

# **CHELAN COUNTY WASHINGTON**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2005

Prepared by:

Evelyn L. Arnold, CPA – Chelan County Auditor  
Bradley Posenjak, CPA – Financial Services Manager



**CHELAN COUNTY, WASHINGTON**

Comprehensive Annual Financial Report  
For the Fiscal Year Ended December 31, 2005

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*Evelyn L. Arnold, CPA*  
AUDITOR

# Chelan County

June 30, 2006

To the Honorable Board of Commissioners and Citizens of Chelan County:

In accordance with the provision of Chapter 36.22 of the Revised Code of Washington, we are pleased to submit the Comprehensive Annual Financial Report (CAFR) of Chelan County for the fiscal year ended December 31, 2005. The financial statements are presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by independent auditors from the Washington State Auditor's Office.

This report consists of management's representations concerning the finances of Chelan County. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of Chelan County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Chelan County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Chelan County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Chelan County's financial statements have been audited by the Washington State Auditor's Office. The goal of the independent audit was to provide reasonable assurance that the financial statements of Chelan County for the fiscal year ended December 31, 2005, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Chelan County's financial statements for the year ended December 31, 2005, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component on the financial section of this report.

The independent audit of the financial statements of Chelan County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing the Single Audit engagements require the independent

Chelan County Courthouse, 350 Orondo Avenue, Post Office Box 400, Wenatchee, WA 98807-0400  
Phone (509) 667-6800 Fax (509) 667-6818 Website: [www.co.chelan.wa.us](http://www.co.chelan.wa.us)

auditor to report not only on the fair presentation of the financial statements, but also on Chelan County's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available from the Washington State Auditor's Office in their Report on Financial Statements and Federal Single Audit. The audited Schedule of Expenditures of Federal Awards is included in the Supplementary Section of this CAFR.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Chelan County's MD&A can be found immediately following the report of the independent auditors.

## **Profile of the Government**

Chelan County, incorporated in 1899, is located in the north-central part of the state with the Columbia River forming the eastern border and the crest of the Cascade Mountains forming the western border. Chelan County occupies a land area of 2920 square miles, of which, approximately 90 percent of the geographic area is Wenatchee National Forest.

Being situated on the eastern slope of the Cascade Range and containing the Columbia and Wenatchee Rivers has been conducive to an agricultural economy, hydro-electric power, and numerous recreational activities.

Chelan County is a non-charter county, which means that the organization of the County is prescribed by state law. The organizational chart, directly following this letter, provides a view of the structure of the County, including its elected officials, administrators, and major departments. As the chart shows, the voters of Chelan County elect fifteen officials, including three County Commissioners, three Superior Court Judges, two District Court Judges, an Assessor, Treasurer, Auditor, Prosecutor, Sheriff, Clerk, and a Coroner.

Chelan County provides a full range of services, including police protection; criminal and civil courts; appraisal of property values for property tax purposes; construction of county roads and other infrastructure; administration of elections; issuance of motor vehicle licenses; land use planning and building review; as well as development of parks and recreation.

The annual budget serves as the foundation for Chelan County's financial planning and control. State law (RCW 36.40) establishes the general requirements of Chelan County's budget process. The law requires the County to initiate the budget process on or before the second Monday in July, by requesting budget estimates for the ensuing year from each County department. These estimates must be filed on or before the second Monday in August. The County is required to present a compilation of these estimates, including revenue projections, to the Board of Commissioners upon or before the first Tuesday in September. A compilation of submissions is then prepared and copies are made available to the public. The Commissioners must schedule a hearing on the budget for the first Monday in October. At the conclusion of the hearing, the Board of Commissioners adopts the budget. However, according to the RCW, the Board of Commissioners is allowed to set alternate dates relating to the budget process. Accordingly, Chelan County usually modifies the budget dates from those prescribed by RCW. Budget-to-actual comparisons are provided in this report for each governmental fund for which an appropriated budget has been adopted.

## Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Chelan County operates.

**Local economy.** Chelan County is currently experiencing a stable economic environment with the commercial and construction industries growing while looking forward for opportunities to keep the agriculture industry steady. Major industries with headquarters or divisions located within the county's boundaries or in close proximity consist mainly of agricultural related packing and processing plants.

**Long-term financial planning.** Chelan County adopts a 5-year capital improvement plan which outlines the counties major road and building projects as well as other planned capital improvements.

The county has recently undergone a remodel of the Juvenile Administration building, construction of a 60-bed annex to the Regional Justice Center, and is undergoing a remodel of the Auditorium building. The County has used bonds and real estate excise tax proceeds to finance much of these construction projects.

**Cash management policies and practices.** The Chelan County Treasurer is empowered by state law to invest cash holdings as directed on behalf of Chelan County and other taxing districts. Investments are made in certificates of deposit, bankers' acceptances, and other authorized investments within guidelines established by the Office of State Treasurer.

The Chelan County Treasurer also invests much of the county's holdings in the State Treasurer's Investment Pool. This investment pool allows the counties to utilize the expertise of the State Treasurer's Office and its staff to obtain competitive rates of return as well as security of funds. The investment pool rate increased from 2.07% in December 2004 to 4.16% in December 2005.

**Risk management.** Chelan County is a member of the Washington Counties Risk Pool (pool). State law authorizes governmental entities to form or join a pool for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services. The state pool was formed on August 18, 1988 when counties in the state of Washington joined together by signing an interlocal agreement to pool their self-insured losses and jointly purchase insurance and administrative services. Twenty-eight counties have joined the pool. Members make annual contributions to fund the pool.

All pool joint self-insurance liability coverage is on an "occurrence" basis. The pool also provides property and special events/concessionaires optional group purchase insurance coverage to its members.

Chelan County is self-insured for most industrial insurance (worker's compensation) claims. Interfund premiums are assessed on the basis of claims experience and are reported as revenues and expenses or expenditures.

**Pension and other post-employment benefits.** Substantially all county full-time employees and qualifying part-time employees participate in one of the statewide public employee retirement systems administered by the Department of Retirement Systems (DRS), under a cost-sharing multiple-employer defined benefit public employee retirement system. The DRS, a department within the primary government of the State of Washington, issues a publicly

available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan.

The state Pension Funding Council and the director of the Department of Retirement Systems, based on recommendations by the Office of the State Actuary, set employer and employee contribution rates to continue to fully fund the plan. All employers are required to contribute at the level established by state law. The methods used to determine the contribution rates are established under state statute in accordance with RCW chapters 41.40 and 41.45.

Chelan County also provides post-employment health and dental care benefits for certain retirees and their dependents. At the end of 2005, there were 25 retired employees receiving these benefits, which are financed on a pay-as-you-go basis. GAAP does not require governments to report a liability in the financial statements in connection with an employer's obligation to provide these benefits.

Additional information on the County's pension arrangements and post-employment benefits can be found in the notes to the financial statements.

**Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Chelan County for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2005. This was the first year that the county received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

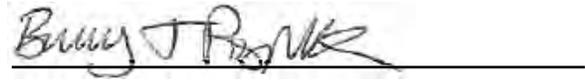
We express our appreciation to those who have devoted their time to the preparation of this report; especially the Financial Services staff in the Chelan County Auditor's office as well as those who helped compile information such as the staff in the Chelan County Treasurer and Assessor's offices.

We would also like to express our appreciation to the Board of County Commissioners for their efforts in working for the betterment of the community and in making Chelan County a great place to live.

Respectfully submitted,



Evelyn L. Arnold, CPA  
Chelan County Auditor



Bradley J. Posenjak, CPA  
Financial Services Manager

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Chelan County,  
Washington

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Carla E. Perry*

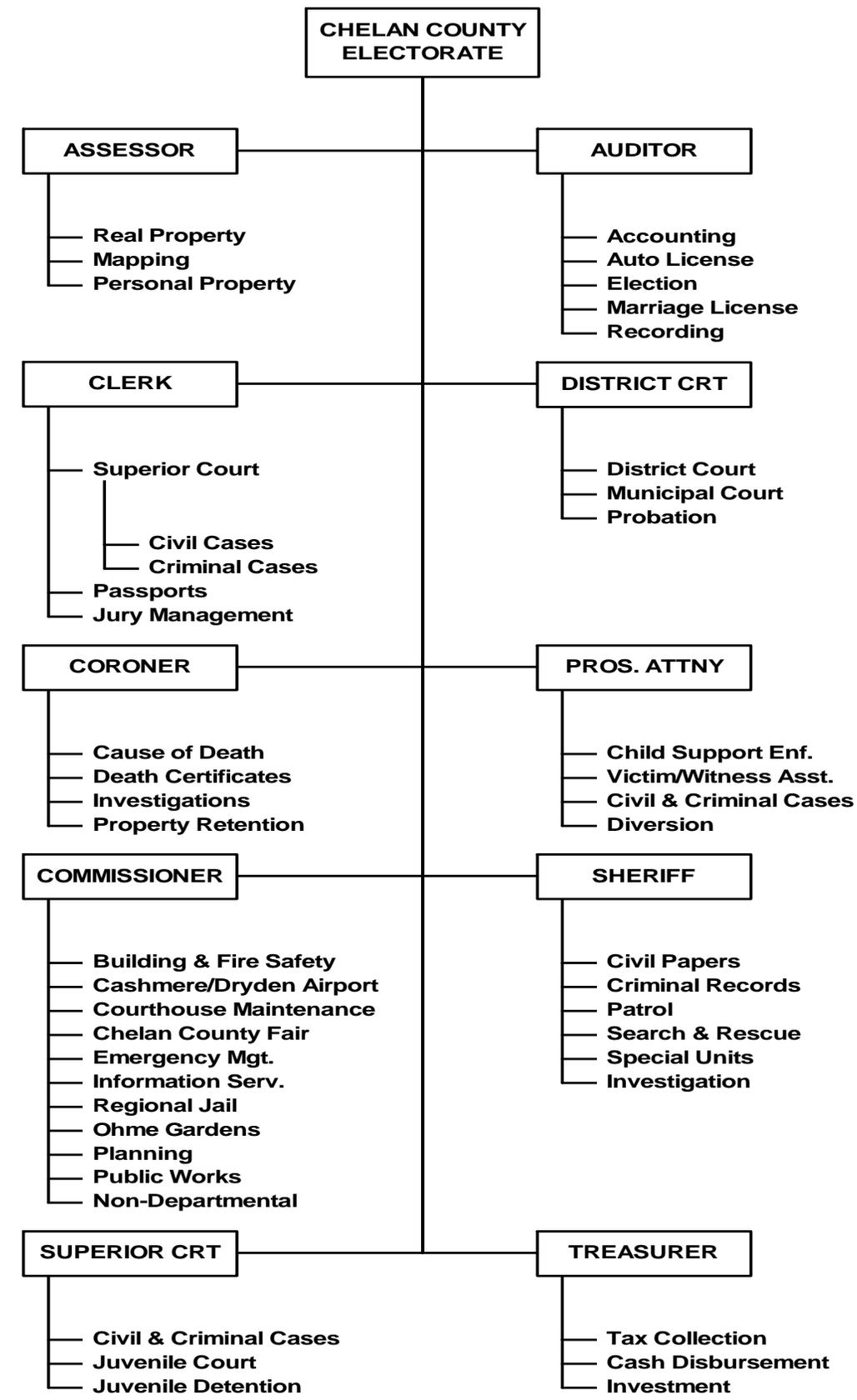
President

*Jeffrey R. Emmer*

Executive Director

# CHELAN COUNTY, WASHINGTON

## Organizational Chart



# **CHELAN COUNTY, WASHINGTON**

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## List of Elected and Appointed Officials

<b>Position</b>	<b>Name</b>	<b>Term</b>	<b>Expiration</b>
<u>Board of Commissioners:</u>			
District 1	Ron Walter	4	December 31, 2008
District 2	Keith Goehner	4	December 31, 2006
District 3	Buell Hawkins	4	December 31, 2008

<u>Other County Officials:</u>			
Assessor	Russell Griffith	4	December 31, 2006
Auditor	Evelyn L. Arnold	4	December 31, 2006
Clerk	Siri A. Woods	4	December 31, 2006
Coroner	Wayne Harris	4	December 31, 2006
Prosecuting Attorney	Gary A. Riesen	4	December 31, 2006
Sheriff	Mike Harum	4	December 31, 2006
Treasurer	David Griffiths	4	December 31, 2006

<u>District Court Judges:</u>			
	Alicia Nakata	4	January 7, 2007
	Thomas C. Warren	4	January 7, 2007

<u>Superior Court Judges:</u>			
	Chip Small	4	December 31, 2008
	Lesley Allan	4	December 31, 2008
	John E. Bridges	4	December 31, 2008

<u>Appointed Officers:</u>	
Director of Public Works/ County Engineer	Greg Pezoldt
Director of Planning & Building	Mike Cecka
Department of Information Manager	Fred Hart
Juvenile Center Administrator	Philip Jans
Building Maintenance Supervisor	Pat DuLac
Fair Manager	Marsha Clute

### Members of Legislature:

<u>Legislative District</u>	<u>State Senator</u>	<u>State Representatives</u>
12th	Linda Evans Parlette	Cary Condotta Mike Armstrong

Mailing Address:  
Chelan County Auditor  
Chelan County Courthouse  
Washington and Orondo Streets  
P. O. Box 400  
Wenatchee, WA 98807

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**Washington State Auditor  
Brian Sonntag**

**INDEPENDENT AUDITOR'S REPORT**

May 19, 2006

Board of Commissioners  
Chelan County  
Wenatchee, Washington

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Chelan County, Washington, as of and for the year ended December 31, 2005, as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Chelan County, Washington, as of December 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the General, County Roads, and Distressed Counties Tax funds, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 11 through 22 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying information listed as combining financial statements and supplemental information on pages 59 through 148 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The information identified in the table of contents as the introductory and Statistical Sections is presented for purposes of additional analysis and is not a required part of the basic financial statements of the County. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Sonntag". The signature is fluid and cursive, with the first name "Brian" and last name "Sonntag" clearly distinguishable.

**BRIAN SONNTAG, CGFM**  
STATE AUDITOR

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Chelan County's discussion and analysis presents the readers of the County's annual financial report a narrative overview and analysis of the County's financial performance during the fiscal year that ended on December 31, 2005. We encourage readers to consider the information presented here in conjunction with the County's financial statements, which immediately follow this section.

### FINANCIAL HIGHLIGHTS

- The assets of Chelan County exceeded its liabilities at the close of the most recent fiscal year by \$47,693,468. Of this amount, \$20,067,102 may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$6,244,879.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balance of \$16,135,449, an decrease of \$742,426 in comparison with the prior year. Approximately 84% of the total amount, \$13,632,350, is available for spending at the government's discretion.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$1,893,826, or 7% of total general fund expenditures.
- The County's total non-current debt decreased by \$1,259,024 during the current fiscal year. This was due, in part, to the principal payments of general obligation bonds.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction of Chelan County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic statements themselves.

**Government-wide Statements.** The government-wide financial statements are designed to provide readers with a broad overview of Chelan County's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, accounts receivable, and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from

other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, security of persons & property, utilities & environment, transportation, economic environment, mental health & physical health, and culture and recreation. The business-type activities of the County include Solid Waste, Wenatchee River County Park, Fair, Public Education, and Regional Justice Center.

The County has no separately identified component units included in the government-wide financial statements.

The government-wide financial statements can be found on pages 23-24.

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Chelan County, like other state and local governments uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus on governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains 38 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General fund, County Roads and Distressed Counties Tax special revenue funds, and the Juvenile Building debt service fund, all of which are considered to be major funds. Data from the other 34 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its governmental funds in accordance with state law on a fund level. A budgetary comparison statement has been provided for the general fund, major special revenue funds.

The basic governmental fund financial statements can be found on pages 25-31 of this report.

**Proprietary funds.** Chelan County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its

Solid Waste, Wenatchee River County Park, Fair, Public Education, and Regional Justice Center. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal services funds to account for its fleet of vehicles and for its insurance administration. Because both of these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Regional Justice Center as a major fund, and aggregate all other nonmajor proprietary funds of the County. All internal service funds are aggregated into a single presentation in the basic proprietary fund financial statements. Individual fund data for each of these nonmajor proprietary funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 32-35 of this report.

***Fiduciary funds.*** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 36 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 37-57 of this report.

**Other Information.** The combining statements referred to earlier in connection with nonmajor governmental and proprietary funds are presented immediately following the notes to the financial statements. Combining and individual statements and schedules can be found on pages 59-130 of this report.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Chelan County, assets exceeded liabilities by \$47,693,468 at the close of the most recent fiscal year. This increased greatly over the previous year due mostly to new construction financed with real estate excise tax (R.E.E.T.) rather than incurring additional debt.

