



City of Liberty Lake

Quarterly Financial Report

Second Quarter 2016

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. Please note that these numbers are still preliminary and adjustments may need to be made as the Annual Financial Report is prepared.

General Fund / Streets Fund

Revenues

- Retail sales tax revenue for the second quarter increased by 23% compared to 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 in 2016.
- Utility tax revenue for mid year increased by 3% compared to last year.

General Fund Expenditures

- Overall, 17% increase in comparison to last year. However, this number includes the purchase of Liberty Lake Uplands of \$330,000. The other major increase comes from the design work on the Town Square project.

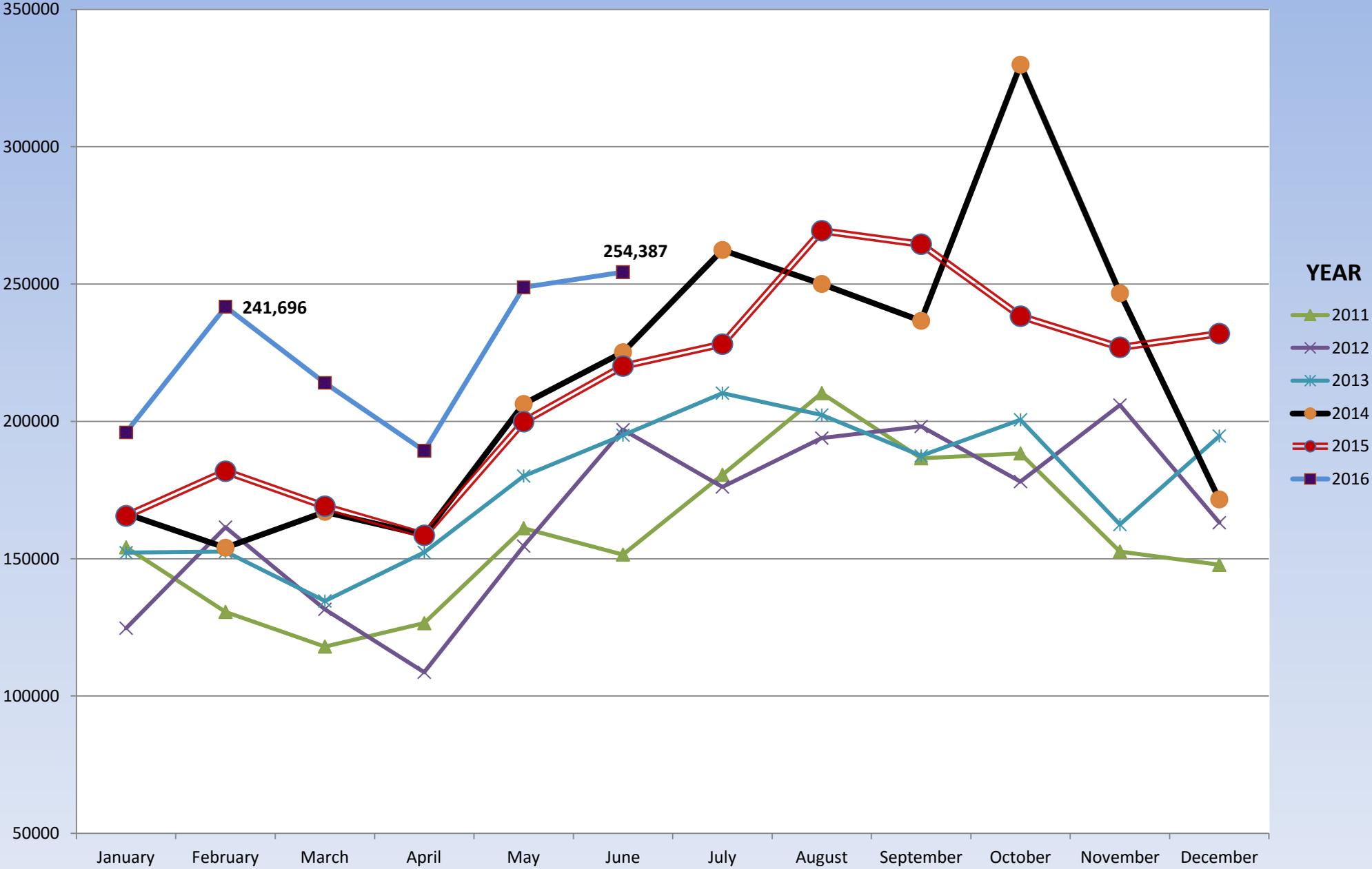
The following table shows budgeted and actual revenues through second quarter 2016:

