



## *City of Liberty Lake*

# *Quarterly Financial Report*

Third 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 third quarter increased is 5% 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.
- Budget for intergovernmental services includes reimbursement for LIFT for Orchard Park

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

**GENERAL FUND/STREETS FUND: REVENUES**

Revenue Category	9/30/2018 YTD Actual		Budgeted		% of Revenues Collected	
	01/01/17 - 9/30/17	01/01/18 - 9/30/18	2017	2018	2017	2018
Sales Tax	2,483,034	2,606,346	2,800,000	3,000,000	89%	87%
Property Tax	1,183,604	1,192,223	2,100,000	2,130,000	56%	56%
Other Taxes	279,774	307,689	341,000	347,500	82%	89%
Licenses and Permits	738,003	630,272	569,000	601,500	130%	105%
Intergovernmental Revenue	162,432	136,217	201,364	654,936	81%	21%
Charges for Services	147,327	189,846	99,800	133,800	148%	142%
Fines and Forfeitures	33,319	54,919	56,150	46,150	59%	119%
Miscellaneous Revenues	92,649	111,662	25,985	47,435	357%	235%
Utility Tax	708,720	663,383	896,000	810,000	79%	82%
Motor Vehicle Fuel Tax	154,648	171,193	212,703	229,218	73%	75%
<b>Subtotal</b>	<b>5,983,511</b>	<b>6,063,749</b>	<b>7,302,002</b>	<b>8,000,539</b>	<b>82%</b>	<b>76%</b>
Non Revenue Sources	55,175	99,028	61,100	50,300	90%	197%
<b>Total Revenues</b>	<b>6,038,687</b>	<b>6,162,778</b>	<b>7,363,102</b>	<b>8,050,839</b>	<b>82%</b>	<b>77%</b>

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

**GENERAL FUND/STREETS FUND: EXPENDITURES**

Expenditure Category	9/30/2018 YTD Actual		Budget		% Expended Through second Quarter	
	01/01/17 - 9/30/17	01/01/18 - 9/30/18	2017	2018	2017	2018
General Government Services	533,289	343,665	1,297,545	1,364,638	41%	25%
Legislative	49,020	44,047	97,317	92,317	50%	48%
Executive	197,761	199,518	262,373	284,185	75%	70%
Finance & Administrative Services	602,035	550,485	738,073	671,308	82%	82%
Legal	38,500	44,000	66,000	66,000	58%	67%
Law Enforcement	1,493,849	1,572,201	2,193,515	2,214,780	68%	71%
Planning and Building Services	327,426	388,985	490,561	521,440	67%	75%
Library	349,708	347,569	476,582	505,329	73%	69%
Parks & Recreation	846,631	1,250,894	1,379,773	3,137,538	61%	40%
Street Fund	904,725	867,162	1,122,530	1,606,716	81%	54%
<b>Subtotal</b>	<b>5,342,942</b>	<b>5,608,528</b>	<b>8,124,269</b>	<b>10,464,251</b>	<b>66%</b>	<b>54%</b>
Non Expenditures	18,140	72,527	60,360	50,300	30%	144%
<b>Total Expenditures</b>	<b>5,361,082</b>	<b>5,681,055</b>	<b>8,184,629</b>	<b>10,514,551</b>	<b>66%</b>	<b>54%</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. Added officer in May of 2017

- 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.

- 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 September 30, 2018.

FUND	FUND #	2017 Ending Fund Balance	2018 Actual Revenue	2018 Actual Expenditures	9/30/2018 ACTUAL Cash Balance
General Fund + Street Fund	001 & 110	\$4,208,144	6,162,778	5,681,055	4,689,867
Tourism Promotion Fund	115	\$10,074	45,168	2,500	52,743
Tourism Promotion Capital Fund	116	\$66,930	30,149	-	97,080
Tourism Promotion Area Fund	117	\$4,730	26,034	30,764	-
Restricted Reserve Fund	120	\$1,238,602	9,962	-	1,248,564
City Land LTGO Bond Fund	214	\$0	80,760	80,760	-
REET 1 Capital Projects Fund	310	\$967,563	473,342	970,000	470,906
REET 2 Capital Projects Fund	311	\$1,025,227	474,639	970,000	529,865
Street Capital Projects Fund	312	\$66,223	604,347	305,901	364,669
Orchard Park Capital Fund	314	\$4,295	1,941,286	1,926,011	19,571
Harvard Road Bridge Widening	318	\$0	800,000	-	800,000
Harvard Road Mitigation Fund	320	\$303,695	179,711	-	483,406
Library Capital Fund	330	\$106,435	1,437		107,873
Municipal Facilities Fund	331	\$351,282	4,740	3,971	352,052
Police Capital Fund	334	\$57,879	778	-	58,657
Community Messaging Fund	335	\$50,450	40,924	3,006	88,368
Underground Utility Fund	336	\$50,263	25,845		76,107
Building Contingency Fund	337	\$131,861	1,781		133,642
Stormwater Utility Fund	410	\$134,225	47,410	84,945	96,690
Aquifer Protection Fund	411	\$165,289	29,587	375	194,501
Golf Course	420	\$84,541	559,973	439,643	204,872
Unemployment Fund	510	\$0	12,521	12,521	-
Medical Reimbursement Fund	511	\$0	176,670	16,267	160,404
		<b>\$9,027,710</b>	<b>\$ 11,729,844</b>	<b>\$ 10,527,719</b>	<b>\$ 10,229,835</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.

*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 - September 30, 2018**

	<b>2016 Actual</b>	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2018 Budget</b>
Pro Shop Sales	48,143	42,346	52,382	50,000
Season Passes	18,140	19,007	14,422	20,000
Green Fees	211,511	179,018	209,665	200,000
Lessons	12,295	8,311	9,241	10,000
Driving Range	95,916	87,282	104,207	90,000
Golf Cart Trail Fees	1,941	2,337	2,227	2,000
School Driving Range Fees	1,104	1,104	1,241	1,100
Restaurant	35,560	29,700	31,000	32,400
Golf Cart	36,100	33,174	35,895	39,000
Misc	6,834	5,076	6,242	5,615
Non Revenue	74,066	70,599	80,733	80,000
<b>Total Revenue</b>	<b>541,612</b>	<b>477,953</b>	<b>547,255</b>	<b>530,115</b>
Salaries/Benefits	135,188	144,922	151,033	186,014
Supplies	145,293	122,942	121,129	155,800
Services	69,411	69,781	76,464	90,500
Non Expenditures	60,723	55,598	64,519	70,000
<b>Operations</b>	<b>410,614</b>	<b>393,243</b>	<b>413,145</b>	<b>502,314</b>
Capital	151,437	70,690	2,784	-
Capital and Other	<b>151,437</b>	<b>70,690</b>	<b>2,784</b>	-
<b>Total Expenditures</b>	<b>562,051</b>	<b>463,933</b>	<b>415,929</b>	<b>502,314</b>