A large portion of the County's net assets (53%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to pay repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

## Chelan County's Net Assets

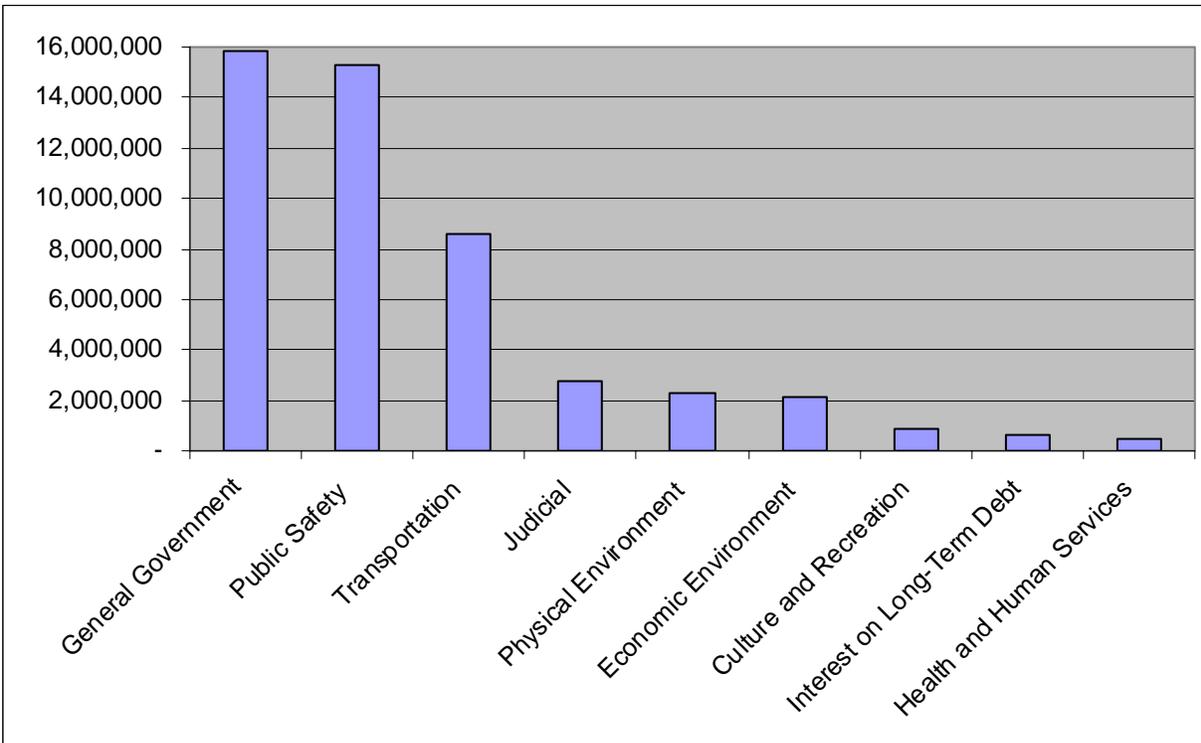
	Governmental		Business-Type Activities		Total	
	Activities					
	2005	2004	2005	2004	2005	2004
Current & Other Assets	23,619,985	25,964,720	2,199,554	1,833,387	25,819,539	27,798,107
Capital Assets (Net of Depr.)	40,162,675	33,622,659	2,143,523	2,085,793	42,306,198	35,708,452
Total Assets	63,782,660	59,587,379	4,343,077	3,919,180	68,125,737	63,506,559
Long-Term Liabilities	17,144,964	16,968,327	344,888	302,684	17,489,852	17,271,011
Other Liabilities	2,387,268	4,240,202	555,149	546,756	2,942,418	4,786,959
Total Liabilities	19,532,232	21,208,530	900,038	849,440	20,432,270	22,057,969
Net Assets:						
Invested in Capital Assets						
Net of Related Debt	23,064,659	15,229,008	2,138,608	2,075,020	25,203,267	17,304,028
Restricted	2,423,099	2,091,324	-	-	2,423,099	2,091,324
Unrestricted	18,762,671	21,058,517	1,304,432	994,720	20,067,102	22,053,237
Total Net Assets	44,250,429	38,378,850	3,443,039	3,069,740	47,693,468	41,448,589

## Chelan County's Changes in Net Assets

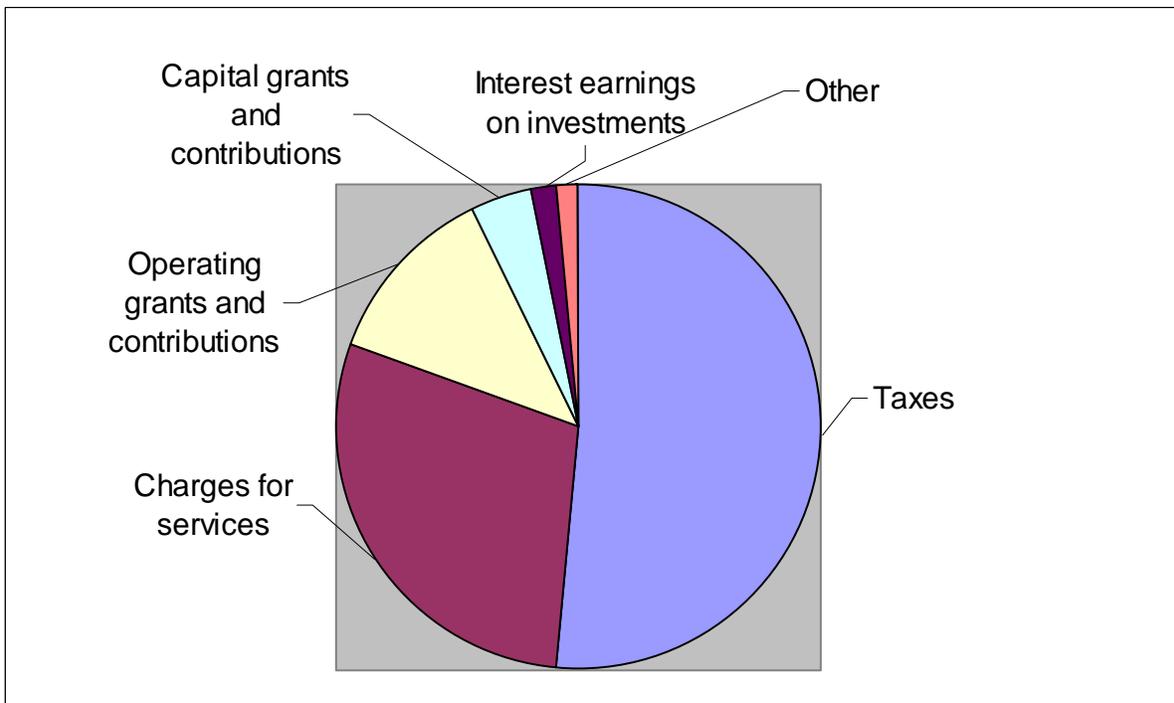
Revenues	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Program Revenues:						
Charges for Services	15,980,706	11,396,263	7,137,814	7,317,730	23,118,520	18,713,993
Operating Grants and Contrib.	6,714,602	6,202,763	412,792	256,809	7,127,394	6,459,572
Capital Grants and Contributions	2,263,123	1,809,396	-	-	2,263,123	1,809,396
General Revenues:						
Taxes	28,018,756	25,700,404	46,768	48,329	28,065,525	25,748,733
Interest Earnings on Invest.	888,244	509,483	11,210	3,936	899,454	513,419
Other	794,711	778,147	291,352	137,235	1,086,063	915,382
Total Revenues	54,660,144	46,396,456	7,899,936	7,764,038	62,560,080	54,160,494
Program Expenses						
General Government	15,820,567	14,983,530	-	-	15,820,567	14,983,530
Public Safety	2,788,489	2,583,105	-	-	2,788,489	2,583,105
Judicial	15,300,244	15,411,584	-	-	15,300,244	15,411,584
Physical Environment	2,298,744	1,430,752	-	-	2,298,744	1,430,752
Transportation	8,564,054	5,728,453	-	-	8,564,054	5,728,453
Health and Human Services	501,035	497,421	-	-	501,035	497,421
Economic Environment	2,090,119	1,722,704	-	-	2,090,119	1,722,704
Culture and Recreation	837,424	763,942	-	-	837,424	763,942
Utilities	-	-	980,186	1,369,149	980,186	1,369,149
Regional Justice Center	-	-	5,917,493	4,911,932	5,917,493	4,911,932
Other	-	-	624,481	524,758	624,481	524,758
Interest on Long Term Debt	592,364	631,657	-	-	592,364	631,657
Total Expenses	48,793,040	43,753,148	7,522,161	6,805,839	56,315,201	50,558,986
Excess (Deficiency) Revenues Over (Under) Expenses	5,867,104	2,643,309	377,776	958,199	6,244,879	3,601,508
Transfers	4,476	675,229	(4,476)	(675,229)	-	-
Change in Net Assets	5,871,580	3,318,538	373,300	282,970	6,244,879	3,601,508
Net Assets as of Jan 1	38,378,850	32,637,827	3,069,740	2,786,770	41,448,589	35,424,597
Net Assets as of Dec 31	44,250,429	38,378,849	3,443,039	3,069,740	47,693,468	41,448,589

**Governmental Activities.** Governmental activities increased Chelan County's net assets by \$5,871,580, thereby accounting for 94% of the total growth in the net assets of the County. Again, this was due largely by construction of capital assets using existing R.E.E.T. revenues rather than incurring additional debt.

**Expenses – Governmental Activities**

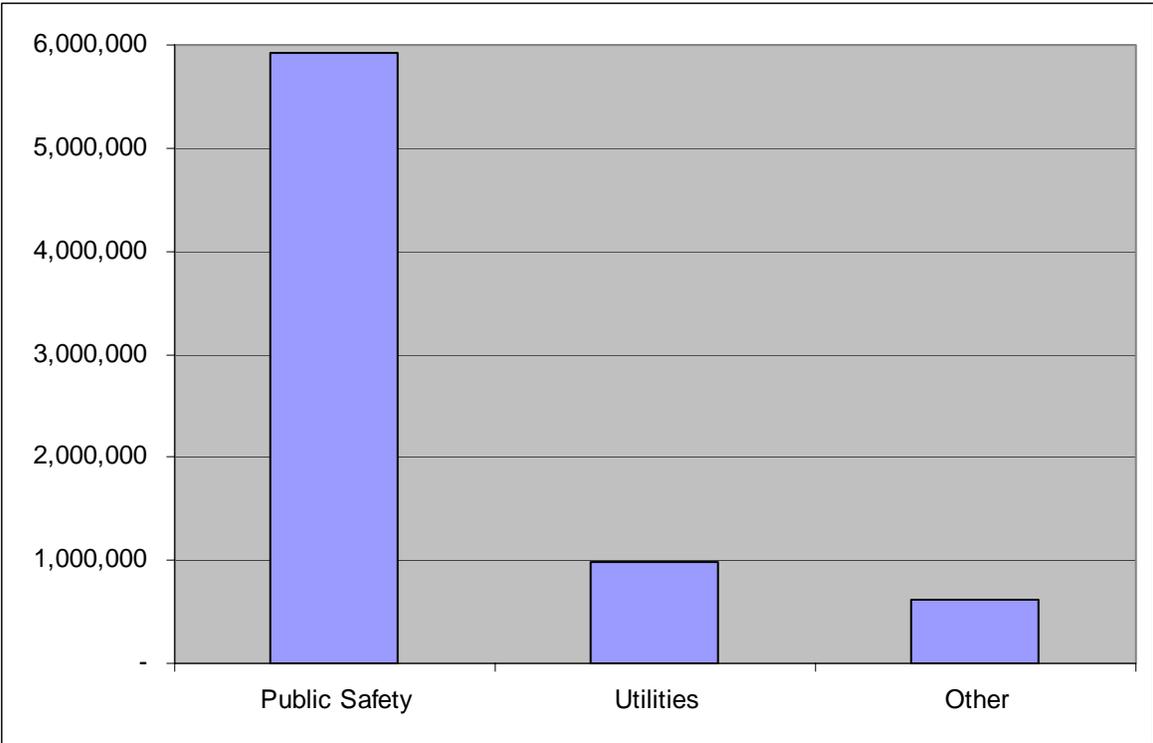


**Revenues by Source – Governmental Activities**

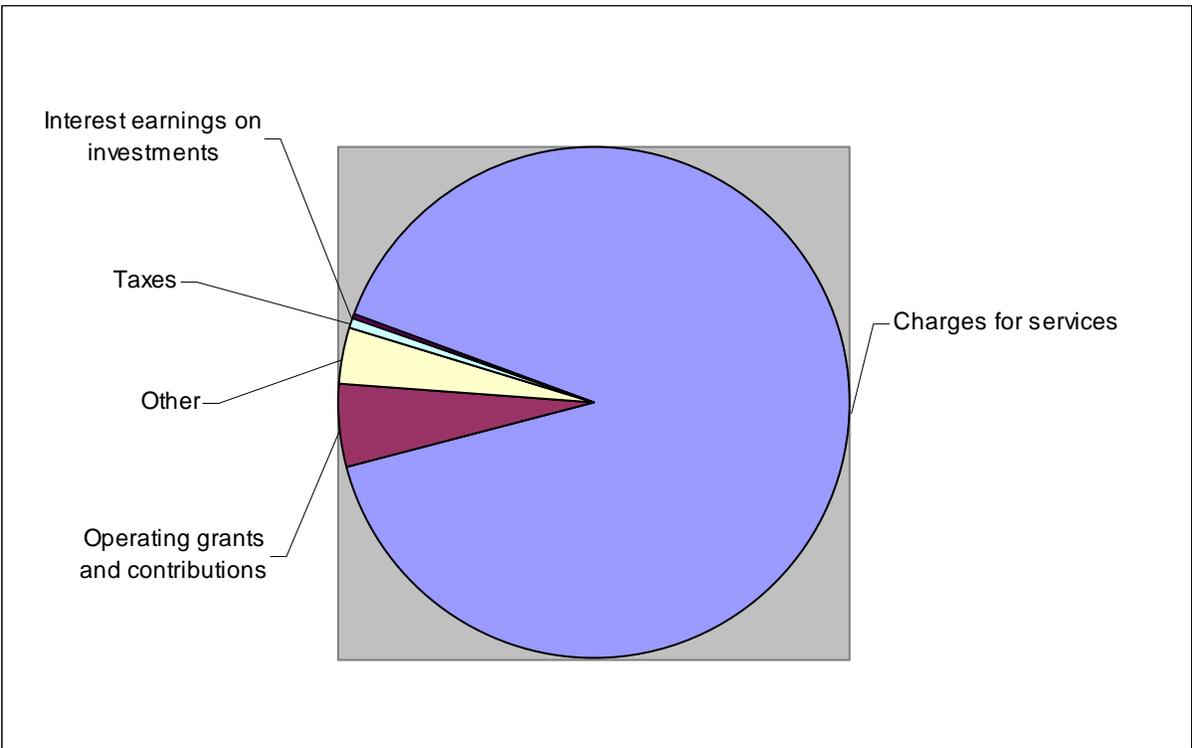


**Business-type Activities.** Business-type activities increased Chelan County's net assets by \$373,300, accounting for 6% of the total growth in the government's net assets.

**Expenses– Business-type Activities**



**Revenues by Source – Business-type Activities**



## FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, Chelan County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The General, County Roads, Distressed Counties Tax, and Juvenile Building Debt funds made up the County's major funds during the most recent fiscal year. Together these five funds account for 77% of total governmental fund assets and 76% of total government fund balance.

The focus of Chelan County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$16,135,449, a decrease of \$742,426 in comparison with the prior year. Approximately 84% of this total amount (\$13,632,350) constitutes unreserved fund balance, which is available for spending within the designated funds. The remainder of fund balance (\$2,503,099) is reserved to indicate that it is not available for new spending because it has already been committed to debt service payments in the Juvenile Building Debt Service Fund and other long-term loans and advances.

The general fund is the chief operating fund of Chelan County. At the end of the current fiscal year, unreserved fund balance of the general fund was \$1,893,826. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 7 percent of total general fund expenditures.

The fund balance of Chelan County's general fund decreased by \$266,884 during the current fiscal year. In previous years, total general expenditures were growing faster than revenues. Due to budgeting constraints, it appears that this trend is lessening.

The fund balance of the County Roads special revenue fund increased by \$1,656,419 during the current fiscal year. This appears to be due to expenditures coming in significantly under budget.

The fund balance of the Distressed Counties Tax special revenue fund increased by \$321,403 during the current fiscal year. This was due to a larger increase in tax revenue than bond liability.

The fund balance of the Juvenile Building debt service fund increased by \$331,775 during the current fiscal year. This was due to a larger increase in tax revenue than bond liability.

**Proprietary funds.** Chelan County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Regional Justice Center at the end of the year amounted to \$671,914. The total increase in net assets for this fund was \$131,342.

## GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget amounted to a \$601,747 increase in appropriations and can be briefly summarized as follows:

Department	Amount of Increase	Explanation
Auditor	55,000	Increased for additional election printing costs. Of which \$33,000 was expected to be covered by an increase in election reimbursements.
Clerk	63,000	Increased for extra help and additional services. Of which \$50,000 was expected to be covered by an increase in grant and Auditor O& M revenues.
Coroner	15,450	Increased for extra help and additional services. This amount was provided from the available fund balance.
DIS	33,298	Increased for additional equipment. This amount was expected to be provided by an increase in equipment sales.
Facilities Maintenance	26,760	Increased for additional personnel. This amount was provided from the available fund balance.
District Court	19,300	Increased for additional services. This amount was expected to be provided from an increase in court revenues.
Sheriff	288,626	Increased for additional overtime, benefits, supplies and services. This amount was expected to be provided from an increase in several revenue sources.
Several Departments	100,313	Increased budget to several departments in accordance to the county's carryout incentive program.
<b>Total</b>	<b>601,747</b>	

Of this increase, \$424,224 was to be funded out of miscellaneous increases in various charges for services. The remaining \$177,523 was to be budgeted from available fund balance.

## CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital Assets.** Chelan County's investment in capital assets for its governmental and business-type activities as of December 31, 2005, amounts to \$42,306,198 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, roads, highways, and bridges. The total increase in the County's investment in capital assets for the current fiscal year was 18% (a 19% increase for governmental activities and a 3% increase for business-type activities).

Major capital asset events during the current fiscal year included the following:

- \$1,780,166 improvement to the Fairground restrooms, electrical systems, and RV site.
- \$1,472,364 addition of a 60-bed Regional Justice Center annex.
- \$897,007 in additional costs charged to the Juvenile Building remodel.
- Numerous large equipment purchases were made by the Equipment Rental & Revolving fund.

**Chelan County's Capital Assets**  
(net of depreciation)

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	2005	2004	2005	2004	2005	2004
Land	1,861,706	2,026,258	8,096	450,779	1,869,802	2,477,037
Other Improvements	1,149,446	-	157,378	-	1,306,824	-
Buildings & Structures	22,275,459	19,365,589	1,524,875	1,125,507	23,800,334	20,491,096
Machinery & Equipment	8,717,049	7,527,350	453,174	509,506	9,170,223	8,036,856
Infrastructure	6,159,014	4,703,463	-	-	6,159,014	4,703,463
<b>Total</b>	<b>40,162,674</b>	<b>33,622,658</b>	<b>2,143,523</b>	<b>2,085,793</b>	<b>42,306,197</b>	<b>35,708,452</b>

Additional information on the County's capital assets can be found in note 6 on page 46.

**Long-term Debt.** At the end of the current fiscal year, Chelan County had total bonded debt outstanding of \$15,589,502. The total amount of this debt is backed by the full faith and credit of the government.

Chelan County's total bonded debt decreased by \$1,379,978 (8%) during the current fiscal year. The key factor in this increase was the regular payment of principal on general obligation bonds.