GENERAL FUND/STREETS FUND: REVENUES

Revenue Category	6/30/2016 YTD Actual		Budgeted		% of Revenues Collected	
	01/01/15 - 6/30/15	01/01/16 - 6/30/16	2015	2016	2015	2016
Sales Tax	1,095,003	1,344,200	2,200,000	2,300,000	50%	58%
Property Tax	1,077,126	1,077,792	1,950,000	2,030,000	55%	53%
Other Taxes	149,680	165,615	278,431	287,931	54%	58%
Licenses and Permits	305,755	448,024	451,000	458,000	68%	98%
Intergovernmental Revenue	85,122	100,606	156,880	195,479	54%	51%
Charges for Services	92,939	92,086	106,220	61,920	87%	149%
Fines and Forfeitures	27,175	25,289	55,650	55,650	49%	45%
Miscellaneous Revenues	32,776	27,558	26,565	24,705	123%	112%
Utility Tax	433,470	448,361	684,000	745,000	63%	60%
Motor Vehicle Fuel Tax	85,056	98,854	170,000	175,000	50%	56%
Subtotal	3,384,101	3,828,386	6,078,746	6,333,685	56%	60%
Non Revenue Sources	29,930	32,165	85,900	118,550	35%	27%
Total Revenues	3,414,031	3,860,550	6,164,646	6,452,235	55%	60%

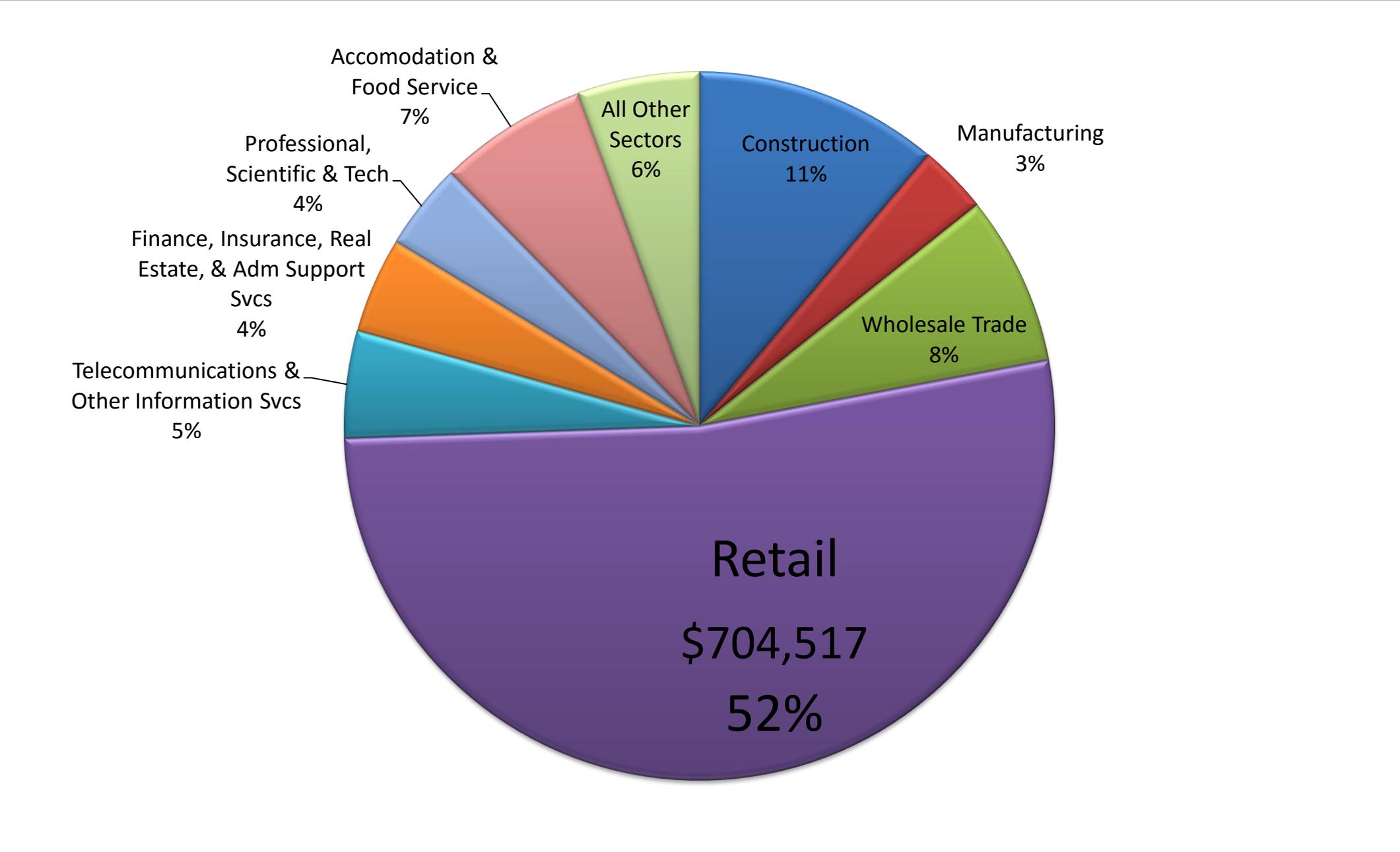
The following graph demonstrates sales tax by month for the years 2011 thru 2016.

