



## *City of Liberty Lake*

# *Quarterly Financial Report*

Fourth Quarter 2018

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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 is 7% 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.
- Utility tax revenue for the third quarter is down in comparison from last year due to an adjustment with Verizon Wireless. 2019 projection after the adjustment is \$810,000
- Budget for intergovernmental services includes reimbursement for LIFT for Orchard Park
- Decrease for Charges in Services is due to the Police Records Clerk ending services with the City of Spokane in early 2018.
- Increase in Fines & Penalties for 2018 is from increase in traffic violations
- Drop in Intergovernmental Revenue is from Streamline Sales Tax Mitigation ending in 2018. The City has seen a spike in Sales Tax from online purchases.

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

**GENERAL FUND/STREETS FUND: REVENUES**

Revenue Category	12/31/2018 YTD Actual		Budgeted		% of Revenues Collected	
	01/01/17 - 12/31/17	01/01/18 - 12/31/18	2017	2018	2017	2018
Sales Tax	3,313,789	3,547,038	2,800,000	3,260,860	118%	109%
Property Tax	2,062,676	2,112,803	2,100,000	2,130,000	98%	99%
Other Taxes	366,468	411,127	341,000	347,500	107%	118%
Licenses and Permits	895,003	835,262	569,000	601,500	157%	139%
Intergovernmental Revenue	268,026	178,754	201,364	654,936	133%	27%
Charges for Services	251,714	220,547	99,800	133,800	252%	165%
Fines and Forfeitures	50,578	74,572	56,150	46,150	90%	162%
Miscellaneous Revenues	67,331	139,863	25,985	47,435	259%	295%
Utility Tax	890,449	860,219	896,000	810,000	99%	106%
Motor Vehicle Fuel Tax	211,756	230,888	212,703	229,218	100%	101%
<b>Subtotal</b>	<b>8,377,791</b>	<b>8,611,073</b>	<b>7,302,002</b>	<b>8,261,399</b>	<b>115%</b>	<b>104%</b>
Non Revenue Sources	77,419	133,552	61,100	50,300	127%	266%
<b>Total Revenues</b>	<b>8,455,211</b>	<b>8,744,625</b>	<b>7,363,102</b>	<b>8,311,699</b>	<b>115%</b>	<b>105%</b>

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

**GENERAL FUND/STREETS FUND: EXPENDITURES**

Expenditure Category	12/31/2018 YTD Actual		Budget		% Expended Through second Quarter	
	01/01/17 - 12/31/17	01/01/18 - 12/31/18	2017	2018	2017	2018
General Government Services	1,351,091	912,650	1,297,545	1,364,638	104%	67%
Legislative	76,041	65,534	97,317	92,317	78%	71%
Executive	260,563	276,356	262,373	284,185	99%	97%
Finance & Administrative Services	697,692	695,967	738,073	671,308	95%	104%
Legal	66,000	67,000	66,000	66,000	100%	102%
Law Enforcement	2,049,023	2,121,982	2,193,515	2,214,780	93%	96%
Planning and Building Services	432,031	551,698	490,561	521,440	88%	106%
Library	467,855	481,784	476,582	505,329	98%	95%
Parks & Recreation	1,170,060	2,445,666	1,379,773	3,137,538	85%	78%
Street Fund	1,439,795	1,518,076	1,122,530	1,606,716	128%	94%
<b>Subtotal</b>	<b>8,010,150</b>	<b>9,136,714</b>	<b>8,124,269</b>	<b>10,464,251</b>	<b>99%</b>	<b>87%</b>
Non Expenditures	69,763	127,614	60,360	50,300	116%	254%
<b>Total Expenditures</b>	<b>8,079,913</b>	<b>9,264,329</b>	<b>8,184,629</b>	<b>10,514,551</b>	<b>99%</b>	<b>88%</b>

- General Govt costs include \$175K transfer to the Medical Reimbursement Fund related to employee benefits and a \$709K transfer to the Orchard Park Project Phase 1.
- 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.
- Finance over budget due to additional Human Resource services due to employee recruitment.
- Planning and Building services purchased new vehicle in 2018 and hired new administrative assistant. In September, City hired Civil Engineer that will start reporting to this department. Higher usage with Parametrix due to staff changes.
- Street Fund includes 2018 payment for leased equipment, and pedestrian safety project, and equipment.
- Parks Budget includes \$1.3M irrigation project for 2018. 2018 expenses include Pavillion Park pump project.