During 2003, the government refinanced some of its existing debt to take advantage of favorable interest rates. The County issued \$3,315,000 of refunding bonds that were placed in an irrevocable trust with an additional \$1,500,000 to pay off \$4,325,000 of the 1997 General Obligation Bond issue. See note 9(c) on page 54 for further information.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of Chelan County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chelan County Auditor's Office, PO Box 400, Wenatchee, WA 98807. Financial information requests can also be emailed to [accounting@co.chelan.wa.us](mailto:accounting@co.chelan.wa.us)

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## **CHELAN COUNTY, WASHINGTON**

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### Description of Basic Financial Statements

#### **BASIC FINANCIAL STATEMENTS**

The basic financial statements and note disclosure comprise the minimum acceptable fair presentation in conformity with Generally Accepted Accounting Principles (GAAP). The basic financial statements are designed to be "liftable" from the Financial Section of the Annual Financial Report for widespread distribution to users requiring less detailed information than is contained in the full Annual Financial Report. The basic financial statements include:

#### **Government-wide Financial Statements**

- (1) **Government-wide Statement of Net Assets** – presents information on all county governmental and business-type assets and liabilities, with the difference reported as net assets.
- (2) **Government-wide Statement of Activities** – presents information on all County governmental and business-type revenues and expenses, with the difference reported as change in net assets.

#### **Fund Financial Statements**

- (3) **Balance Sheet – Governmental Funds** – presents the balance sheets for major funds and aggregated amounts for all other governmental funds.
- (4) **Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets**
- (5) **Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds** – presents information for each major fund and aggregated information for all other governmental funds.
- (6) **Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.**
- (7) **Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual** – presents budget information, along with actual results, on separate statements for the General Fund and each major special revenue fund which has a legally adopted budget. Departmental information is included for the General Fund, in accordance with the County's legally adopted budget.
- (8) **Statement of Net Assets – Proprietary Funds** – presents information on all proprietary fund assets and liabilities, with the difference reported as change in net assets for the major enterprise funds and aggregated amounts for all other enterprise funds, as well as a separate column of information for internal service funds.

- (9) **Statement of Revenues, Expenses, and Changes in Net Assets – Proprietary Funds** – presents information for each major proprietary fund and aggregated information for all other proprietary funds.
- (10) **Statement of Cash Flows – Proprietary Funds** – presents information on the sources and uses of cash for the major enterprise funds, aggregated information for all other enterprise funds, and for internal service funds.
- (11) **Statement of Fiduciary Net Assets** – presents information on private-purpose trust fund and agency fund assets and liabilities, with the difference reported as change in net assets.
- (12) **Notes to Financial Statements** – presents disclosure and further detailed information to assist the reader in a better understanding of the financial statements and the data presented within them.

# CHELAN COUNTY, WASHINGTON

## Statement of Net Assets December 31, 2005

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>ASSETS</b>			
Cash and Cash Equivalents	12,993,299	1,157,397	14,150,696
Deposits with Fiscal Agents/Trustees	57,213	8,033	65,246
Investments	8,421,108	489,607	8,910,715
Accounts Receivable	85,472	30,453	115,925
Taxes Receivable	415,449	-	415,449
Interest Receivable	65,295	1,719	67,014
Due from Other Governments	960,817	437,095	1,397,913
Internal Balances	(75,251)	75,251	-
Inventory	696,582	-	696,582
Capital Assets not being depreciated:			
Land	1,861,706	8,096	1,869,802
Other Improvements	156,983	157,378	314,361
Capital Assets net of accumulated depreciation:			
Other Improvements	992,463	-	992,463
Buildings	22,275,459	1,524,875	23,800,334
Equipment	8,717,049	453,174	9,170,223
Infrastructure	6,159,014	-	6,159,014
Total Capital Assets	40,162,675	2,143,523	42,306,198
Total Assets:	63,782,660	4,343,077	68,125,737
<b>LIABILITIES</b>			
Accounts Payable	510,512	159,077	669,590
Due to Other Governments	94,333	6,716	101,049
Other Accrued Liabilities	1,782,423	389,356	2,171,779
Noncurrent Liabilities:			
Due Within One Year	1,790,403	66,431	1,856,834
Due in More than One Year	15,354,561	278,458	15,633,019
Total Liabilities	19,532,232	900,038	20,432,270
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	23,064,659	2,138,608	25,203,267
Restricted for:			
Debt Service	2,423,099	-	2,423,099
Unrestricted	18,762,671	1,304,432	20,067,102
Total Net Assets	44,250,429	3,443,039	47,693,468

The notes to financial statements are an integral part of this statement.

# CHELAN COUNTY, WASHINGTON

Statement of Activities  
For the Year Ended December 31, 2005

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Assets - Primary Government			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	15,820,567	7,042,373	228,170	505,168	(8,044,856)	-	(8,044,856)
Judicial	2,788,489	2,318,144	685,859	-	215,514	-	215,514
Public Safety	15,300,244	1,758,700	2,825,175	-	(10,716,369)	-	(10,716,369)
Physical Environment	2,298,744	261,758	2,654,264	-	617,278	-	617,278
Transportation	8,564,054	2,742,542	7,575	1,757,956	(4,055,981)	-	(4,055,981)
Health and Human Services	501,035	-	15,407	-	(485,629)	-	(485,629)
Economic Environment	2,090,119	1,486,343	256,549	-	(347,227)	-	(347,227)
Culture and Recreation	837,424	370,846	41,603	-	(424,974)	-	(424,974)
Interest on Long-Term Debt	592,364	-	-	-	(592,364)	-	(592,364)
Total Governmental Activities	48,793,040	15,980,706	6,714,602	2,263,123	(23,834,608)	-	(23,834,608)
Business-Type Activities:							
Utilities	980,186	834,517	169,590	-	-	23,921	23,921
Public Safety	5,917,493	5,847,098	216,730	-	-	146,335	146,335
Other	624,481	456,199	26,472	-	-	(141,811)	(141,811)
Total Business-Type Activities	7,522,161	7,137,814	412,792	-	-	28,445	28,445
Total Primary Government	56,315,201	23,118,520	7,127,394	2,263,123	(23,834,608)	28,445	(23,806,163)

General Revenues

Taxes:	
Property	14,437,672
Sales and Use	5,611,908
Motor Vehicle Fuel Tax	2,162,824
Other Taxes	5,806,352
Interest and Investment Earnings	888,244
Miscellaneous	794,711
Transfers	4,476
Total General Revenues and Transfers	29,706,188
Change in Net Assets	5,871,580
Net Assets - Beginning	38,378,850
Net Assets - Ending	44,250,429

The notes to the financial statements are an integral part of this statement.

## CHELAN COUNTY, WASHINGTON

Balance Sheet  
 Governmental Funds  
 December 31, 2005

	General Fund	County Roads	Distressed Counties Tax	Juvenile Building Debt	Nonmajor Governmental Funds	Total
<b>ASSETS</b>						
Cash and Cash Equivalents	967,665	6,258,247	-	-	2,883,275	10,109,187
Deposits with Fiscal Agents	-	18,413	-	-	-	18,413
Investments	1,741,670	-	2,156,763	2,419,292	1,300,886	7,618,611
Accounts Receivable	67,892	39	-	-	-	67,931
Taxes Receivable	259,031	151,161	-	-	5,257	415,449
Interest Receivable	46,319	-	8,016	3,807	4,352	62,494
Due from Other Funds	177,668	1,254	-	-	86,252	265,174
Interfund Loan Receivable	-	44,315	-	-	-	44,315
Due from Other Governments	615,423	24,492	-	-	319,454	959,369
Advances to Other Funds - Restricted	-	80,000	-	-	-	80,000
<b>Total assets</b>	<b>3,875,669</b>	<b>6,577,920</b>	<b>2,164,779</b>	<b>2,423,099</b>	<b>4,599,476</b>	<b>19,640,943</b>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts Payable	20,246	75,283	-	-	315,950	411,479
Due to Other Funds	228,846	266,855	-	-	279,186	774,886
Interfund Loans Payable	-	-	-	-	75,000	75,000
Due to Other Governments	87,612	4,252	-	-	2,085	93,949
Other Accrued Liabilities	1,386,108	281,095	-	-	67,529	1,734,731
Deferred Revenue	259,031	151,161	-	-	5,257	415,449
<b>Total Liabilities</b>	<b>1,981,843</b>	<b>778,645</b>	<b>-</b>	<b>-</b>	<b>745,006</b>	<b>3,505,494</b>
Fund balances:						
Reserved for:						
Long-Term Loans and Advances	-	80,000	-	-	-	80,000
Debt Service	-	-	-	2,423,099	-	2,423,099
Unreserved, reported in:						
General Fund	1,893,826	-	-	-	-	1,893,826
Special Revenue Funds	-	5,719,275	2,164,779	-	2,111,462	9,995,517
Capital Projects Funds	-	-	-	-	1,743,007	1,743,007
<b>Total fund balances</b>	<b>1,893,826</b>	<b>5,799,275</b>	<b>2,164,779</b>	<b>2,423,099</b>	<b>3,854,469</b>	<b>16,135,449</b>
<b>Total liabilities and fund balances</b>	<b>3,875,669</b>	<b>6,577,921</b>	<b>2,164,779</b>	<b>2,423,099</b>	<b>4,599,475</b>	<b>19,640,943</b>

The notes to the financial statements are an integral part of this statement.

# CHELAN COUNTY, WASHINGTON

## Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets December 31, 2005

Fund balances of governmental funds:		16,135,449
Amounts reported for the governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets	51,618,635	
Depreciation	(18,813,932)	
Capital Assets net of depreciation		32,804,702
Liabilities for earned but deferred property tax revenues are removed from governmental activities.		415,449
Long-term debt and compensated absences that have not been included in the governmental fund activity		
Bonds Payable	(15,589,502)	
Compensated Absences	(1,451,476)	
Leases Payable	(12,688)	
Long-term debt		(17,053,665)
Internal service funds are used by management to charge the cost of certain activities, such as equipment management and insurance to individual funds. These assets and liabilities of certain internal service funds are included in governmental activities in the statement of net assets.		
Assets	12,216,902	
Liabilities	(268,408)	
Internal service net assets		11,948,494
Net assets of governmental activities		<u>44,250,429</u>

The notes to the financial statements are an integral part of this statement.

# CHELAN COUNTY, WASHINGTON

Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Governmental Funds  
 For the Year Ended December 31, 2005

	General Fund	County Roads	Distressed Counties Tax	Juvenile Building Debt	Nonmajor Governmental Funds	Total
<b>REVENUES</b>						
Taxes	13,888,088	4,791,320	1,032,674	1,281,332	2,544,429	23,537,843
Licenses and Permits	749,512	-	-	-	-	749,512
Intergovernmental Revenues	6,039,476	5,058,255	-	-	2,818,191	13,915,923
Charges for Services	3,787,603	214,687	-	-	648,030	4,650,320
Fees and Fines	1,127,021	-	-	-	6,434	1,133,455
Miscellaneous	781,126	90,040	69,934	67,281	1,010,078	2,018,459
Total Revenues	26,372,826	10,154,302	1,102,608	1,348,614	7,027,161	46,005,511
<b>EXPENDITURES</b>						
Current:						
General Government	11,329,973	-	-	-	84,279	11,414,253
Security of Persons & Property	12,527,260	-	-	-	2,531,193	15,058,453
Utilities & Environment	258,940	-	-	-	2,038,679	2,297,620
Transportation	-	6,169,921	-	-	36,556	6,206,477
Economic Environment	1,467,753	-	4,555	-	725,991	2,198,298
Mental Health & Physical Health	502,960	-	-	-	93,035	595,995
Culture and Recreation	435,277	-	-	-	203,924	639,202
Debt Service:						
Principal	-	-	370,000	850,000	59,978	1,279,978
Interest and Other Charges	-	-	406,650	166,839	21,400	594,889
Capital Outlay	32,508	2,352,754	-	-	4,236,045	6,621,306
Total Expenditures	26,554,672	8,522,675	781,205	1,016,839	10,031,081	46,906,471
Excess (Deficiency) of Revenues Over (Under) Expenditures	(181,846)	1,631,628	321,403	331,775	(3,003,920)	(900,960)
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds From Sale of Capital Assets	2,612	3,213	-	-	11,272	17,097
Transfers In	174,978	21,578	-	-	269,731	466,287
Transfers Out	(262,629)	-	-	-	(62,221)	(324,850)
Total Other Financing Sources and Uses	(85,039)	24,791	-	-	218,782	158,534
Net Change in Fund Balances	(266,884)	1,656,419	321,403	331,775	(2,785,138)	(742,426)
Fund Balances - Beginning	2,160,710	4,142,856	1,843,376	2,091,324	6,639,609	16,877,875
Fund Balances - Ending	1,893,826	5,799,275	2,164,779	2,423,099	3,854,469	16,135,449

The notes to the financial statements are an integral part of this statement.

## CHELAN COUNTY, WASHINGTON

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### Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended December 31, 2005

Amounts reported for governmental activities in the statement of activities (page 22) are different because:

Net change in fund balances - total governmental funds (page 25)	\$ (742,426)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	5,381,592
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	415,449
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	1,204,864
The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>(387,899)</u>
Change in net assets of governmental activities (page 22)	<u><u>\$ 5,871,580</u></u>

The notes to the financial statements are an integral part of this statement.

# CHELAN COUNTY, WASHINGTON

## General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budgetary and Actual  
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	13,490,072	13,490,072	13,888,088	398,016
Licenses and Permits	668,298	668,298	749,512	81,214
Intergovernmental Revenues	5,807,078	5,987,645	6,039,476	51,831
Charges for Services	3,635,577	3,818,504	3,787,603	(30,901)
Fees and Fines	1,176,040	1,197,740	1,127,021	(70,719)
Miscellaneous	588,939	627,969	781,126	153,157
Total Revenues	<u>25,366,004</u>	<u>25,790,228</u>	<u>26,372,826</u>	<u>582,598</u>
<b>EXPENDITURES</b>				
General Government				
Assessor	1,101,338	1,103,646	1,068,342	35,304
Auditor	981,077	1,033,206	1,019,539	13,667
Board of Equalization	8,440	9,623	4,061	5,562
Clerk	917,235	983,576	971,588	11,988
Commissioners	539,328	547,970	525,574	22,396
Department of Information Services	752,942	790,431	764,745	25,686
Facilities Maintenance	1,330,855	1,377,162	1,371,983	5,179
District Court	1,000,869	1,028,054	970,128	57,926
Nondepartmental	1,568,300	1,587,274	1,584,951	2,322
Child Support Enforcement	424,984	431,419	399,021	32,398
Prosecuting Attorney	1,360,060	1,363,256	1,344,841	18,416
Superior Court	871,260	870,379	833,302	37,077
Treasurer	494,966	496,374	486,271	10,103
Security of Persons & Property				
Civil Service Commission	35,995	36,032	35,190	843
District Court Probation	351,834	350,383	343,489	6,894
Juvenile	2,494,219	2,502,537	2,429,088	73,449
Nondepartmental - Law Enforcement	2,623,089	2,620,670	2,595,108	25,562
Sheriff	6,814,906	7,098,848	7,142,520	(43,672)
Utilities & Environment				
Horticulture	63,811	65,204	59,579	5,624
Nondepartmental - Environment	201,100	201,100	199,361	1,739
Economic Environment				
Building/Planning	1,587,707	1,608,166	1,462,803	145,363
Coroner - Welfare	2,000	4,950	4,950	-
Mental Health & Physical Health				
Coroner	181,164	193,015	190,238	2,776
Nondepartmental - Public Health	308,316	308,316	312,722	(4,406)
Culture and Recreation				
Extension	461,035	466,986	426,859	40,128
Nondepartmental - Park	8,500	8,500	8,419	81
Total Expenditures	<u>26,485,330</u>	<u>27,087,077</u>	<u>26,554,672</u>	<u>532,405</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	<u>(1,119,326)</u>	<u>(1,296,849)</u>	<u>(181,846)</u>	<u>1,115,003</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds From Sale of Capital Assets	4,000	4,000	2,612	(1,388)
Transfers In	174,979	174,979	174,978	(1)
Transfers Out	(205,300)	(205,300)	(262,629)	(57,329)
Total Other Financing Sources and Uses	<u>(26,321)</u>	<u>(26,321)</u>	<u>(85,039)</u>	<u>(58,718)</u>
Net Change in Fund Balances	(1,145,647)	(1,323,170)	(266,884)	1,056,285
Fund Balances - Beginning	<u>2,240,047</u>	<u>2,240,047</u>	<u>2,160,710</u>	<u>(79,337)</u>
Fund Balances - Ending	<u>1,094,401</u>	<u>916,878</u>	<u>1,893,826</u>	<u>976,948</u>

The notes to the financial statements are an integral part of this statement.

**CHELAN COUNTY, WASHINGTON**

## County Roads Special Revenue Fund

## Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended December 31, 2005

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	4,762,475	4,762,475	4,791,320	28,845
Intergovernmental Revenues	5,690,832	5,690,832	5,058,255	(632,577)
Charges for Services	202,900	202,900	214,687	11,787
Miscellaneous	110	110	90,040	89,930
Total Revenues	<u>10,656,317</u>	<u>10,656,317</u>	<u>10,154,302</u>	<u>(502,015)</u>
<b>EXPENDITURES</b>				
Current:				
Transportation	7,546,268	7,546,268	6,169,921	1,376,347
Capital Outlay	3,346,285	3,346,285	2,352,754	993,532
Total Expenditures	<u>10,892,553</u>	<u>10,892,553</u>	<u>8,522,675</u>	<u>2,369,878</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	<u>(236,236)</u>	<u>(236,236)</u>	<u>1,631,628</u>	<u>1,867,864</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds From Sale of Capital Assets	2,000	2,000	3,213	1,213
Transfers In	21,578	21,578	21,578	-
Total Other Financing Sources and Uses	<u>23,578</u>	<u>23,578</u>	<u>24,791</u>	<u>1,213</u>
Net Change in Fund Balances	(212,658)	(212,658)	1,656,419	1,869,076
Fund Balances - Beginning	<u>1,382,125</u>	<u>1,382,125</u>	<u>4,142,856</u>	<u>2,760,731</u>
Fund Balances - Ending	<u><u>1,169,467</u></u>	<u><u>1,169,467</u></u>	<u><u>5,799,275</u></u>	<u><u>4,629,807</u></u>

The notes to the financial statements are an integral part of this statement.