SALES TAX COLLECTED THROUGH JUNE 2016



2016 YTD Sales Tax = \$1,344,200

The following graph demonstrates the different categories of sales tax for YTD 2016.



The following table demonstrates the sales tax for different categories thru the 2nd qtr of the year.

2nd Quarter YTD Comparison for Sales Tax		YR 2011	YR 2012	YR 2013	YR 2014	YR 2015	YR 2016
RETAIL (includes AUTO & RV)		428,299	477,510	526,676	587,199	609,458	704,517
CONSTRUCTION		88,160	102,061	89,341	133,004	89,372	149,832
WHOLESALE TRADE		85,383	67,732	108,850	81,601	84,323	104,166
FOOD & ACCOMODATIONS		51,694	59,722	65,468	74,706	89,142	91,275
PROF., SCIENTIFIC, & TECHNICAL		40,874	45,031	41,881	44,952	54,165	53,372
ALL OTHER CATAGORIES		147,548	125,025	135,547	163,994	168,543	241,038
TOTAL SALES TAX 2nd QUARTER		\$ 841,958	\$ 877,081	\$ 967,763	\$ 1,085,456	\$ 1,095,003	\$ 1,344,200

The following table shows budgeted and actual expenditures for second quarter 2016.

GENERAL FUND/STREETS FUND: EXPENDITURES

Expenditure Category	6/30/2016 YTD Actual		Budget		% Expended Through Second Quarter	
	01/01/15 - 6/30/15	01/01/16 - 6/30/16	2015	2016	2015	2016
General Government Services	195,144	179,326	885,915	944,839	22%	19%
Legislative	25,490	27,998	64,562	69,562	39%	40%
Executive	119,266	123,253	241,289	247,277	49%	50%
Finance & Administrative Services	402,081	585,568	860,586	959,954	47%	61%
Legal	25,000	27,500	60,000	66,000	42%	42%
Law Enforcement	951,063	891,951	1,943,309	2,092,934	49%	43%
Planning and Building Services	175,052	218,224	397,952	482,998	44%	45%
Library	209,996	223,925	438,032	458,782	48%	49%
Parks and Recreation	491,309	803,147	976,172	1,205,856	50%	67%
Street Fund	419,812	459,673	935,365	1,026,204	45%	45%
Subtotal	3,014,213	3,540,567	6,803,182	7,554,406	44%	47%
Non Expenditures	16,438	19,595	86,310	65,960	19%	30%
Total Expenditures	3,030,651	3,560,162	6,889,492	7,620,366	44%	47%