## City of Liberty Lake 2018 Cash Summary By Fund

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

FUND	FUND #	2017 Ending Fund Balance	2018 Actual Revenue	2018 Actual Expenditures	12/31/2018 ACTUAL Cash Balance
General Fund + Street Fund	001 & 110	\$4,208,144	8,744,625	9,264,329	3,688,440
Tourism Promotion Fund	115	\$10,074	57,934	58,500	9,508
Tourism Promotion Capital Fund	116	\$66,930	38,797	-	105,727
Tourism Promotion Area Fund	117	\$4,730	39,475	44,206	-
Restricted Reserve Fund	120	\$1,238,602	30,926	-	1,269,528
City Land LTGO Bond Fund	214	\$0	161,520	161,520	-
REET 1 Capital Projects Fund	310	\$967,563	613,779	1,550,000	31,342
REET 2 Capital Projects Fund	311	\$1,025,227	540,417	1,550,000	15,643
Street Capital Projects Fund	312	\$66,223	806,078	692,468	179,833
Orchard Park Capital Fund	314	\$4,295	3,062,832	2,473,689	593,439
Harvard Road Bridge Widening	318	\$0	983,066	16,263	966,803
Harvard Road Mitigation Fund	320	\$303,695	228,713	75,000	457,408
Library Capital Fund	330	\$106,435	17,593		124,029
Municipal Facilities Fund	331	\$351,282	6,782	6,909	351,155
Police Capital Fund	334	\$57,879	1,118	-	58,997
Community Messaging Fund	335	\$50,450	41,436	3,006	88,880
Underground Utility Fund	336	\$50,263	26,286		76,548
Building Contingency Fund	337	\$131,861	2,555		134,416
Stormwater Utility Fund	410	\$134,225	79,660	98,507	115,378
Aquifer Protection Fund	411	\$165,289	53,720	4,042	214,967
Golf Course	420	\$84,541	609,812	540,991	153,362
Unemployment Fund	510	\$0	12,521	12,521	0
Medical Reimbursement Fund	511	\$0	177,592	28,309	149,283
		<b>\$9,027,710</b>	<b>\$ 16,337,238</b>	<b>\$ 16,580,258</b>	<b>\$ 8,784,690</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.

*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 - December 31, 2018

	2016 Actual	2017 Actual	2018 Actual	2018 Budget
Pro Shop Sales	43,754	52,414	63,175	50,000
Season Passes	23,694	26,718	24,945	20,000
Green Fees	206,870	193,186	221,377	200,000
Lessons	14,404	8,773	9,488	10,000
Driving Range	90,407	96,218	113,562	90,000
Golf Cart Trail Fees	2,355	2,609	2,460	2,000
School Driving Range Fees	1,472	1,104	1,241	1,100
Restaurant	32,700	37,800	38,000	32,400
Golf Cart	36,584	36,291	38,738	39,000
Misc	5,817	5,685	7,358	5,615
Non Revenue	69,391	81,170	89,468	80,000
<b>Total Revenue</b>	<b>527,447</b>	<b>541,967</b>	<b>609,812</b>	<b>530,115</b>
Salaries/Benefits	126,584	183,750	189,956	186,014
Supplies	137,114	143,719	164,226	155,800
Services	61,161	100,221	100,787	90,500
Non Expenditures	54,989	69,990	81,380	70,000
<b>Operations</b>	<b>379,848</b>	<b>497,680</b>	<b>536,349</b>	<b>502,314</b>
Capital	29,180	70,786	4,641	-
Capital and Other	29,180	70,786	4,641	-
<b>Total Expenditures</b>	<b>409,028</b>	<b>568,466</b>	<b>540,991</b>	<b>502,314</b>