**CHELAN COUNTY, WASHINGTON**

Distressed Counties Tax Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended December 31, 2005

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	900,000	900,000	1,032,674	132,674
Miscellaneous	20,000	20,000	69,934	49,934
Total Revenues	<u>920,000</u>	<u>920,000</u>	<u>1,102,608</u>	<u>182,608</u>
<b>EXPENDITURES</b>				
Current:				
Economic Environment	1,003,644	1,003,644	4,555	999,090
Debt Service:				
Principal	365,000	365,000	370,000	(5,000)
Interest and Other Charges	419,400	419,400	406,650	12,750
Total Expenditures	<u>1,788,044</u>	<u>1,788,044</u>	<u>781,205</u>	<u>1,006,840</u>
Net Change in Fund Balances	(868,044)	(868,044)	321,403	1,189,447
Fund Balances - Beginning	<u>1,652,000</u>	<u>1,652,000</u>	<u>1,843,376</u>	<u>191,376</u>
Fund Balances - Ending	<u><u>783,956</u></u>	<u><u>783,956</u></u>	<u><u>2,164,779</u></u>	<u><u>1,380,823</u></u>

The notes to the financial statements are an integral part of this statement.

# CHELAN COUNTY, WASHINGTON

Statement of Net Assets  
 Proprietary Funds  
 December 31, 2005

	Business-Type Activities Enterprise Funds			Governmental Activities
	Regional Justice Center	Nonmajor Enterprise Funds	Totals	Internal Service Funds
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	865,191	292,206	1,157,397	2,884,112
Deposits with Fiscal Agents	-	8,033	8,033	38,800
Investments	-	489,607	489,607	802,498
Accounts Receivable	-	30,453	30,453	17,541
Interest Receivable	-	1,719	1,719	2,801
Due from Other Funds	201,837	-	201,837	340,147
Interfund Loan Receivable	-	-	-	75,000
Due from Other Governments	322,914	114,181	437,095	1,448
Inventory	-	-	-	696,582
Total Current Assets	<u>1,389,942</u>	<u>936,199</u>	<u>2,326,140</u>	<u>4,858,928</u>
Noncurrent Assets:				
Capital Assets: (Net of Accumulated Depreciation)				
Land	-	8,096	8,096	-
Buildings	881,860	643,014	1,524,875	46,266
Other Improvements	-	157,378	157,378	-
Equipment	73,069	380,105	453,174	7,311,708
Total Noncurrent Assets	<u>954,929</u>	<u>1,188,593</u>	<u>2,143,523</u>	<u>7,357,974</u>
Total Assets	<u>2,344,871</u>	<u>2,124,792</u>	<u>4,469,663</u>	<u>12,216,902</u>
<b>LIABILITIES</b>				
Liabilities:				
Current Liabilities:				
Accounts Payable	27,141	131,937	159,077	99,033
Due to Other Funds	785	1,487	2,271	30,000
Interfund Loan Payable	-	44,315	44,315	-
Due to Other Governments	1,402	5,313	6,716	384
Other Accrued Liabilities	358,854	30,502	389,356	47,692
Total Current Liabilities	<u>388,182</u>	<u>213,554</u>	<u>601,736</u>	<u>177,109</u>
Noncurrent Liabilities:				
Advances from Other Funds	-	80,000	80,000	-
Compensated Absences	329,846	10,127	339,973	46,947
Leases Payable	-	4,915	4,915	44,352
Total Noncurrent Liabilities	<u>329,846</u>	<u>95,042</u>	<u>424,888</u>	<u>91,299</u>
Total Liabilities	<u>718,027</u>	<u>308,596</u>	<u>1,026,624</u>	<u>268,408</u>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	954,929	1,183,678	2,138,608	7,313,622
Unrestricted	671,914	632,517	1,304,432	4,634,872
Total Net Assets	<u>1,626,844</u>	<u>1,816,196</u>	<u>3,443,039</u>	<u>11,948,494</u>

The notes to the financial statements are an integral part of this statement.

# CHELAN COUNTY, WASHINGTON

## Statement of Revenues, Expenses, and Changes in Net Assets

### Proprietary Funds

For the Year Ending December 31, 2005

	Business-Type Activities Enterprise Funds			Governmental Activities
	Regional Justice Center	Nonmajor Enterprise Funds	Totals	Internal Service Fund
<b>OPERATING REVENUES</b>				
Intergovernmental Revenues	4,453,003	210,328	4,663,331	-
Charges for Services	1,107,325	1,195,212	2,302,537	1,171,458
Fines & Forfeits	16,969	-	16,969	-
Miscellaneous	487,554	422,091	909,645	6,683,871
Total Operating Revenues	<u>6,064,851</u>	<u>1,827,630</u>	<u>7,892,481</u>	<u>7,855,329</u>
<b>OPERATING EXPENSES</b>				
Salaries	3,445,342	351,401	3,796,743	454,294
Personnel Benefits	1,179,336	125,751	1,305,087	126,486
Supplies	331,041	58,733	389,773	1,186,393
Other Services & Charges	268,266	853,969	1,122,235	5,106,347
Intergovernmental/Interfund Services & Taxes	-	22,959	22,959	-
Interfund Payments for Services	654,445	121,054	775,499	171,871
Depreciation	39,064	69,357	108,420	1,414,029
Total Operating Expenses	<u>5,917,493</u>	<u>1,603,224</u>	<u>7,520,717</u>	<u>8,459,419</u>
Operating Income (Loss)	<u>147,358</u>	<u>224,407</u>	<u>371,764</u>	<u>(604,090)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Taxes	-	6,030	6,030	-
Debt Service	-	(1,444)	(1,444)	(7,702)
Gain/Loss on Sale of Capital Assets	1,425	-	1,425	360,853
Total Nonoperating Revenues (Expenses)	<u>1,425</u>	<u>4,586</u>	<u>6,011</u>	<u>353,151</u>
Income (Loss) Before Contributions and Transfers	<u>148,783</u>	<u>228,993</u>	<u>377,776</u>	<u>(250,938)</u>
Transfers In	32,559	12,965	45,524	63,039
Transfers Out	(50,000)	-	(50,000)	(200,000)
Change in Net Assets	<u>131,342</u>	<u>241,958</u>	<u>373,300</u>	<u>(387,899)</u>
Total Net Assets - Beginning	<u>1,495,502</u>	<u>1,574,238</u>	<u>3,069,740</u>	<u>12,336,393</u>
Total Net Assets - Ending	<u>1,626,844</u>	<u>1,816,196</u>	<u>3,443,039</u>	<u>11,948,494</u>

The notes to the financial statements are an integral part of this statement.

**CHELAN COUNTY, WASHINGTON**

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2005

	Business-Type Activities			Governmental Activities
	Enterprise Funds		Totals	
	Regional Justice Center	Nonmajor Enterprise Funds		
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash Received From Customers and Users	6,052,613	1,798,726	7,851,339	7,784,874
Cash Payments to Suppliers	(1,317,854)	(944,898)	(2,262,752)	(6,550,892)
Cash Payments to Employees and Retirees	(4,493,550)	(475,811)	(4,969,360)	(576,727)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	241,209	378,018	619,227	657,255
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Principal and Interest Paid on Noncapital Debt	-	(1,327)	(1,327)	-
Transfers In	32,559	12,965	45,524	63,039
Transfers Out	(50,000)	-	(50,000)	(200,000)
Tax Receipts	-	6,030	6,030	-
NET CASH PROVIDED (USED) NONCAPITAL FINANCING ACTIVITIES	(17,441)	17,668	227	(136,961)
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>				
Proceeds From Sale of Equipment	1,425	-	1,425	360,853
Acquisition and Construction of Capital Assets	(105,576)	(60,574)	(166,151)	(2,572,453)
Principal and Interest Payments for Capital Debt	-	(117)	(117)	(7,702)
NET CASH PROVIDED (USED) CAPITAL FINANCING ACTIVITIES	(104,151)	(60,691)	(164,842)	(2,219,302)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from Sales and Maturities of Investments	-	-	-	262,735
Purchase of Investments	-	(238,451)	(238,451)	(223,818)
Interest on Investments	-	(1,264)	(1,264)	(1,357)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	-	(239,715)	(239,715)	37,560
<b>NET INCREASE (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	119,617	95,280	214,897	(1,661,447)
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>	745,574	196,927	942,500	4,545,560
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	865,191	292,206	1,157,397	2,884,112

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:

Operating Income (Loss)	147,358	224,407	371,764	(604,090)
Adjustments to Reconcile Operating Income (Loss) to Net Cash provided (Used) Operating Activities:				
Depreciation & amortization of Deferred Charge	39,064	69,357	108,420	1,414,029
(Increase) Decrease in Accounts Receivable	14,656	49,610	64,266	(13,123)
(Increase) Decrease in Due From Other Funds/Gov	(26,895)	(78,514)	(105,408)	(57,332)
(Increase) Decrease in Inventory/Prepaid Expenses	-	-	-	8,906
Increase (Decrease) in Vouchers/Contracts Payable	(33,949)	78,918	44,970	(74,850)
Increase (Decrease) in Due to Other Funds/Gov	(30,154)	32,899	2,745	(20,338)
Increase (Decrease) in Payables/Other Liabilities	48,745	(145)	48,600	1,724
Increase (Decrease) in Accrued Emp Leave Benefits	82,383	1,486	83,869	2,329
Total Adjustments	93,851	153,611	247,462	1,261,345
	241,209	378,018	619,227	657,255

**NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES**

The County is not aware of any material noncash transactions.

The notes to the financial statements are an integral part of this statement

# CHELAN COUNTY, WASHINGTON

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## Statement of Fiduciary Net Assets

Fiduciary Funds

December 31, 2005

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash	8,700,878
Investments	63,568,635
Deposits with Fiscal Agents	1,315,930
Accounts Receivable	2,755
Taxes Receivable	1,662,625
Assessments Receivable	5,638
Interest Receivable	160,189
Due From Other Governments	<u>77,673</u>
Total Assets	<u>75,494,323</u>
<b>LIABILITIES</b>	
Accounts Payable	687,625
Other Accrued Liabilities	390,496
Custodial Accounts	<u>74,416,202</u>
Total Liabilities	<u>75,494,323</u>

The notes to the financial statements are an integral part of this statement.

# **CHELAN COUNTY, WASHINGTON**

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## Notes to Financial Statements

January 1, 2005 through December 31, 2005

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# **CHELAN COUNTY, WASHINGTON**

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Notes to Financial Statements

January 1, 2005 through December 31, 2005

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Chelan County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described below.

### **A. Reporting Entity**

Chelan County, Washington, was incorporated in 1899 and operates under the laws of the State of Washington applicable to third-class counties with commissioner form of government. As required by the generally accepted accounting principles the financial statements present Chelan County - the primary government.

Chelan County is a general purpose government and provides the following services: law enforcement and public safety; juvenile, superior and district court systems; legal prosecution and indigent defense; jails and corrections; construction and maintenance of County roads, bridges, and drainage systems; community planning, development, and code compliance; and parks and recreation activities management. In addition, the County provides general government services such as property assessment, tax services, issuance of permits and licenses, and elections.

### **B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from the statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Our policy is to allocate indirect costs to a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements or a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

### C. Measurement Focus, Basis of Accounting, and Financial Statement Preparation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, Chelan County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The County also considers property taxes as available if they are collected within 60 days after year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, licenses, and interest associated within the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by Chelan County.

Chelan County reports the following major governmental funds:

- The General Fund (Current Expense) is the County's operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The County Roads fund accounts for the finance, design, construction, and maintenance of Chelan County roads.
- The Distressed Counties Tax fund accounts for the monies collected from the sales and use tax allocated to "distressed and rural" counties.
- The Juvenile Building Debt fund accumulated the funds for principal and interest on the general obligation debt that was issued to finance the construction of the new Juvenile detention facility.

Chelan County reports the following major proprietary fund:

- The Regional Justice Center fund accounts for the operation of the Chelan County Regional Correction Facility.

Additionally, Chelan County reports the following fund types:

- Internal service funds account for equipment and fleet management as well as insurance management services to other departments or funds of the County or to other governmental units on a cost-reimbursement basis.
- Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-

sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

As a general rule the effect of the interfund activity has been eliminated for the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. General revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of Solid Waste are from charges for services and state grants, the principal operating revenues of the Fair are from event admission fees and off-season rentals, and the principal operating revenues from the Regional Justice Center are from Chelan County, other governments, and charges for detention services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as needed.

#### D. Budgetary Information

##### 1. Scope of Budget

Annual appropriated budgets are adopted for general, special revenue, debt service, capital project, and proprietary funds on the modified accrual basis of accounting.

Annual appropriated budgets are adopted at the fund level. Appropriations for all budgeted funds lapse at year-end. Major capital projects are also budgeted in the County's capital financing plan, which carries forward from year to year until fully expended or the purpose of the appropriation has been accomplished or abandoned.

##### 2. Procedures for Adopting the Original Budget

The County's budget procedures are mandated by RCW 36.40. The steps in the budget process are as follows:

By the first Tuesday in September, the County Auditor submits a proposed budget to the County Commission. This budget is based on priorities established by the commission and estimates provided by County departments during the preceding months, and balanced with each department.

The County Commission conducts public hearings on the proposed budget between November and December. The Board makes its adjustments to the proposed budget and adopts by resolution a final balanced budget no later than December 31st.

### 3. Amending the Budget

Any revisions that alter the total expenditures of the County, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the County Commission. Transfers of appropriations were not material in relation to original appropriations.

The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

The financial statements contain the original and final budget information. The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes applicable for the fiscal year.

### 4. Excess of Expenditures Over Appropriations

The following excess of expenditures over appropriations were not anticipated in the original 2005 budget and the expenditures occurred late in 2005 after any emergency budget appropriations could be legally made.

The ORV Education & Enforcement fund expenditures exceeded appropriations by \$36,321. The excess expenditures were covered with its fund balance.

The Emergency Management fund expenditures exceeded appropriations by \$18,269. The excess expenditures were covered with its fund balance.

The Fair fund expenditures exceeded appropriations by \$9,807. The excess expenditures were covered with its fund balance.

The Regional Justice Center fund expenditures exceeded appropriations by \$506. The excess expenditures were covered with its fund balance.

## E. Assets, Liabilities and Equities

### 1. Deposits and Investments

It is the County's policy to invest all temporary cash surpluses. At December 31, 2005, the treasurer was holding \$18,357,229 in short-term residual investments of surplus cash. This amount is classified on the balance sheet as cash and cash equivalents in various funds. The interest on these investments is credited to the Current Expense fund.

The amounts reported as cash and cash equivalents also include compensating balances maintained with certain banks in lieu of payments for services rendered. The average compensating balances maintained during 2005 were approximately \$900,000.

For purposes of the statement of cash flows, the county considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, banker's acceptances, and certain other government agency obligations.

## 2. Receivables

Taxes receivable consist of property taxes and related interest and penalties (See Note 5). Accrued interest receivable consists of amounts earned on investments, notes, and contracts at the end of the year.

Special assessments are recorded when levied. Special assessments receivable consist of current and delinquent assessments and related interest and penalties. Deferred assessments on the fund financial statements consist of unbilled special assessments that are liens against the property benefited. As of December 31, 2005, there was \$5,638 of special assessments receivable that were delinquent.

Customer accounts receivable consist of amounts owed from private individuals or organizations for goods and services including amounts owed for which billings have not been prepared. Notes and contracts receivable consist of amounts owed on open account from private individuals or organizations for goods and services rendered.

## 3. Amounts Due to and from Other Funds and Governmental Units, Interfund Loans and Advances Receivable

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund loans receivable/payable" or "advances to/from other funds." All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." A separate schedule of interfund loans receivable and payable is furnished in Note 11.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

## 4. Inventories

Inventories in governmental funds consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are purchased. The reserve for inventory is equal to the ending amount of inventory to indicate that a portion of the fund balance is not available for future expenditures. A comparison to market value is not considered necessary. Inventories in proprietary funds are valued by the FIFO method (which approximates the market value).

## 5. Capital Assets – See Note 6

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000, and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Costs for additions or improvements to capital assets are capitalized when they increase the effectiveness or efficiency of the asset. The cost for normal maintenance and repairs are not capitalized.

Property, plant, and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

<b>Assets</b>	<b>Years</b>
Buildings & Structures	31.5
Land Improvements	10
Machinery & Equipment	3 - 10
Infrastructure	20 - 45

6. Other Property and Investments – See Note 4

7. Compensated Absences

Compensated absences are absences for which employees will be paid, such as vacation leave, sick leave, and compensation time. All vacation pay is accrued when earned in the government-wide, proprietary, and fiduciary fund financial statements.

Vacation pay, which may be accumulated up to 240 hours, is payable upon resignation, retirement or death.

Chelan County allows employees to accumulate up to 960 hours of sick leave after which time it lapses month by month. The County also allows 80 or 120 hours (depending on union status) of compensatory leave after which time it lapses month by month. In addition, any compensatory leave accumulated in excess of 40 or 80 hours (depending on union status) will lapse at year-end. Upon setting an official date of retirement, an employee shall be entitled to convert all accumulated sick leave hours in excess of 720 hours to a maximum of 240 hours to annual leave during the last six months of service. Converted annual leave will not be eligible for buy back as earned annual leave. To be eligible for compensation, all such sick leave earned must be converted to and taken as annual leave prior to retirement.

8. Other Accrued Liabilities

These accounts consist of accrued wages, accrued employee benefits, and accrued use tax.

9. Long-term Debt – See Note 9

10. Deferred Revenues

This account includes amounts recognized as receivables but not revenues in governmental funds because the revenue recognition criteria have not been met.

