



City of Liberty Lake

Quarterly Financial Report

First Quarter 2018

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 first quarter increased by 8% compared to this time last year with the increase coming from Auto & RV's.
- 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 first quarter is slightly down in comparison from last year due to an adjustment with Verizon Wireless.

General Fund Expenditures

- Overall, 12% increase in comparison to last year due to the establishment of the Medical Reimbursement Fund and increase staffing costs in police department.

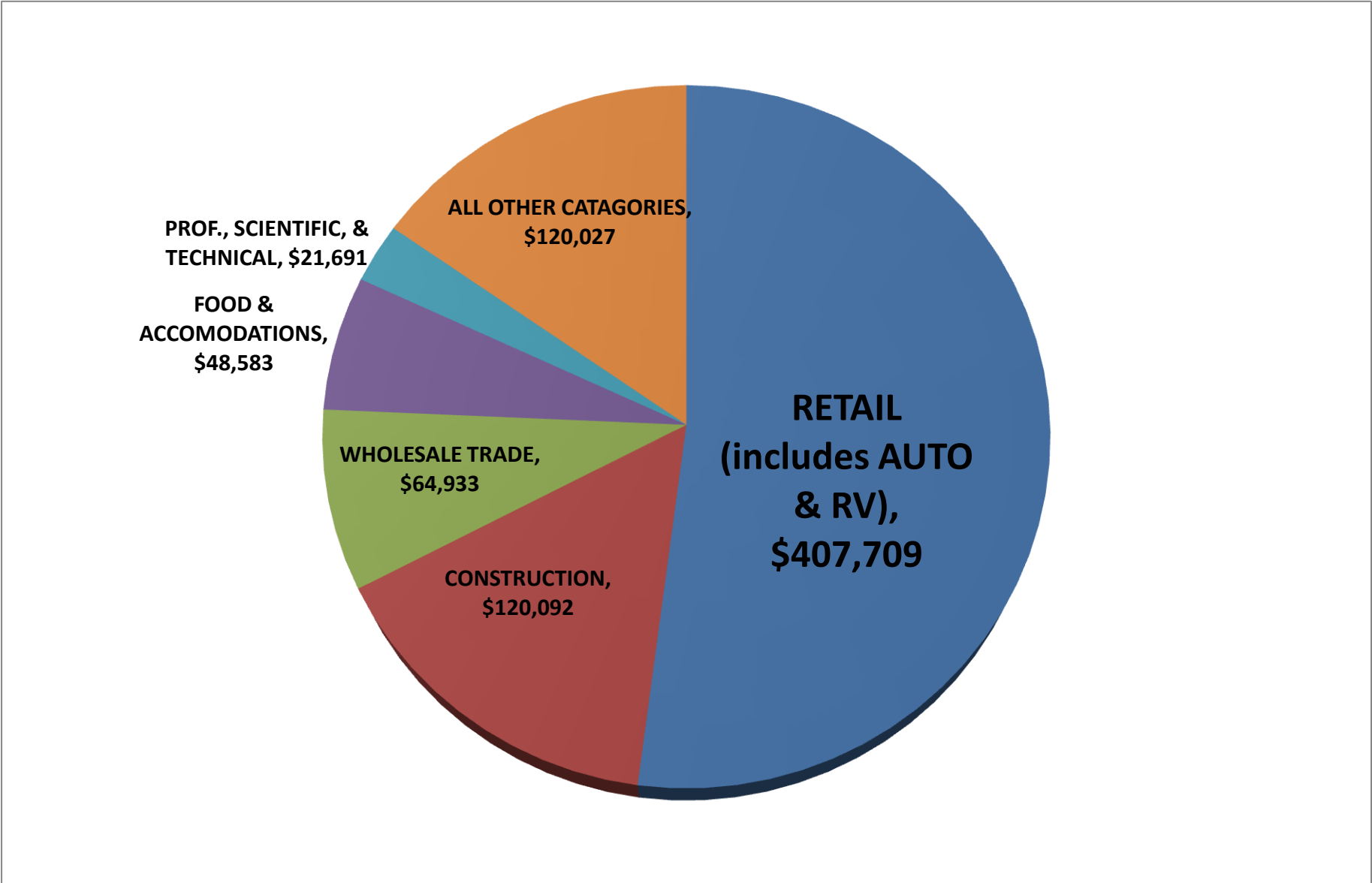
The following table shows budgeted and actual revenues through first quarter 2018:

