026,204	1,452,530	114%	97%
<b>Subtotal</b>	<b>7,475,328</b>	<b>7,974,091</b>	<b>7,887,743</b>	<b>8,629,269</b>	<b>95%</b>	<b>92%</b>
Non Expenditures	57,357	68,404	65,960	60,360	87%	113%
<b>Total Expenditures</b>	<b>7,532,685</b>	<b>8,042,495</b>	<b>7,953,703</b>	<b>8,689,629</b>	<b>95%</b>	<b>93%</b>

- Finance & Admin costs include \$11K for property abatement., \$16K for General Liability Insurance, \$14K for IT, \$4K for New Computers.
- 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 \$730K transfer to Streets Capital Fund in 2017 for the Liberty Lake Rd, Heights, and Liberty Lake Road.

## City of Liberty Lake 2017 Cash Summary By Fund

The following table lists the cash balances at the end of December 31, 2017.

FUND	FUND #	2016 Ending Fund Balance	2017 Actual Revenue	2017 Actual Expenditures	12/31/2017 ACTUAL Cash Balance
General Fund + Street Fund	001 & 110	\$3,832,472	8,454,029	8,042,495	4,244,006
Tourism Promotion Fund	115	\$12,075	58,377	60,377	10,074
Tourism Promotion Capital Fund	116	\$6,199	38,103	-	44,302
Tourism Promotion Area Fund	117	\$28,827	63,577	65,045	27,359
Restricted Reserve Fund	120	\$1,229,612	8,990	-	1,238,602
LTGO Redemption Note	212	\$0	110,382	110,382	-
City Land LTGO Bond Fund	214	\$0	161,512	161,512	-
REET 1 Capital Projects Fund	310	\$533,330	434,233	-	967,563
REET 2 Capital Projects Fund	311	\$734,506	435,416	144,696	1,025,226
Street Capital Projects Fund	312	\$497,716	1,785,224	2,164,967	117,973
Orchard Park Capital Fund	314	\$0	144,751	140,455	4,295
Harvard Road Mitigation Fund	320	\$239,595	291,755	227,654	303,696
Library Capital Fund	330	\$90,561	15,874	-	106,435
Municipal Facilities Fund	331	\$0	351,282	-	351,282
Police Capital Fund	334	\$7,803	50,075	-	57,878
Community Messaging Fund	335	\$100,000	766	50,316	50,450
Underground Utility Fund	336	\$25,021	25,242	-	50,263
Building Contingency Fund	337	\$86,000	45,861	-	131,861
Stormwater Utility Fund	410	\$174,474	68,133	108,383	134,225
Aquifer Protection Fund	411	\$146,904	48,384	30,000	165,288
Golf Course	420	\$111,041	541,967	567,805	85,203
Unemployment Fund	510	\$0	9,769	9,769	-
		<b>\$7,856,136</b>	<b>\$ 13,143,703</b>	<b>\$ 11,883,856</b>	<b>\$ 9,115,983</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	52,414	45,000
Season Passes	16,658	23,694	26,718	19,000
Green Fees	202,848	206,870	193,186	200,000
Lessons	10,224	14,404	8,773	10,000
Driving Range	83,662	90,407	96,218	85,000
Golf Cart Trail Fees	2,606	2,355	2,609	2,000
School Driving Range Fees	1,740	1,472	1,104	1,100
Restaurant	25,108	32,700	37,800	32,400
Golf Cart	37,929	36,584	36,291	39,000
Misc	26,250	5,817	5,685	5,615
Non Revenue	58,138	69,391	81,170	80,000
<b>Total Revenue</b>	<b>507,839</b>	<b>527,447</b>	<b>541,967</b>	<b>519,115</b>
Salaries/Benefits	127,812	126,584	183,750	181,511
Supplies	114,529	137,114	143,134	157,800
Services	84,534	61,161	100,145	89,000
Non Expenditures	46,952	54,989	69,990	70,000
<b>Operations</b>	<b>373,827</b>	<b>379,848</b>	<b>497,019</b>	<b>498,311</b>
Unemployment	-	-	-	-
Capital	159,717	29,180	70,786	113,850
Debt Service	-	-	-	-
Capital and Other	159,717	29,180	70,786	113,850
<b>Total Expenditures</b>	<b>533,544</b>	<b>409,028</b>	<b>567,805</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.