11. Fund Reserves and Designations

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

## **NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

### **A. Explanation of Certain Differences Between the Governmental Funds Balance Sheet and the Government-Wide Statement of Net Assets**

The governmental funds' balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. The details of the difference are as follows:

Statement of Net Assets (page 23)	44,250,429
Balance sheet (page 25)	<u>16,135,449</u>
Net difference	28,114,980
Net Capital Assets	32,804,702
Deferred revenue liability	415,449
Long-term debt and Compensated absences	(17,053,665)
Internal Service fund assets & liabilities	<u>11,948,494</u>
Net difference	28,114,980

### **B. Explanation of Certain Differences Between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities**

The governmental funds' statement of revenues, expenditures, and changes in fund balances include a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. The details of the difference are as follows:

Statement of Activities (page 24)	5,871,580
Statement of Revenues, Expenditures, and Changes in Fund Balance (page 27)	<u>(742,426)</u>
Net difference	6,614,006
Capital Outlay	5,381,592
Deferred revenue liability	415,449
Issuance of Long-Term Debt	1,204,864
Internal Service Fund activity	<u>(387,899)</u>
Net difference	6,614,006

## **NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

At December 31, 2005, the Emergency Management fund reported a \$18,836 deficit its fund balance, which is a violation of state statute. Also, see Note 1(D)(4) - Excess of Expenditures Over Appropriations.

## **NOTE 4 - DEPOSITS AND INVESTMENTS**

### **A. Deposits**

The County's deposits and certificates of deposit are entirely covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

**B. Investments**

As of December 31, 2005 the County had the following investments:

Investment	Fair value of Chelan County's own investments	Fair value of investments held by Chelan County as an agent for other local governments	Total
State investment pool	7,016,052	25,472,432	32,488,484
U.S. Government Securities	-	3,038,012	3,038,012
Certificate of Deposit	1,308,101	14,048,280	15,356,381
Municipal Money Market	586,562	21,009,911	21,596,473
<b>Total</b>	<b>8,910,715</b>	<b>63,568,635</b>	<b>72,479,350</b>

**NOTE 5 - PROPERTY TAXES**

The County Treasurer acts as an agent to collect property taxes levied in the County for all taxing authorities.

<b>Property Tax Calendar</b>	
January 1	Taxes are levied and become an enforceable lien against properties.
February 14	Tax bills are mailed.
April 30	First of two equal installment payments is due.
May 31	Assessed value of property established for next year's levy at 100 percent of market value.
October 31	Second installment is due.

In governmental funds, property taxes are recorded as a receivable when levied, offset by a deferred revenue. During the year, property tax revenues are recognized when cash is collected. At year-end, property tax revenues are recognized for collections expected to occur within 60 days. No allowance for uncollectible taxes is established because delinquent taxes are considered fully collectible. The County may levy up to \$1.80 per \$1,000 of assessed valuation for general governmental services, subject to two limitations:

The County's regular levy for 2005 was \$1.61141 per \$1,000 on an assessed valuation of \$5,184,421,834 for a total regular levy of \$8,369,201.

The County is also authorized to levy \$2.25 per \$1,000 of assessed valuation in unincorporated areas for road construction and maintenance. This levy is subject to the same limitations as the levy for general government services. The County's road levy for 2005 was \$1.60114 per \$1,000 on an assessed valuation of \$2,930,175,273 for a total road levy of \$4,691,621.

Washington State Constitution and Washington State law, RCW 84.55.010, limit the rate.

## **NOTE 6 - CAPITAL ASSETS AND DEPRECIATION**

Capital assets activity for the year ended December 31, 2005 was as follows:

<b>Governmental Activities</b>	<b>Beginning Balance 01/01/05</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance 12/31/2005</b>
Capital Assets, not being depreciated:				
Land	2,026,258	187,436	351,989	1,861,706
Other Improvements	-	156,983	-	156,983
Total capital assets, not being depreciated	2,026,258	344,420	351,989	2,018,689
Capital assets, being depreciated:				
Other Improvements	-	1,100,954	-	1,100,954
Buildings & Structures	36,001,172	3,520,150	-	39,521,322
Machinery & Equipment	16,320,088	3,019,846	1,553,338	17,786,596
Infrastructure	4,833,112	1,773,076	-	6,606,188
Total capital assets being depreciated	57,154,372	9,414,026	1,553,338	65,015,060
Less accumulated depreciation for:				
Other Improvements	-	108,491	-	108,491
Buildings & Structures	16,635,583	610,279	-	17,245,862
Machinery & Equipment	8,792,739	1,583,969	1,307,161	9,069,547
Infrastructure	129,649	317,524	-	447,173
Total accumulated depreciation	25,557,972	2,620,263	1,307,161	26,871,074
Total capital assets, being depreciated, net	31,596,400	6,793,763	246,177	38,143,986
Governmental activities capital assets, net	33,622,658	7,138,183	598,166	40,162,675

Depreciation expense was charged to functions as follows:

General Government	537,447
Judicial	10,088
Public Safety	54,698
Physical Environment	1,124
Transportation	1,814,691
Economic environment	1,922
Culture and recreation	200,291
Total depreciation - Governmental activities	2,620,263

<b>Business-Type Activities</b>	<b>Beginning Balance 01/01/05</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance 12/31/2005</b>
Capital Assets, not being depreciated:				
Land	353,976	-	345,880	8,096
Other Improvements	-	157,378	-	157,378
Total capital assets, not being depreciated	353,976	157,378	345,880	165,474
Capital assets, being depreciated:				
Other Improvements	157,378	-	157,378	-
Buildings & Structures	2,010,537	451,456	-	2,461,993
Machinery & Equipment	969,969	-	-	969,969
Total capital assets being depreciated	3,137,884	451,456	157,378	3,431,961
Less accumulated depreciation for:				
Other Improvements	57,435	-	57,435	-
Buildings & Structures	885,030	52,088	-	937,118
Machinery & Equipment	460,463	56,332	-	516,795
Total accumulated depreciation	1,345,492	108,420	-	1,453,913
Total capital assets, being depreciated, net	1,731,817	343,035	157,378	1,978,049
Governmental activities capital assets, net	<u>2,085,793</u>	<u>500,413</u>	<u>503,258</u>	<u>2,143,523</u>

Depreciation expense was charged to functions as follows:

Public Safety	39,064
Utilities	54,748
Culture and Recreation	14,609
Total depreciation - Business-type activities	<u>108,420</u>

## **NOTE 7 - PENSION PLANS**

Substantially all County full-time and qualifying part-time employees participate in one of the following statewide local government retirement systems administered by the Washington State Department of Retirement Systems under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans. The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained from the Department of Retirement Systems, Communications Unit, P.O. Box 48380, Olympia, WA 98504-8380. The following disclosures are made pursuant to GASB Statement 27, *Accounting for Pensions by State and Local Government Employers*.

### **Public Employees' Retirement System (PERS) Plans 1 and 2**

#### Plan Description

PERS is a cost-sharing multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a combination defined benefit/defined contribution plan. Membership in the plan includes elected officials, state employees, employees of the Supreme, Appeals, and Superior courts (other than judges in a judicial retirement system), employees of legislative committees, college and university employees not in national higher education retirement programs, judges of district and municipal courts, non-certificated employees of school districts, and employees of local government. Participants who joined the system by September

30, 1977, are Plan 1 members. Those who joined on or after October 1, 1977 and by either, February 28, 2002 for state and higher education employees, or August 31, 2002 for local government employees, are Plan 2 members unless they exercise an option to transfer their membership to Plan 3. PERS participants joining the system on or after March 1, 2002 for state and higher education employees, or September 1, 2002 for local government employees have the option of choosing membership in either PERS Plan 2 or PERS Plan 3. The option must be exercised within 90 days of employment. An employee is reported in Plan 2 until a choice is made. Employees who fail to choose within 90 days default to PERS Plan 3. PERS defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions. PERS retirement benefit provisions are established in state statute and may be amended only by the State Legislature.

Plan 1 retirement benefits are vested after an employee completes five years of eligible service. Plan 1 members are eligible for retirement at any age after 30 years of service, or at the age of 60 with five years of service, or at the age of 55 with 25 years of service. The annual pension is two percent of the average final compensation per year of service, capped at 60 percent. The average final compensation is based on the greatest compensation during any 24 eligible consecutive compensation months. If qualified, after reaching age 66 a cost-of-living allowance is granted based on years of service credit and is capped at three percent annually.

Plan 2 retirement benefits are vested after an employee completes five years of eligible service. Plan 2 members may retire at the age of 65 with five years of service, or at age 55 with 20 years of service, with an allowance of two percent per year of service of the average final compensation. The average final compensation is based on the greatest compensation during any eligible consecutive 60-month period. Plan 2 retirements prior to the age of 65 receive reduced benefits. If retirement is at age 55 or older with at least 30 years of service, a 3 percent per year reduction applies; otherwise an actuarial reduction will apply. There is no cap on years of service credit and a cost-of-living allowance is granted (indexed to the Seattle Consumer Price Index), capped at three percent annually.

Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component, and member contributions finance a defined contribution component. The defined benefit portion provides a benefit calculated at 1 percent of the average final compensation per year of service. The average final compensation is based on the greatest compensation during any eligible consecutive 60 month period. Plan 3 members become eligible for retirement if they have: at least ten years of service; or five years including twelve months that were earned after age 54; or five service credit years earned in PERS Plan 2 prior to June 1, 2003. Plan 3 retirements prior to the age of 65 receive reduced benefits. If retirement is at age 55 or older with at least 30 years of service, a 3 percent per year reduction applies; otherwise an actuarial reduction will apply. There is no cap on years of service credit; and Plan 3 provides the same cost-of-living allowance as Plan 2. The defined contribution portion can be distributed in accordance with an option selected by the member either as a lump sum or pursuant to other options authorized by the Employee Retirement Benefits Board.

There are 1,169 participating employers in PERS. Membership in PERS consisted of the following at September 30, 2004:

Retirees and Beneficiaries Receiving Benefits	66,846
Terminated Plan Members Entitled To But Not Yet Receiving Benefits	21,031
Active Plan Members Vested	103,039
Active Plan Members Nonvested	53,217
<b>Total</b>	<b>244,133</b>

### Funding Policy

Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates, Plan 2 employer and employee contribution rates, and Plan 3 employer contribution rates. Employee contribution rates for Plan 1 are established by statute at 6 percent for state agencies and local government unit employees, and 7.5 percent for state government elected officers. The employer and employee contribution rates for Plan 2 and the employer contribution rate for Plan 3 are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. All employers are required to contribute at the level established by state law. PERS Plan 3 defined contribution is a non-contributing plan for employers. Employees who participate in the defined contribution portion of PERS Plan 3 do not contribute to the defined benefit portion of PERS Plan 3. The Employee Retirement Benefits Board sets Plan 3 employee contribution rates. Six rate options are available ranging from 5 to 15 percent; two of the options are graduated rates dependent on the employee's age. The methods used to determine the contribution rates are established under state statute in accordance with Chapters 41.40 and 41.45 RCW.

The required contribution rates expressed as a percentage of current year covered payroll, as of December 31, 2005, were as follows:

	PERS Plan 1	PERS Plan 2	PERS Plan 3
Employer*	2.44%	2.44%	2.44%**
Employee	6.00%	1.18%	***

\* The employer rates include the employer administrative expense fee currently set at 0.19%.

\*\* Plan 3 defined benefit portion only.

\*\*\* Variable from 5.0% minimum to 15.0% maximum based on rate selected by PERS 3 member.

Both Chelan County and the employees made the required contributions. The County's required contributions for the years ended December 31 were:

	PERS Plan 1	PERS Plan 2	PERS Plan 3
2005	35,808	220,134	33,036
2004	28,294	164,320	28,475
2003	28,223	166,419	16,268

### **Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plans 1 and 2**

#### Plan Description

LEOFF is a cost-sharing multiple-employer retirement system comprised of two separate defined benefit plans. Membership in the system includes all full-time, fully compensated, local law enforcement officers and firefighters. LEOFF is comprised primarily of non-state employees, with the exception of the Department of Fish and Wildlife enforcement officers, who were first included prospectively effective July 27, 2003. LEOFF participants who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 are Plan 2 members. Effective July 1, 2003, the LEOFF Plan 2 Retirement Board was established to provide governance of LEOFF Plan 2. The Board's duties include adopting contribution rates and recommending policy changes to the Legislature for the LEOFF Plan 2 retirement Plan. Effective January 1, 2003 firefighter emergency medical technicians (EMTs) may transfer PERS Plan 1 or Plan 2 service credits to LEOFF Plan 2 if while employed for the city, town, county or district, the EMT's job was relocated to a fire department from another city, town, county or district. LEOFF defined benefits are financed from a combination of investing earnings, employer and employee contributions, and a special funding situation in which the state pays the remainder through state legislative appropriations. LEOFF

retirement benefit provisions are established in state statute and may be amended only by State Legislature.

Plan 1 retirement benefits are vested after an employee completes five years of eligible service. Plan 1 members are eligible to retire with five years of service at age 50. The benefit per year of service calculated as a percent of final average salary is as follows:

Term of Service	Percent of Final Average
20 or more years	2.0%
10 but less than 20 years	1.5%
5 but less than 10 years	1.0%

The final average salary is the basic monthly salary received at the time of retirement, provided a member has held the same position or rank for 12 months preceding the date of retirement. Otherwise, it is the average of the highest consecutive 24 months' salary within the last 10 years of service. If membership was established in LEOFF after February 18, 1974, the service retirement benefit is capped at 60 percent of final average salary. A cost-of-living allowance is granted (indexed to the Seattle Consumer Price Index).

Plan 2 retirement benefits are vested after an employee completes five years of eligible service. Plan 2 members may retire at age of 50 with 20 years of service, or at age 53 with five years of service, with an allowance of 2 percent of the final average salary per year of service, with an allowance of 2 percent of the final average salary per year of service. The final average salary is based on the highest consecutive 60 months. Plan 2 retirements prior to the age of 53 are reduced 3 percent for each year that the benefit commences prior to age 53. There is no cap on years of service credit; and a cost-of-living allowance is granted (indexed to the Seattle Consumer Price Index), capped at 3 percent annually.

There are 369 participating employers in LEOFF. Membership in LEOFF consisted of the following at September 30, 2004:

Retirees and Beneficiaries Receiving Benefits	8,542
Terminated Plan Members Entitled To But Not Yet Receiving Benefits	528
Active Plan Members Vested	12,079
Active Plan Members Nonvested	3,523
<b>Total</b>	<b>24,672</b>

#### Funding Policy

Starting on July 1, 2000, Plan 1 employers and employees will contribute zero percent as long as the plan remains fully funded. Employer and employee contribution are developed by the Office of the State Actuary to fully fund the plan. Plan 2 employers and employees are required to pay at the level adopted by the Department of Retirement Systems in accordance with 41.45 RCW. All employers are required to contribute at the level required by state law. The Legislature, by means of a special funding arrangement, appropriated money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the requirements of the Pension Funding Council. However, this special funding situation is not mandated by the state constitution and this funding requirement could be returned to the employers by a change of statute. The methods used to determine the contribution rates are established under state statute in accordance with chapters 41.26 and 41.45 RCW.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2005, were as follows:

	LEOFF Plan 1	LEOFF Plan 2
Employer	0.19%*	4.39%*
Employee	0.00%	6.99%
State	N/A	2.79%

\* The employer rates include the employer administrative expense fee currently set at 0.19%.

Both Chelan County and the employees made the required contributions. The County's required contributions for the years ended December 31 were:

	LEOFF Plan 1	LEOFF Plan 2
2005	134	122,388
2004	169	108,672
2003	169	84,922

**NOTE 8 - RISK MANAGEMENT**

A. General

Chelan County is a member of the Washington Counties Risk Pool ("Pool") which was formed August 18, 1988 when several counties in the state of Washington joined together by signing an interlocal agreement to pool their self-insured losses and to jointly purchase insurance and related administrative services. The Pool is presently comprised of twenty eight counties. Chapter 48.62 RCW authorizes the governing bodies of governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, joint self-insuring and/or the joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure or hire or contract for risk management services. The agreement to form the Pool was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act.

The Pool allows its member counties to establish a plan of self-insurance, and to jointly purchase excess insurance and obtain related services. All Pool joint self-insurance liability coverages, including public officials' errors and omissions, are on an "occurrence" basis. The Pool also provides the counties with a property insurance program with extraordinary coverage limits, and has arranged for both special events/concessionaires and environmental insurance coverages to be purchased as group purchase options for its member counties.

The Pool is governed by a board that is comprised of one director (and one or more alternate directors) appointed by each participating member county from the county's own officials or employees. An executive committee that is responsible for overseeing the business affairs of the Pool is selected by the Pool's board of directors from its membership, including alternate directors, during each annual meeting.

Claims filed with the Pool are subject to the deductible amount selected by the filing county. Member deductibles range from \$10,000 to \$500,000 per occurrence. The Pool, which is primarily funded by annual assessments contributed by its member counties, acquires from unrelated underwriters reinsurance with a self-insured retention of \$100,000 per occurrence and excess insurance. The member counties are responsible for amounts within their deductibles for each claim, and the Pool is responsible for any difference remaining up to the \$100,000 self-insured retention. The reinsurance and excess insurance carriers cover all losses exceeding the greater of

the Pool's retention or the member county's deductible to the maximum limits of their policies, presently either \$20 million or \$25 million depending upon the member county.

Claim reserves are established for the Pool's retention layer for both reported and unreported insured events and include estimates of the undiscounted future cash payments of losses and related claim adjustment expenses. The following table presents the changes in the Pool's aggregate claim reserves:

<b>FOR YEARS ENDING SEPTEMBER 30,</b>	<b>2005</b>	<b>2004</b>
Unpaid claims and claim adjustment expenses at year's beginning	11,349,474	10,182,042
Incurring claims and claim adjustment expenses:		
Provision for insured events of the current year	1,327,012	1,442,149
Change in provision for insured events of prior years	(1,057,001)	1,608,619
Total incurred claims and claim adjustment expenses	11,619,485	13,232,810
Payments for claims and claim adjustment expenses:		
Attributable to insured events of the current year	-	68,432
Attributable to insured events of prior years	1,927,885	1,816,904
Total Payments	1,927,885	1,885,336
Total unpaid claims and claim adjustment expenses at year end	9,691,600	11,347,474

Member counties contract initially to remain in the Pool for five years, then annually with automatic renewals. Following the initial 5-year commitment, a county may terminate its Pool membership at the conclusion of any Pool fiscal year if the county has timely provided the required notice. Even after termination, a member county remains responsible for contributions to the Pool for any unresolved, unreported, and in-process claims from the period(s) that it was a signatory to the interlocal agreement.