GENERAL FUND/STREETS FUND: REVENUES

Revenue Category	3/31/2018 YTD Actual		Budgeted		% of Revenues Collected	
	01/01/17 - 3/31/17	01/01/18 - 3/31/18	2017	2018	2017	2018
Sales Tax	723,032	783,036	2,800,000	3,000,000	26%	26%
Property Tax	12,140	22,410	2,100,000	2,130,000	1%	1%
Other Taxes	68,552	77,843	341,000	347,500	20%	22%
Licenses and Permits	248,543	167,408	569,000	601,500	44%	28%
Intergovernmental Revenue	59,654	50,320	201,364	205,988	30%	24%
Charges for Services	35,440	64,298	99,800	133,800	36%	48%
Fines and Forfeitures	7,468	17,208	56,150	46,150	13%	37%
Miscellaneous Revenues	12,536	13,740	25,985	47,435	48%	29%
Utility Tax	273,218	264,146	896,000	810,000	30%	33%
Motor Vehicle Fuel Tax	47,933	54,915	212,703	229,218	23%	24%
Subtotal	1,488,516	1,515,324	7,302,002	7,551,591	20%	20%
Non Revenue Sources	19,576	34,310	61,100	50,300	32%	68%
Total Revenues	1,508,092	1,549,634	7,363,102	7,601,891	20%	20%

2018 YTD Sales Tax = \$783,035

The following graph demonstrates the different categories of sales tax for YTD 2018.



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

1st Quarter YTD Comparison for Sales Tax		YR 2013	YR 2014	YR 2015	YR 2016	YR 2017	YR 2018
RETAIL (includes AUTO & RV)		222,062	259,674	284,318	311,451	336,820	407,709
CONSTRUCTION		51,177	56,249	44,579	82,922	129,936	120,092
WHOLESALE TRADE		57,749	44,167	36,280	60,522	39,182	64,933
FOOD & ACCOMODATIONS		30,237	36,696	45,195	41,842	45,553	48,583
PROF., SCIENTIFIC, & TECHNICAL		18,990	24,140	23,062	32,692	28,427	21,691
ALL OTHER CATAGORIES		59,182	70,883	83,039	122,277	143,116	120,027
TOTAL SALES TAX 1ST QUARTER		\$ 439,397	\$ 491,809	\$ 516,473	\$ 651,706	\$ 723,034	\$ 783,035

The following table shows budgeted and actual expenditures for first quarter 2018.

GENERAL FUND/STREETS FUND: EXPENDITURES

Expenditure Category	3/31/2018 YTD Actual		Budget		% Expended Through First Quarter	
	01/01/17 - 3/31/17	01/01/18 - 3/31/18	2017	2018	2017	2018
General Government Services	47,971	181,117	1,297,545	1,297,545	4%	14%
Legislative	21,101	17,334	97,317	97,317	22%	18%
Executive	66,531	59,823	262,373	262,373	25%	23%
Finance & Administrative Services	309,683	289,561	738,073	738,073	42%	39%
Legal	11,000	11,000	66,000	66,000	17%	17%
Law Enforcement	461,119	561,801	2,193,515	2,193,515	21%	26%
Planning and Building Services	114,801	103,785	490,561	490,561	23%	21%
Library	120,752	122,922	476,582	476,582	25%	26%
Parks & Recreation	188,782	234,028	1,379,773	1,379,773	14%	17%
Street Fund	212,925	168,947	1,122,530	1,122,530	19%	15%
Subtotal	1,554,665	1,750,317	8,124,269	8,124,269	19%	22%
Non Expenditures	531	12,338	60,360	60,360	1%	20%
Total Expenditures	1,555,197	1,762,656	8,184,629	8,184,629	19%	22%

- General Govt costs include \$175K transfer to the Medical Reimbursement Fund related to employee benefits.
- Law Enforcement costs increase due to Police Records Clerk working for the City of Spokane (City receives reimbursement from Spokane). County EMS fees are higher in 2018. Also added officer in May of 2017
- Street Fund, YR 2017 Expenses lower than 2017 due to milder winter.
- Parks Budget includes \$1.3M irrigation project for 2018.