- Finance and Administration expenses are higher due to the new roof at the Golf Course and the Town Square Project.
- General Government Services budget includes LIFT payment of \$385K.
- Parks increase comes from the purchase of the Liberty Lake Upland Trailhead Property of \$330K.
- Streets Fund includes \$200K transfer to Streets Capital Fund.

City of Liberty Lake 2016 Cash & Investment Summary By Fund

The following table lists what the Cash/Investment Balances are in each fund at the end of June 30, 2016.

FUND	FUND #	2015 Ending Fund Balance	2016 Actual Revenue	2016 Actual Expenditures	6/30/2016 ACTUAL Cash Balance
General Fund + Street Fund	001 & 110	\$3,335,695	3,860,550	3,560,162	3,636,084
Tourism Promotion Fund	115	\$15,909	21,313	19,610	17,611
Tourism Promotion Capital Fund	116	-	2,933	-	2,933
Tourism Promotion Area Fund	117	\$16,594	32,141	22,556	26,179
Restricted Reserve Fund	120	\$1,227,460	2,235	-	1,229,695
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	\$255,778	166,132	49,294	372,616
REET 2 Capital Projects Fund	311	\$403,298	166,497	-	569,795
Street Capital Projects Fund	312	\$356,257	502,057	390,980	467,334
Harvard Road Mitigation Fund	320	\$200,641	90,970	35,316	256,295
Library Capital Fund	330	\$60,281	130	-	60,411
Police Capital Fund	334	\$7,767	17	-	7,784
Stormwater Utility Fund	410	\$198,628	36,954	28,959	206,623
Aquifer Protection Fund	411	\$139,312	15,958	-	155,270
Golf Course	420	\$201,272	317,885	448,412	70,745
Unemployment Fund	510	\$0	17,909	17,909	-
		\$6,418,891	\$ 5,398,490	\$ 4,738,008	\$ 7,079,374

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 Capital Fund- Special excise tax of 1.3% on the sale of or charge made for the furnishing of lodging to be used solely for the purpose of paying all or any part of the cost of tourist promotion, exquisition of tourism-related facilities, or operation of tourism-related facilities or to pay for any other uses as authroized in Chapter 67-28 RCW. Ordinance No. 17-B

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

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 the 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.

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

Street Capital/Library Capital /Police Capital Funds- These are unreserved dollars set aside for Capital Projects

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 - June 30, 2016

	2014 Actual	2015 Actual	2016 Actual	2016 Budget
Pro Shop Sales	27,150	29,035	34,758	43,000
Season Passes	16,658	22,814	17,766	19,000
Green Fees	97,382	109,225	108,235	195,000
Lessons	6,281	10,662	8,186	10,000
Driving Range	51,787	60,188	63,371	80,000
School Driving Range Fees	1,740	1,472	1,104	1,100
Restaurant	14,308	18,900	16,250	32,400
Golf Cart	16,898	18,302	17,379	39,000
Misc	22,901	2,893	4,368	5,165
Non Revenue	33,081	42,357	45,003	69,000
Total Revenue	290,091	317,742	317,885	495,665
Salaries/Benefits	81,431	78,890	84,166	173,197
Supplies	76,667	87,598	114,197	154,300
Services	52,409	37,891	45,360	89,000
Non Expenditures	21,184	25,951	29,454	66,000
Capital	156,967	8,465	175,234	177,500
Debt Service	-	-	-	-
Capital and Other	158,307	8,465	175,234	177,500
Total Expenditures	389,998	238,794	448,411	659,997