Under RCW 48.62.141 and the Interlocal Agreement, contingent liability of participants in the program is established if a program's assets are insufficient to cover the program's liabilities. Deficits of the Pool are financed through retroactive assessments of the member counties. The Pool's overall reassessments receivable balance as of December 31, 2005 is \$1,621,429. Chelan County's reassessment balance outstanding is \$207,025 and it is more specifically explained hereafter.

A funding shortfall of \$6.5 million was projected in 1999 by the Pool for its 1993-97 loss years. In response, the board of directors adopted a reassessment plan requiring additional contributions from each member who participated in those years. The reassessments were to be billed and collected from member counties over the course of ten years starting in October 1999. In addition, the plan required terminating members to pay their reassessments for these years as if those counties had remained members of the Pool. Four annual installments were billed and collected (1999 – 2002).

With adverse claims development, the funding shortfall by the close of 2002 from the 1993-97 and 1998 policy years had grown. The residual balance was \$11.9 million. Yet, the claims and lawsuits from the first five years (1988-93) were concluded and closed with \$4.3 million in surplus.

During 2003, the board of directors voted to (a) fix surplus earnings as of October 1, 2002 of \$4.3 million from the first five policy years, (b) calculate credits according to the proportionate amounts that the counties had paid into the Pool's loss fund for each of the separate policy years, and (c) transfer the (surplus earnings) credits for qualifying current members (those that did not have a subsequent break in Pool membership) to partially fund the 1993-98 policy years' deficits. Additionally, the board revised the residual from the 1999 reassessment to \$7.6 million (applying the credits) and approved a new reassessment formula being the proportionate amounts that a

member counties paid into the Pool loss fund with each policy year calculated separately, and having a repayment schedule of six equal annual installments, the first billing to be in April 2003.

Member counties were offered advance payment discounts of 2% for each additional annual installment paid initially. Thirteen member counties paid their discounted reassessments in full, two counties paid several annual installments with only partial discounting, and ten counties paid the annual installment due. The twelve member counties with reassessment balances have since been billed and each has paid their 2004 and 2005 annual installments.

**B. Risk Management**

The County maintains insurance against most normal hazards such as torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters.

Claim settlements and loss expenses are accrued in the Tort Claims & Insurance Fund for the estimated settlement value of both reported and unreported claims (up to the aggregate stop-loss). This fund is responsible for collecting interfund premiums from insured funds and departments, for paying claim settlements and for purchasing certain insurance policies. Interfund premiums are assessed on the basis of claims experience and are reported as revenues and expenses or expenditures. Settlements have not exceeded insurance coverage during the past three years.

**NOTE 9 - LONG-TERM DEBT AND CAPITAL LEASES**

**A. Long-Term Debt**

The County issues general obligation bonds to finance the purchase and construction of buildings. Bonded indebtedness has also been entered into to advance refund general obligation bonds. General obligation bonds have been issued for general government activities and are being repaid from the Juvenile Bond Debt Service Fund, and REET funds. These bonds are set to mature between 2007 and 2023.

General obligation bonds currently outstanding are as follows:

<b>Purpose</b>	<b>Interest Rate</b>	<b>Amount Outstanding</b>
1995 G.O. Bonds for purchase of MSC Building, original issue \$335,000	Variable – 62% of prime	167,320
1997 G.O. Bonds for construction of Juvenile Building, original issue \$9,045,000	3.75% - 5.45%	1,130,000
1998 G.O. Bonds for construction on Fairgrounds, original issue \$2,800,000	4.0% - 4.75%,	2,055,000
2000 G.O. Bonds for acquisition, construction, and installation of certain public infrastructure improvements, original issue \$4,000,000	5.6%	3,440,000
2001 G.O Bonds for acquisition and installation of phone system and accounting system, original issue \$404,000	4.25%	262,182
2002 LTGO E911 Bonds for acquisition and construction of a multi-jurisdictional public safety answering point for use by the County and other governmental agencies, original issue \$2,560,000	Not to exceed 5.0%	2,360,000
2003 LTGO 2003A Bonds to make certain improvements and betterments to certain county facilities, original issue \$3,445,000	2.0% - 4.5%	3,185,000
2003 LTGO 2003B Refunding Bonds to pay part of the cost of advance refunding the county's 1997 LTGO Bonds, original issue \$3,315,000	2.0% - 3.85%	2,990,000
<b>Total</b>		<b>15,589,502</b>

The annual debt service requirements to maturity are as follows:

Year Ending December 31	Governmental Activities	
	Principal	Interest
2006	1,435,187	645,104
2007	1,482,901	580,252
2008	1,545,739	546,404
2009	1,613,706	498,836
2010	1,006,807	436,063
2011-2015	3,305,162	1,709,871
2016-2020	3,560,000	911,455
2021-2023	1,640,000	139,410
<b>Total</b>	<b>15,589,502</b>	<b>5,467,395</b>

At December 31, 2005, the County has \$2,423,099 available in debt service funds to service the general bonded debt.

**B. Changes in Long-Term Liabilities**

During the year ended December 31, 2005, the following changes occurred in long-term liabilities:

	Beginning Balance 01/01/05	Additions	Reductions	Ending Balance 12/31/05	Due Within One Year
<b>Governmental Activities:</b>					
Bonds payable	16,969,480	-	1,379,978	15,589,502	1,435,187
Compensated absences	1,328,730	437,637	267,944	1,498,422	306,608
Leases Payable	140,059	11,891	94,911	57,039	48,608
Governmental activity long-term liabilities:	18,438,269	449,528	1,742,833	17,144,963	1,790,403
<b>Business-Type Activities:</b>					
Compensated absences	256,104	145,385	61,516	339,973	61,516
Leases Payable	7,773	-	2,858	4,915	4,915
Business-type activity long-term liabilities:	310,607	145,385	64,374	344,888	66,431

The majority of the Governmental Activities compensated absences are liquidated by the General and County Roads funds. The majority of the Business-Type Activities compensated absences are liquidated by the Regional Justice Center fund.

**C. Refunded Debt**

In 2003, the County issued \$3,315,000 of general obligation refunding bonds to provide resources to purchase securities that were placed in irrevocable trust. The 2003 refunding issue along with \$1,500,000 from a debt service fund was for the purpose of generating resources for all future debt service payments on \$4,325,000 of the 1997 G.O. Bonds for construction of Juvenile Building. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. This advance refunding was undertaken to reduce total debt service payments over the following 11 years by \$2,293,847 in total payments and resulted in a net present value economic gain of \$1,777,328.

#### D. Capital Leases

The County has entered into lease agreements for financing equipment and vehicles. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

Asset	Governmental Activities	Business-Type Activities
Office Equipment	9,744	-
Tractor	-	22,451
Vehicles	519,911	-
Less Accumulated Depreciation	337,129	6,735
Total	192,526	15,716

The future minimum lease obligation and the net present value of these minimum lease payments as of December 31, 2005 were as follows:

Year Ending December 31	Governmental Activities	Business-Type Activities
2006	51,525	5,286
2007	3,644	-
2008	2,643	-
2009	2,643	-
Less Interest	3,415	371
Present Value of Minimum Lease Payments	57,039	4,915

#### **NOTE 10 – CONTINGENCIES AND LITIGATIONS**

Chelan County is named as defendant in a few legal actions. Although the outcomes of these lawsuits are not presently known, the County is of the opinion that the present insurance policy and reserves are adequate to cover the potential settlements without adversely affecting the financial viability of the County.

Chelan County participates in several federal and state grant programs. These grants are subject to an annual audit examination which includes compliance with granting agency terms and provisions, and with pertinent federal and state regulations. Failure to adequately comply with these provisions could result in a requirement to repay funds to the granting agency. Disallowed expenditures cannot be determined at this time, although it is expected that such amounts, if any, to be immaterial.

#### **NOTE 11 - INTERFUND TRANSACTIONS AND BALANCES**

##### A. Due To/From Other Funds

"Due from Other Funds" and "Due to Other Funds" are created from interfund transactions which usually involve the exchange of goods or services in a normal business relationship.

Due from Other Funds and Due to Other Funds as of December 31, 2005 are as follows:

	<b>Payable Fund</b>						Total
	General Fund	County Roads	Nonmajor Govern-mental	Regional Justice Center	Nonmajor Enterprise	Internal Service	
<b>Receivable Fund</b>							
General Fund	-	-	146,954	-	715	30,000	177,668
County Roads	1,204	-	-	-	50	-	1,254
Nonmajor Governmental	-	61,246	25,006	-	-	-	86,252
Regional Justice Center	201,837	-	-	-	-	-	201,837
Internal Service	25,805	205,609	107,226	785	722	-	340,147
Total Transfers	228,846	266,855	279,186	785	1,487	30,000	807,158

**B. Interfund Loans Payable/Receivable**

The following table displays interfund loan activity during 2005:

Borrowing Fund	Lending Fund	Interfund Loans and Advances Payable			
		1/1/2005	New Loans	Repayments	12/31/2005
Farm Worker Housing	General Fund	20,000	-	20,000	-
Emergency Management	Equipment Rental & Revolving Fund	175,000	-	100,000	75,000
Monitor Park	Equipment Rental & Revolving Fund	3,000	-	3,000	-
Fair	County Roads	46,730	-	2,415	44,315
Fair	County Roads	-	80,000	-	80,000
	Total	244,730	80,000	125,415	199,315

**C. Interfund Transfers**

The following table displays interfund transfers during 2005:

<b>Transfers To</b>	<b>Transfers From</b>				Total
	General	Nonmajor Govern-mental	Regional Justice Center	Internal Service	
General	-	42,221	-	132,757	174,978
County Roads	-	-	-	21,578	21,578
Nonmajor Gov't	262,629	2,000	-	5,102	269,731
Regional Justice Center	-	-	-	32,559	32,559
Nonmajor Enterprise	-	10,000	-	2,965	12,965
Internal Service	-	8,000	50,000	5,039	63,039
Total Transfers	262,629	62,221	50,000	200,000	574,850

The main purpose of the Interfund transfers is to move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations.

## **NOTE 12 – JOINT VENTURES**

Rivercom - Chelan County participates in Rivercom, a joint venture, which was created with an interlocal agreement to build and operate a regional 911 communications center. The other participants in this venture include: Douglas County, the City of East Wenatchee and the City of Wenatchee. Rivercom charges the participants a fee based on the volume of calls generated by each participant. The fees are designed to cover Rivercom's costs. In addition to the fees, the participants provide their 911 tax revenues to the organization. Although Chelan County does have an equity interest in Rivercom, the agreement does not specify a method for measuring each partner's interest. During 2005, Rivercom received total revenues of \$4,240,015 and incurred total expenses of \$3,030,740 resulting in an increase in net assets of \$1,209,275, and ending fund balance of \$3,655,909. A copy of Rivercom's financial statements can be obtained from Rivercom at: PO Box 3344, Wenatchee, WA 98807 or (509) 662-4650.

## **NOTE 13 - POST RETIREMENT BENEFITS OTHER THAN PENSION BENEFIT**

In addition to the pension benefits described in Note 7, the County provides health insurance benefits for retired public safety employees. Substantially all the County's LEOFF 1 employees may become eligible for these benefits if they reach normal retirement age while working for the County. These benefits are provided by the County in order to meet state statutory requirements under the LEOFF 1 system whereby the County will pay for their medical premiums for life.

There are 25 participants eligible to receive these benefits. The County's contributions are financed on a pay-as-you-go basis, i.e., the cost of retiree medical benefits is recognized as an expense as premiums and medical expenses are paid. In 2005, \$233,987 was recognized in the Current Expense Fund for post employment health care.

## **NOTE 14 – CHANGES IN ACCOUNTING PRINCIPLES**

During 2003, the County partially implemented GASB 34, *Basic Financial Statements and Management Discussion and Analysis for States and Local Governments*. The County expects to implement the retroactive infrastructure requirement prior to the 2007 financial statements as required by GASB 34. Infrastructure assets that were acquired or significantly reconstructed between 2003 and 2005 have been included in the financial statements for governmental activities. See note 6 on page 46.

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# CHELAN COUNTY, WASHINGTON

Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2005

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Project Funds</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	1,727,010	1,156,265	2,883,275
Investments	611,541	689,344	1,300,886
Taxes Receivable	5,257	-	5,257
Interest Receivable	1,800	2,552	4,352
Due from Other Funds	25,006	61,246	86,252
Due from Other Governments	319,454	-	319,454
Total assets	<u>2,690,068</u>	<u>1,909,407</u>	<u>4,599,476</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts Payable	151,614	164,336	315,950
Due to Other Funds	279,186	-	279,186
Interfund Loans Payable	75,000	-	75,000
Due to Other Governments	2,085	-	2,085
Other Accrued Liabilities	65,464	2,064	67,529
Deferred Revenue	5,257	-	5,257
Total Liabilities	<u>578,606</u>	<u>166,400</u>	<u>745,006</u>
Fund balances:			
Unreserved, reported in nonmajor:	2,111,462	1,743,007	3,854,469
Total fund balances	<u>2,111,462</u>	<u>1,743,007</u>	<u>3,854,469</u>
Total liabilities and fund balances	<u>2,690,068</u>	<u>1,909,407</u>	<u>4,599,475</u>

The notes to the financial statements are an integral part of this statement.

**CHELAN COUNTY, WASHINGTON**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2005

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total</b>
<b>REVENUES</b>			
Taxes	867,428	1,677,001	2,544,429
Intergovernmental Revenues	2,793,219	24,972	2,818,191
Charges for Services	648,030	-	648,030
Fees and Fines	6,434	-	6,434
Miscellaneous	456,727	553,351	1,010,078
Total Revenues	<u>4,771,837</u>	<u>2,255,324</u>	<u>7,027,161</u>
<b>EXPENDITURES</b>			
Current:			
General Government	84,279	-	84,279
Security of Persons & Property	2,531,193	-	2,531,193
Utilities and Environment	2,038,679	-	2,038,679
Transportation	36,556	-	36,556
Economic Environment	725,991	-	725,991
Mental & Physical Health	93,035	-	93,035
Culture & Recreation	203,924	-	203,924
Debt Service:			
Principal	-	59,978	59,978
Interest and Other Charges	-	21,400	21,400
Capital Outlay	91,374	4,144,671	4,236,045
Total Expenditures	<u>5,805,032</u>	<u>4,226,049</u>	<u>10,031,081</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,033,195)</u>	<u>(1,970,725)</u>	<u>(3,003,920)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds From Sale of Capital Assets	11,272	-	11,272
Transfers In	269,731	-	269,731
Transfers Out	(62,221)	-	(62,221)
Total Other Financing Sources and Uses	<u>218,782</u>	<u>-</u>	<u>218,782</u>
Net Change in Fund Balances	<u>(814,413)</u>	<u>(1,970,725)</u>	<u>(2,785,138)</u>
Fund Balances - Beginning	<u>2,925,876</u>	<u>3,713,733</u>	<u>6,639,609</u>
Fund Balances - Ending	<u>2,111,462</u>	<u>1,743,007</u>	<u>3,854,469</u>

The notes to the financial statements are an integral part of this statement.

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## **CHELAN COUNTY, WASHINGTON**

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### Description of Nonmajor Special Revenue Funds

#### **NONMAJOR SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

**Paths & Trails Reserve:** accounts for the state share of revenue on the fuel tax for the paths and trails.

**Drug Enforcement Reserve:** accounts for financing of ongoing efforts on the investigation and prosecution of illegal drug cases.

**Auditors Operation & Maintenance:** accounts for the fees charged for recording in Auditor's office and the cost of maintaining and upgrading system for copying, preserving, and indexing documents recorded in Chelan County.

**ORV Educational & Enforcement:** accounts for the portion vehicle license revenue designated for the maintenance and law enforcement of Off Road Vehicle recreational activities.

**Boating Safety:** accounts for the Chelan County portion of state allocation of vessel registration fees for boating safety program.

**Ohme Gardens:** accounts for the operation of Ohme Gardens, a recreational park facility owned by the State of Washington and operated by Chelan County.

**Sheriff Donation:** accounts for donations to the Sheriff's department.

**Local Law Enforcement Block Grant:** accounts for this grant receipts and expenditures.

**Farm Worker Housing:** accounts for the activities for the housing of farm workers at the County's Wenatchee River Park.

**Pest Control:** accounts for the financing of the pest control activities.

**R.E.E.T. Technology:** accounts for funds used to develop and implement an automated system for electronic processing of real estate excise tax, set up by House Bill 1240.

**Juvenile Donation:** accounts for the individual donations for Juvenile programs.

**Noxious Weed Control** accounts for monies from Public Works and Current Expense for noxious weed eradication and control.

**Trial Court Improvement:** accounts for the improvement of superior and district court staffing, programs, facilities, or services.

**Emergency Management:** accounts for the financing of coordination of emergencies within Chelan County.

**911 Communications:** accounts for the 911 program funded by the 911 excise tax on the telephone service within Chelan County.

**Law Enforcement Communications:** accounts for funds used to upgrade the law enforcement communications system in conjunction with the implementation RiverCom, the new regional dispatch agency.

**Parent Education:** accounts for the operation of a divorce support program that is court mandated if children are involved.

**Cashmere-Dryden Airport:** accounts for the financing of operation of Cashmere-Dryden Airport.

**Law Library:** accounts for the operation and the upkeep of the Chelan County Law Library.

**Veteran's Relief:** accounts for the funds used to finance emergency financial assistance to veterans and their survivors.

**Mental Health & Retardation:** accounts for the financing of the County program for mental health and retardation.

**Community Services and Housing:** accounts for the collection of a specific fee that is to be used for the operation and maintenance of low-income housing projects.

**Treasurer's Operation & Maintenance:** accounts for the Treasurer's fees and costs from sale of foreclosed properties.

**Tourist & Convention:** accounts for the sales and excise tax on the hotel and motel revenues within Chelan County.

**Community Visioning:** accounts for the donations and other revenue used to form a vision and plan jointly for the Chelan and Douglas County areas.

**Election Reserve:** accounts for the financing of the election equipment replacement as mandated by the state statute.

**GIS Mapping & Reserve:** accounts for expenses on programming and setup of a GIS mapping system.

**Natural Resources Program:** accounts for the grant revenue and expenditures regarding the natural resources program.

**Regional Jail Education:** accounts for the grant received from the state for the education of the prisoners.

**Forest Title III:** accounts for the Forest Title III grant funds received from the state and disbursed to other county funds.