City of Liberty Lake 2018 Cash Summary By Fund

The following table lists the cash balances at the end of March 31, 2018.

FUND	FUND #	2017 Ending Fund Balance	2018 Actual Revenue	2018 Actual Expenditures	3/31/2018 ACTUAL Cash Balance
General Fund + Street Fund	001 & 110	\$4,208,144	1,549,634	1,762,656	3,995,122
Tourism Promotion Fund	115	\$10,074	11,461	2,500	19,035
Tourism Promotion Capital Fund	116	\$66,930	7,681	-	74,611
Tourism Promotion Area Fund	117	\$4,730	6,738	-	11,468
Restricted Reserve Fund	120	\$1,238,602	4,265	-	1,242,866
LTGO Redemption Note	212	\$0	-	-	-
City Land LTGO Bond Fund	214	\$0	-	-	-
REET 1 Capital Projects Fund	310	\$967,563	111,667	10,000	1,069,231
REET 2 Capital Projects Fund	311	\$1,025,227	111,883	-	1,137,109
Street Capital Projects Fund	312	\$66,223	77,287	170,693	(27,183)
Orchard Park Capital Fund	314	\$4,295	10,028	4,782	9,542
Harvard Road Mitigation Fund	320	\$303,695	41,235	-	344,930
Library Capital Fund	330	\$106,435	397	-	106,833
Municipal Facilities Fund	331	\$351,282	1,311	-	352,593
Police Capital Fund	334	\$57,879	216	-	58,095
Community Messaging Fund	335	\$50,450	188	2,366	48,273
Underground Utility Fund	336	\$50,263	188	-	50,450
Building Contingency Fund	337	\$131,861	492	-	132,353
Stormwater Utility Fund	410	\$134,225	662	1,973	132,914
Aquifer Protection Fund	411	\$165,289	617	375	165,530
Golf Course	420	\$84,541	76,036	117,849	42,728
Unemployment Fund	510	\$0	3,469	3,469	-
Medical Reimbursement Fund	511	\$0	175,000	-	175,000
		\$9,027,710	\$ 2,190,454	\$ 2,076,662	\$ 9,141,502

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 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.

Orchard Park Capital Fund - Project is slated to start in 2018 with funding coming from REET and General Fund and to be reimbursed by LIFT.

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 - March 31, 2018

	2016 Actual	2017 Actual	2018 Actual	2018 Budget
Pro Shop Sales	7,152	6,626	8,139	50,000
Season Passes	9,455	10,158	6,766	20,000
Green Fees	13,640	6,223	9,814	200,000
Lessons	1,400	914	410	10,000
Driving Range	25,220	18,648	25,506	90,000
Golf Cart Trail Fees	602	442	441	2,000
School Driving Range Fees	1,104	1,104	1,241	1,100
Restaurant	5,400	15,668	10,800	32,400
Golf Cart	1,655	664	633	39,000
Misc	770	341	136	5,615
Non Revenue	8,390	11,420	12,150	80,000
Total Revenue	74,788	72,209	76,036	530,115
Salaries/Benefits	36,742	39,325	43,185	186,014
Supplies	26,545	23,416	43,190	155,800
Services	25,449	24,195	26,928	90,500
Non Expenditures	4,183	1,856	1,775	70,000
Operations	92,920	88,792	115,078	502,314
Capital	18,238	-	2,771	-
Capital and Other	18,238	-	2,771	-
Total Expenditures	111,158	88,792	117,849	502,314