Combining Balance Sheet  
 Nonmajor Special Revenue Funds  
 December 31, 2005

	<b>Paths &amp; Trails</b>	<b>Drug Enforce- ment Reserve</b>	<b>Auditor O&amp;M</b>	<b>ORV Ed. &amp; Enforce- ment</b>	<b>Boating Safety</b>	<b>Ohme Gardens</b>	<b>Sheriff Donation</b>
<b>ASSETS</b>							
Cash and Cash Equivalents	2,858	46,704	13,287	72,622	1,132	3,271	24,116
Investments	13,331	2,035	124,365	-	-	53,650	-
Taxes Receivable	-	-	-	-	-	-	-
Interest Receivable	45	7	423	-	-	81	-
Due from Other Funds	-	-	-	-	-	-	-
Due from Other Governments	-	-	-	96,262	-	-	-
<b>Total assets</b>	<b>16,235</b>	<b>48,745</b>	<b>138,075</b>	<b>168,884</b>	<b>1,132</b>	<b>57,002</b>	<b>24,116</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts Payable	-	46	-	38,347	529	35	3,248
Due to Other Funds	-	6,250	-	59,774	-	-	-
Interfund Loan Payable	-	-	-	-	-	-	-
Due to Other Governments	-	-	869	-	-	275	-
Other Accrued Liabilities	-	-	1,984	-	-	7,338	-
Deferred Revenue	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>6,296</b>	<b>2,853</b>	<b>98,122</b>	<b>529</b>	<b>7,648</b>	<b>3,248</b>
Fund balances:							
Unreserved, undesignated	16,235	42,449	135,222	70,763	603	49,354	20,868
<b>Total fund balances</b>	<b>16,235</b>	<b>42,449</b>	<b>135,222</b>	<b>70,763</b>	<b>603</b>	<b>49,354</b>	<b>20,868</b>
<b>Total liabilities and fund balances</b>	<b>16,235</b>	<b>48,745</b>	<b>138,075</b>	<b>168,884</b>	<b>1,132</b>	<b>57,002</b>	<b>24,116</b>

The notes to the financial statements are an integral part of this statement.

<u>LLEBG</u>	<u>Farm Worker Housing</u>	<u>Pest Control Internship Program</u>	<u>R.E.E.T. Technol.</u>	<u>Juvenile Donation</u>	<u>Noxious Weed Control</u>	<u>Trial Court Improve- ment</u>	<u>Emer- gency Mgmt</u>	<u>911 Comm.</u>	<u>Law Enforce. Communi- cations</u>
1	118,201	8,641	14,720	972	46,247	5,894	250	-	1,345
-	-	-	-	-	-	-	172,617	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	457	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	3,679	-	34,200	-	-
<u>1</u>	<u>118,201</u>	<u>8,641</u>	<u>14,720</u>	<u>972</u>	<u>49,927</u>	<u>5,894</u>	<u>207,523</u>	<u>-</u>	<u>1,345</u>
-	-	-	-	-	287	-	25,537	-	-
-	-	-	-	-	500	-	102,938	-	-
-	-	-	-	-	-	-	75,000	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	7,832	-	22,885	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	8,619	-	226,360	-	-
1	118,201	8,641	14,720	972	41,308	5,894	(18,836)	-	1,345
1	118,201	8,641	14,720	972	41,308	5,894	(18,836)	-	1,345
1	118,201	8,641	14,720	972	49,927	5,894	207,523	-	1,345

The notes to the financial statements are an integral part of this statement.

Combining Balance Sheet  
 Nonmajor Special Revenue Funds  
 December 31, 2005

	Parent Education	Cashmere- Dryden Airport	Law Library	Veteran's Relief	Mental Health & Retardation	Community Services and Housing
<b>ASSETS</b>						
Cash and Cash Equivalents	21,758	683	47,226	5,157	867	108,506
Investments	-	20,268	-	27,304	-	-
Taxes Receivable	-	-	808	1,653	2,796	-
Interest Receivable	-	69	-	93	-	-
Due from Other Funds	-	-	-	-	-	-
Due from Other Governments	-	-	-	-	-	-
Total assets	<u>21,758</u>	<u>21,020</u>	<u>48,034</u>	<u>34,207</u>	<u>3,663</u>	<u>108,506</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts Payable	392	-	1,265	3,275	-	1,825
Due to Other Funds	191	-	-	-	-	-
Interfund Loan Payable	-	-	-	-	-	-
Due to Other Governments	-	74	-	-	867	-
Accrued Wages and Benefits	445	546	-	-	-	-
Deferred Revenue	-	-	808	1,653	2,796	-
Total Liabilities	<u>1,028</u>	<u>620</u>	<u>2,073</u>	<u>4,928</u>	<u>3,663</u>	<u>1,825</u>
Fund balances:						
Unreserved, undesignated	<u>20,730</u>	<u>20,400</u>	<u>45,960</u>	<u>29,279</u>	<u>-</u>	<u>106,681</u>
Total fund balances	<u>20,730</u>	<u>20,400</u>	<u>45,960</u>	<u>29,279</u>	<u>-</u>	<u>106,681</u>
Total liabilities and fund balances	<u>21,758</u>	<u>21,020</u>	<u>48,034</u>	<u>34,207</u>	<u>3,663</u>	<u>108,506</u>

The notes to the financial statements are an integral part of this statement.

<b>Treasurer O&amp;M</b>	<b>Tourist &amp; Convention</b>	<b>Community Visioning</b>	<b>Election Reserve</b>	<b>GIS &amp; Mapping Reserve</b>	<b>Natural Resources Program</b>	<b>Regional Jail Education</b>	<b>Forest Title III</b>	<b>Total</b>
4,850	100,301	10,530	-	-	601,712	1,000	464,158	1,727,010
113,543	6,564	-	75,203	63	-	2,599	-	611,541
-	-	-	-	-	-	-	-	5,257
281	22	-	297	15	-	9	-	1,800
-	-	-	-	-	25,006	-	-	25,006
-	-	-	15,195	-	170,118	-	-	319,454
<b>118,674</b>	<b>106,887</b>	<b>10,530</b>	<b>90,695</b>	<b>78</b>	<b>796,836</b>	<b>3,608</b>	<b>464,158</b>	<b>2,690,068</b>
-	4,300	-	-	-	72,528	-	-	151,614
-	-	-	-	-	352	-	109,180	279,186
-	-	-	-	-	-	-	-	75,000
-	-	-	-	-	-	-	-	2,085
-	-	-	-	-	24,434	-	-	65,464
-	-	-	-	-	-	-	-	5,257
-	<b>4,300</b>	-	-	-	<b>97,314</b>	-	<b>109,180</b>	<b>578,606</b>
<b>118,674</b>	<b>102,587</b>	<b>10,530</b>	<b>90,695</b>	<b>78</b>	<b>699,522</b>	<b>3,608</b>	<b>354,978</b>	<b>2,111,462</b>
<b>118,674</b>	<b>102,587</b>	<b>10,530</b>	<b>90,695</b>	<b>78</b>	<b>699,522</b>	<b>3,608</b>	<b>354,978</b>	<b>2,111,462</b>
<b>118,674</b>	<b>106,887</b>	<b>10,530</b>	<b>90,695</b>	<b>78</b>	<b>796,836</b>	<b>3,608</b>	<b>464,158</b>	<b>2,690,068</b>

The notes to the financial statements are an integral part of this statement.

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Nonmajor Special Revenue Funds  
 For the Year Ended December 31, 2005

	Paths & Trails	Drug Enforce- ment Reserve	Auditor O&M	ORV Ed. & Enforce- ment	Boating Safety	Ohme Gardens	Sheriff Donation
<b>REVENUES</b>							
Taxes	-	-	-	-	-	-	-
Intergovernmental Revenues	10,814	-	43,685	200,821	2,975	-	-
Charges for Services	-	-	39,359	-	2,930	126,165	-
Fees and Fines	-	6,434	-	-	-	-	-
Miscellaneous	539	35,671	3,530	-	19,102	30,883	29,666
Total Revenues	<u>11,353</u>	<u>42,104</u>	<u>86,574</u>	<u>200,821</u>	<u>25,007</u>	<u>157,048</u>	<u>29,666</u>
<b>EXPENDITURES</b>							
Current:							
General Government	-	-	47,370	-	-	-	-
Security of Persons & Property	-	18,242	-	230,770	134,738	-	14,318
Utilities and Environment	-	-	-	-	-	-	-
Transportation	17,428	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	-	-
Mental & Physical Health	-	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	179,495	-
Capital Outlay	-	-	14,784	5,395	-	-	-
Total Expenditures	<u>17,428</u>	<u>18,242</u>	<u>62,154</u>	<u>236,165</u>	<u>134,738</u>	<u>179,495</u>	<u>14,318</u>
Excess (Deficiency) of Revenues							
Over (Under) Expenditures	<u>(6,075)</u>	<u>23,862</u>	<u>24,420</u>	<u>(35,344)</u>	<u>(109,731)</u>	<u>(22,447)</u>	<u>15,348</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Sale of Capital Assets	-	11,272	-	-	-	-	-
Transfers In	-	-	98	-	-	2,912	-
Transfers Out	-	(25,000)	-	-	(8,000)	-	-
Total Other Financing Sources and Uses	<u>-</u>	<u>(13,728)</u>	<u>98</u>	<u>-</u>	<u>(8,000)</u>	<u>2,912</u>	<u>-</u>
Net Change in Fund Balances	<u>(6,075)</u>	<u>10,134</u>	<u>24,518</u>	<u>(35,344)</u>	<u>(117,731)</u>	<u>(19,535)</u>	<u>15,348</u>
Fund Balances - Beginning	<u>22,310</u>	<u>32,315</u>	<u>110,704</u>	<u>106,106</u>	<u>118,335</u>	<u>68,889</u>	<u>5,520</u>
Fund Balances - Ending	<u>16,235</u>	<u>42,449</u>	<u>135,222</u>	<u>70,763</u>	<u>603</u>	<u>49,354</u>	<u>20,868</u>

The notes to the financial statements are an integral part of this statement.

<u>LLEBG</u>	<u>Farm Worker Housing</u>	<u>Pest Control Internship Program</u>	<u>R.E.E.T. Technol.</u>	<u>Juvenile Donation</u>	<u>Noxious Weed Control</u>	<u>Trial Court Improve- ment</u>	<u>Emer- gency Mgmt</u>	<u>911 Comm.</u>	<u>Law Enforce. Communi- cations</u>
-	-	-	4,545	-	-	-	-	437,141	-
-	197,115	-	10,175	-	5,000	5,894	411,060	1,016,911	-
-	-	-	-	-	127,000	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	71,959	10,700	-	-	4,250	-	6,002	-	-
-	<u>269,074</u>	<u>10,700</u>	<u>14,720</u>	<u>-</u>	<u>136,250</u>	<u>5,894</u>	<u>417,062</u>	<u>1,454,051</u>	<u>-</u>
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	604,924	1,454,051	74,146
-	-	11,231	-	-	205,793	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	246,660	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	56,196	-	-
-	<u>246,660</u>	<u>11,231</u>	<u>-</u>	<u>-</u>	<u>205,793</u>	<u>-</u>	<u>661,120</u>	<u>1,454,051</u>	<u>74,146</u>
-	<u>22,414</u>	<u>(531)</u>	<u>14,720</u>	<u>-</u>	<u>(69,542)</u>	<u>5,894</u>	<u>(244,057)</u>	<u>-</u>	<u>(74,146)</u>
-	-	-	-	-	-	-	-	-	-
-	147	62	-	-	54,187	-	205,376	-	-
-	-	-	-	-	-	-	-	-	-
-	<u>147</u>	<u>62</u>	<u>-</u>	<u>-</u>	<u>54,187</u>	<u>-</u>	<u>205,376</u>	<u>-</u>	<u>-</u>
-	<u>22,561</u>	<u>(469)</u>	<u>14,720</u>	<u>-</u>	<u>(15,355)</u>	<u>5,894</u>	<u>(38,681)</u>	<u>-</u>	<u>(74,146)</u>
1	<u>95,640</u>	<u>9,110</u>	<u>-</u>	<u>972</u>	<u>56,663</u>	<u>-</u>	<u>19,845</u>	<u>-</u>	<u>75,490</u>
1	<u>118,201</u>	<u>8,641</u>	<u>14,720</u>	<u>972</u>	<u>41,308</u>	<u>5,894</u>	<u>(18,836)</u>	<u>-</u>	<u>1,345</u>

The notes to the financial statements are an integral part of this statement.

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Nonmajor Special Revenue Funds  
 For the Year Ended December 31, 2005

	Parent Education	Cashmere- Dryden Airport	Law Library	Veteran's Relief	Mental Health & Retardation	Community Services & Housing
<b>REVENUES</b>						
Taxes	-	-	26,927	54,991	93,035	-
Intergovernmental Revenues	-	-	-	-	-	-
Charges for Services	11,465	-	30,180	-	-	172,566
Fees and Fines	-	-	-	-	-	-
Miscellaneous	25,246	23,543	-	1,240	-	-
Total Revenues	<u>36,711</u>	<u>23,543</u>	<u>57,107</u>	<u>56,231</u>	<u>93,035</u>	<u>172,566</u>
<b>EXPENDITURES</b>						
Current:						
General Government	-	-	25,926	-	-	-
Security of Persons & Property	-	-	-	-	-	-
Utilities and Environment	-	-	-	-	-	-
Transportation	-	19,128	-	-	-	-
Economic Environment	-	-	-	90,328	-	142,046
Mental & Physical Health	-	-	-	-	93,035	-
Culture & Recreation	24,429	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	<u>24,429</u>	<u>19,128</u>	<u>25,926</u>	<u>90,328</u>	<u>93,035</u>	<u>142,046</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures						
	<u>12,282</u>	<u>4,415</u>	<u>31,180</u>	<u>(34,097)</u>	<u>-</u>	<u>30,520</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Sale of Capital Assets	-	-	-	-	-	-
Transfers In	70	52	-	-	-	-
Transfers Out	-	-	(17,221)	-	-	-
Total Other Financing Sources and Uses	<u>70</u>	<u>52</u>	<u>(17,221)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>12,352</u>	<u>4,467</u>	<u>13,959</u>	<u>(34,097)</u>	<u>-</u>	<u>30,520</u>
Fund Balances - Beginning	<u>8,377</u>	<u>15,934</u>	<u>32,001</u>	<u>63,377</u>	<u>-</u>	<u>76,161</u>
Fund Balances - Ending	<u>20,730</u>	<u>20,400</u>	<u>45,960</u>	<u>29,279</u>	<u>-</u>	<u>106,681</u>

The notes to the financial statements are an integral part of this statement.

Treasurer's Operation & Maint.	Tourist & Convention	Community Visioning	Election Reserve	GIS & Mapping Reserve	Natural Resources Program	Regional Jail Education	Forest Title III	Total
-	250,789	-	-	-	-	-	-	867,428
-	-	-	-	-	489,331	-	399,437	2,793,219
10,665	-	-	23,174	-	104,526	-	-	648,030
-	-	-	-	-	-	-	-	6,434
4,249	241	-	2,501	151	187,176	79	-	456,727
<u>14,914</u>	<u>251,030</u>	<u>-</u>	<u>25,675</u>	<u>151</u>	<u>781,033</u>	<u>79</u>	<u>399,437</u>	<u>4,771,837</u>
5,818	-	-	5,165	-	-	-	-	84,279
-	-	-	-	-	-	4	-	2,531,193
-	-	-	-	-	1,396,619	-	425,038	2,038,679
-	-	-	-	-	-	-	-	36,556
-	241,995	24	-	4,937	-	-	-	725,991
-	-	-	-	-	-	-	-	93,035
-	-	-	-	-	-	-	-	203,924
-	-	-	15,000	-	-	-	-	91,374
<u>5,818</u>	<u>241,995</u>	<u>24</u>	<u>20,165</u>	<u>4,937</u>	<u>1,396,619</u>	<u>4</u>	<u>425,038</u>	<u>5,805,032</u>
<u>9,096</u>	<u>9,035</u>	<u>(24)</u>	<u>5,510</u>	<u>(4,786)</u>	<u>(615,585)</u>	<u>75</u>	<u>(25,601)</u>	<u>(1,033,195)</u>
-	-	-	-	-	-	-	-	11,272
-	-	-	-	-	6,827	-	-	269,731
-	(12,000)	-	-	-	-	-	-	(62,221)
<u>-</u>	<u>(12,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,827</u>	<u>-</u>	<u>-</u>	<u>218,782</u>
<u>9,096</u>	<u>(2,965)</u>	<u>(24)</u>	<u>5,510</u>	<u>(4,786)</u>	<u>(608,758)</u>	<u>75</u>	<u>(25,601)</u>	<u>(814,413)</u>
<u>109,578</u>	<u>105,553</u>	<u>10,554</u>	<u>85,184</u>	<u>4,865</u>	<u>1,308,280</u>	<u>3,533</u>	<u>380,579</u>	<u>2,925,876</u>
<u>118,674</u>	<u>102,587</u>	<u>10,530</u>	<u>90,695</u>	<u>78</u>	<u>699,522</u>	<u>3,608</u>	<u>354,978</u>	<u>2,111,462</u>

The notes to the financial statements are an integral part of this statement.

# CHELAN COUNTY, WASHINGTON

## Paths & Trails Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2005

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental Revenues	10,188	10,814	626
Miscellaneous	145	539	394
Total Revenues	<u>10,333</u>	<u>11,353</u>	<u>1,020</u>
<b>EXPENDITURES</b>			
Current:			
Transportation	17,428	17,428	-
Total Expenditures	<u>17,428</u>	<u>17,428</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,095)</u>	<u>(6,075)</u>	<u>1,020</u>
Fund Balances - Beginning	<u>21,872</u>	<u>22,310</u>	<u>438</u>
Fund Balances - Ending	<u><u>14,777</u></u>	<u><u>16,235</u></u>	<u><u>1,458</u></u>

The notes to the financial statements are an integral part of this statement.

**CHELAN COUNTY, WASHINGTON**

## Drug Enforcement Reserve Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2005

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Fees and Fines	4,000	6,434	2,434
Miscellaneous	1,700	35,671	33,971
Total Revenues	<u>5,700</u>	<u>42,104</u>	<u>36,404</u>
<b>EXPENDITURES</b>			
Current:			
Security of Persons & Property	25,220	18,242	6,978
Total Expenditures	<u>25,220</u>	<u>18,242</u>	<u>6,978</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(19,520)</u>	<u>23,862</u>	<u>43,382</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of Capital Assets	500	11,272	10,772
Transfers Out	(25,000)	(25,000)	-
Total Other Financing Sources and Uses	<u>(24,500)</u>	<u>(13,728)</u>	<u>10,772</u>
Net Change in Fund Balances	<u>(44,020)</u>	<u>10,134</u>	<u>54,154</u>
Fund Balances - Beginning	44,061	32,315	(11,746)
Fund Balances - Ending	<u>41</u>	<u>42,449</u>	<u>42,408</u>

The notes to the financial statements are an integral part of this statement.

# CHELAN COUNTY, WASHINGTON

Auditor's O&M Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2005

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental Revenues	55,000	43,685	(11,315)
Charges for Services	24,150	39,359	15,209
Miscellaneous	1,000	3,530	2,530
Total Revenues	<u>80,150</u>	<u>86,574</u>	<u>6,424</u>
<b>EXPENDITURES</b>			
Current:			
General Government	66,339	47,370	18,968
Capital Outlay	19,188	14,784	4,404
Total Expenditures	<u>85,527</u>	<u>62,154</u>	<u>23,372</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,377)</u>	<u>24,420</u>	<u>29,796</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	98	98	-
Total Other Financing Sources and Uses	<u>98</u>	<u>98</u>	<u>-</u>
Net Change in Fund Balances	<u>(5,279)</u>	<u>24,518</u>	<u>29,796</u>
Fund Balances - Beginning	120,000	110,704	(9,296)
Fund Balances - Ending	<u>114,722</u>	<u>135,222</u>	<u>20,500</u>

The notes to the financial statements are an integral part of this statement.

## CHELAN COUNTY, WASHINGTON

### ORV Educational & Enforcement Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2005

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental Revenues	137,463	200,821	63,358
Total Revenues	<u>137,463</u>	<u>200,821</u>	<u>63,358</u>
<b>EXPENDITURES</b>			
Current:			
Security of Persons & Property	199,844	230,770	(30,927)
Capital Outlay	-	5,395	
Total Expenditures	<u>199,844</u>	<u>236,165</u>	<u>(30,927)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(62,381)</u>	<u>(35,344)</u>	<u>32,432</u>
Fund Balances - Beginning	33,176	106,106	72,930
Fund Balances - Ending	<u>(29,205)</u>	<u>70,763</u>	<u>99,968</u>

The notes to the financial statements are an integral part of this statement.

# CHELAN COUNTY, WASHINGTON

## Boating Safety Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2005

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental Revenues	36,000	2,975	(33,025)
Charges for Services	-	2,930	2,930
Miscellaneous	15,000	19,102	4,102
Total Revenues	<u>51,000</u>	<u>25,007</u>	<u>(25,993)</u>
<b>EXPENDITURES</b>			
Current:			
Security of Persons & Property	144,714	134,738	9,976
Total Expenditures	<u>144,714</u>	<u>134,738</u>	<u>9,976</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(93,714)</u>	<u>(109,731)</u>	<u>(16,017)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers Out	-	(8,000)	(8,000)
Total Other Financing Sources and Uses	<u>-</u>	<u>(8,000)</u>	<u>(8,000)</u>
Net Change in Fund Balances	<u>(93,714)</u>	<u>(117,731)</u>	<u>(24,017)</u>
Fund Balances - Beginning	128,185	118,335	(9,850)
Fund Balances - Ending	<u>34,471</u>	<u>603</u>	<u>(33,868)</u>

The notes to the financial statements are an integral part of this statement.

# CHELAN COUNTY, WASHINGTON

## Ohme Gardens Special Revenue Fund

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the Year Ended December 31, 2005

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Charges for Services	145,181	126,165	(19,016)
Miscellaneous	38,095	30,883	(7,212)
Total Revenues	<u>183,276</u>	<u>157,048</u>	<u>(26,228)</u>
<b>EXPENDITURES</b>			
Current:			
Culture & Recreation	207,108	179,495	27,612
Total Expenditures	<u>207,108</u>	<u>179,495</u>	<u>27,612</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(23,832)</u>	<u>(22,447)</u>	<u>1,384</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	2,952	2,912	(40)
Total Other Financing Sources and Uses	<u>2,952</u>	<u>2,912</u>	<u>(40)</u>
Net Change in Fund Balances	<u>(20,880)</u>	<u>(19,535)</u>	<u>1,344</u>
Fund Balances - Beginning	110,500	68,889	(41,611)
Fund Balances - Ending	<u>89,620</u>	<u>49,354</u>	<u>(40,267)</u>

The notes to the financial statements are an integral part of this statement.

# CHELAN COUNTY, WASHINGTON

Sheriff Donation Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2005

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Miscellaneous	13,545	29,666	16,121
Total Revenues	13,545	29,666	16,121
<b>EXPENDITURES</b>			
Current:			
Security of Persons & Property	19,156	14,318	4,838
Total Expenditures	19,156	14,318	4,838
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,611)	15,348	20,959
Fund Balances - Beginning	15,860	5,520	(10,340)
Fund Balances - Ending	10,249	20,868	10,619

The notes to the financial statements are an integral part of this statement.

**CHELAN COUNTY, WASHINGTON**

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Local Law Enforcement Block Grant Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended December 31, 2005

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Total Revenues	-	-	-
<b>EXPENDITURES</b>			
Total Expenditures	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-
Fund Balances - Beginning	-	1	1
Fund Balances - Ending	-	1	1

The notes to the financial statements are an integral part of this statement.

# CHELAN COUNTY, WASHINGTON

## Farm Worker Housing Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2005

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental Revenues	293,480	197,115	(96,365)
Miscellaneous	73,173	71,959	(1,214)
Total Revenues	<u>366,653</u>	<u>269,074</u>	<u>(97,579)</u>
<b>EXPENDITURES</b>			
Current:			
Economic Environment	303,962	246,660	57,302
Total Expenditures	<u>303,962</u>	<u>246,660</u>	<u>57,302</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>62,691</u>	<u>22,414</u>	<u>(40,277)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	147	147	-
Total Other Financing Sources and Uses	<u>147</u>	<u>147</u>	<u>-</u>
Net Change in Fund Balances	<u>62,838</u>	<u>22,561</u>	<u>(40,277)</u>
Fund Balances - Beginning	90,000	95,640	5,640
Fund Balances - Ending	<u>152,838</u>	<u>118,201</u>	<u>(34,637)</u>

The notes to the financial statements are an integral part of this statement.

# CHELAN COUNTY, WASHINGTON

## Pest Control Internship Program Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2005

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Miscellaneous	10,100	10,700	600
Total Revenues	10,100	10,700	600
<b>EXPENDITURES</b>			
Current:			
Utilities and Environment	12,322	11,231	1,091
Total Expenditures	12,322	11,231	1,091
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,222)	(531)	1,691
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	62	62	-
Total Other Financing Sources and Uses	62	62	-
Net Change in Fund Balances	(2,160)	(469)	1,691
Fund Balances - Beginning	3,912	9,110	5,198
Fund Balances - Ending	1,752	8,641	6,889

The notes to the financial statements are an integral part of this statement.

**CHELAN COUNTY, WASHINGTON**

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REET Technology Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2005

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Taxes	-	4,545	4,545
Intergovernmental Revenues	-	10,175	10,175
Total Revenues	-	14,720	14,720
<b>EXPENDITURES</b>			
Total Expenditures	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	14,720	14,720
Fund Balances - Beginning	-	-	-
Fund Balances - Ending	-	14,720	14,720

The notes to the financial statements are an integral part of this statement.

# CHELAN COUNTY, WASHINGTON

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## Juvenile Donation Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2005

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Total Revenues	-	-	-
<b>EXPENDITURES</b>			
Total Expenditures	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-
Fund Balances - Beginning	-	972	972
Fund Balances - Ending	-	972	972

The notes to the financial statements are an integral part of this statement.

## CHELAN COUNTY, WASHINGTON

### Noxious Weed Control Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2005

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental Revenues	-	5,000	5,000
Charges for Services	132,000	127,000	(5,000)
Miscellaneous	-	4,250	4,250
Total Revenues	<u>132,000</u>	<u>136,250</u>	<u>4,250</u>
<b>EXPENDITURES</b>			
Current:			
Utilities and Environment	<u>218,512</u>	<u>205,793</u>	<u>12,719</u>
Total Expenditures	<u>218,512</u>	<u>205,793</u>	<u>12,719</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(86,512)</u>	<u>(69,542)</u>	<u>16,969</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	54,187	54,187	-
Total Other Financing Sources and Uses	<u>54,187</u>	<u>54,187</u>	<u>-</u>
Net Change in Fund Balances	<u>(32,325)</u>	<u>(15,355)</u>	<u>16,969</u>
Fund Balances - Beginning	<u>34,365</u>	<u>56,663</u>	<u>22,298</u>
Fund Balances - Ending	<u>2,040</u>	<u>41,308</u>	<u>39,267</u>

The notes to the financial statements are an integral part of this statement.

# CHELAN COUNTY, WASHINGTON

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Trial Court Improvement Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2005

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental Revenues	-	5,894	5,894
Total Revenues	-	5,894	5,894
<b>EXPENDITURES</b>			
Total Expenditures	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	5,894	5,894
Fund Balances - Beginning	-	-	-
Fund Balances - Ending	-	5,894	5,894

The notes to the financial statements are an integral part of this statement.

## CHELAN COUNTY, WASHINGTON

Emergency Management Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2005

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental Revenues	435,873	411,060	(24,813)
Miscellaneous	-	6,002	6,002
Total Revenues	<u>435,873</u>	<u>417,062</u>	<u>(18,811)</u>
<b>EXPENDITURES</b>			
Current:			
Security of Persons & Property	633,351	604,924	28,427
Capital Outlay	9,500	56,196	(46,696)
Total Expenditures	<u>642,851</u>	<u>661,120</u>	<u>(18,268)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(206,978)</u>	<u>(244,057)</u>	<u>(37,079)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	148,047	205,376	57,329
Total Other Financing Sources and Uses	<u>148,047</u>	<u>205,376</u>	<u>57,329</u>
Net Change in Fund Balances	<u>(58,931)</u>	<u>(38,681)</u>	<u>20,250</u>
Fund Balances - Beginning	<u>82,317</u>	<u>19,845</u>	<u>(62,472)</u>
Fund Balances - Ending	<u>23,386</u>	<u>(18,836)</u>	<u>(42,222)</u>

The notes to the financial statements are an integral part of this statement.

# CHELAN COUNTY, WASHINGTON

## 911 Communications Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2005

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Taxes	946,000	437,141	(508,860)
Intergovernmental Revenues	544,528	1,016,911	472,383
Total Revenues	<u>1,490,528</u>	<u>1,454,051</u>	<u>(36,477)</u>
<b>EXPENDITURES</b>			
Current:			
Security of Persons & Property	1,490,528	1,454,051	36,477
Total Expenditures	<u>1,490,528</u>	<u>1,454,051</u>	<u>36,477</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

The notes to the financial statements are an integral part of this statement.

# CHELAN COUNTY, WASHINGTON

## Law Enforcement Communications Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2005

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>			
Current:			
Security of Persons & Property	<u>74,253</u>	<u>74,146</u>	<u>107</u>
Total Expenditures	<u>74,253</u>	<u>74,146</u>	<u>107</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(74,253)</u>	<u>(74,146)</u>	<u>107</u>
Fund Balances - Beginning	<u>74,290</u>	<u>75,490</u>	<u>1,200</u>
Fund Balances - Ending	<u>37</u>	<u>1,345</u>	<u>1,308</u>

The notes to the financial statements are an integral part of this statement.

# CHELAN COUNTY, WASHINGTON

## Parent Education Special Revenue Fund

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the Year Ended December 31, 2005

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental Revenues	21,917	-	(21,917)
Charges for Services	20,151	11,465	(8,686)
Miscellaneous	17,709	25,246	7,537
Total Revenues	<u>59,777</u>	<u>36,711</u>	<u>(23,066)</u>
<b>EXPENDITURES</b>			
Current:			
Culture & Recreation	59,860	24,429	35,431
Total Expenditures	<u>59,860</u>	<u>24,429</u>	<u>35,431</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(83)</u>	<u>12,282</u>	<u>12,365</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	70	70	-
Total Other Financing Sources and Uses	<u>70</u>	<u>70</u>	<u>-</u>
Net Change in Fund Balances	<u>(13)</u>	<u>12,352</u>	<u>12,365</u>
Fund Balances - Beginning	12,536	8,377	(4,159)
Fund Balances - Ending	<u>12,523</u>	<u>20,730</u>	<u>8,207</u>

The notes to the financial statements are an integral part of this statement.

## CHELAN COUNTY, WASHINGTON

Cashmere-Dryden Airport Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2005

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Miscellaneous	25,606	23,543	(2,063)
Total Revenues	<u>25,606</u>	<u>23,543</u>	<u>(2,063)</u>
<b>EXPENDITURES</b>			
Current:			
Transportation	28,786	19,128	9,658
Total Expenditures	<u>28,786</u>	<u>19,128</u>	<u>9,658</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,180)</u>	<u>4,415</u>	<u>7,595</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	52	52	-
Total Other Financing Sources and Uses	<u>52</u>	<u>52</u>	<u>-</u>
Net Change in Fund Balances	<u>(3,128)</u>	<u>4,467</u>	<u>7,595</u>
Fund Balances - Beginning	<u>12,000</u>	<u>15,934</u>	<u>3,934</u>
Fund Balances - Ending	<u><u>8,872</u></u>	<u><u>20,400</u></u>	<u><u>11,528</u></u>

The notes to the financial statements are an integral part of this statement.

# CHELAN COUNTY, WASHINGTON

## Law Library Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2005

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Taxes	26,613	26,927	314
Charges for Services	28,500	30,180	1,680
Total Revenues	<u>55,113</u>	<u>57,107</u>	<u>1,994</u>
<b>EXPENDITURES</b>			
Current:			
General Government	37,088	25,926	11,162
Total Expenditures	<u>37,088</u>	<u>25,926</u>	<u>11,162</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>18,025</u>	<u>31,180</u>	<u>13,155</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers Out	(17,221)	(17,221)	-
Total Other Financing Sources and Uses	<u>(17,221)</u>	<u>(17,221)</u>	<u>-</u>
Net Change in Fund Balances	<u>804</u>	<u>13,959</u>	<u>13,155</u>
Fund Balances - Beginning	<u>30,000</u>	<u>32,001</u>	<u>2,001</u>
Fund Balances - Ending	<u>30,804</u>	<u>45,960</u>	<u>15,156</u>

The notes to the financial statements are an integral part of this statement.

# CHELAN COUNTY, WASHINGTON

## Veteran's Relief Special Revenue Fund

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the Year Ended December 31, 2005

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Taxes	54,470	54,991	521
Miscellaneous	1,800	1,240	(560)
Total Revenues	<u>56,270</u>	<u>56,231</u>	<u>(39)</u>
<b>EXPENDITURES</b>			
Current:			
Economic Environment	90,354	90,328	26
Total Expenditures	<u>90,354</u>	<u>90,328</u>	<u>26</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(34,084)</u>	<u>(34,097)</u>	<u>(13)</u>
Fund Balances - Beginning	100,000	63,377	(36,624)
Fund Balances - Ending	<u>65,916</u>	<u>29,279</u>	<u>(36,637)</u>

The notes to the financial statements are an integral part of this statement.

# CHELAN COUNTY, WASHINGTON

## Mental Health & Retardation Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2005

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Taxes	92,218	93,035	817
Total Revenues	<u>92,218</u>	<u>93,035</u>	<u>817</u>
<b>EXPENDITURES</b>			
Current:			
Mental & Physical Health	94,383	93,035	1,348
Total Expenditures	<u>94,383</u>	<u>93,035</u>	<u>1,348</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,165)</u>	<u>-</u>	<u>2,165</u>
Fund Balances - Beginning	<u>4,182</u>	<u>-</u>	<u>(4,182)</u>
Fund Balances - Ending	<u><u>2,017</u></u>	<u><u>-</u></u>	<u><u>(2,017)</u></u>

The notes to the financial statements are an integral part of this statement.

# CHELAN COUNTY, WASHINGTON

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## Community Services & Housing Special Revenue Fund

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the Year Ended December 31, 2005

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Charges for Services	140,000	172,566	32,566
Total Revenues	<u>140,000</u>	<u>172,566</u>	<u>32,566</u>
<b>EXPENDITURES</b>			
Current:			
Economic Environment	240,000	142,046	97,954
Total Expenditures	<u>240,000</u>	<u>142,046</u>	<u>97,954</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(100,000)</u>	<u>30,520</u>	<u>130,520</u>
Fund Balances - Beginning	100,000	76,161	(23,839)
Fund Balances - Ending	<u><u>-</u></u>	<u><u>106,681</u></u>	<u><u>106,681</u></u>

The notes to the financial statements are an integral part of this statement.

# CHELAN COUNTY, WASHINGTON

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## Treasurer's O&M Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2005

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Charges for Services	3,600	10,665	7,065
Miscellaneous	1,500	4,249	2,749
Total Revenues	<u>5,100</u>	<u>14,914</u>	<u>9,814</u>
<b>EXPENDITURES</b>			
Current:			
General Government	7,041	5,818	1,223
Total Expenditures	<u>7,041</u>	<u>5,818</u>	<u>1,223</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,941)</u>	<u>9,096</u>	<u>11,037</u>
Fund Balances - Beginning	114,300	109,578	(4,722)
Fund Balances - Ending	<u>112,359</u>	<u>118,674</u>	<u>6,315</u>

The notes to the financial statements are an integral part of this statement.

# CHELAN COUNTY, WASHINGTON

## Tourist & Convention Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2005

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Taxes	230,000	250,789	20,789
Miscellaneous	500	241	(259)
Total Revenues	<u>230,500</u>	<u>251,030</u>	<u>20,530</u>
<b>EXPENDITURES</b>			
Current:			
Economic Environment	251,881	241,995	9,886
Total Expenditures	<u>251,881</u>	<u>241,995</u>	<u>9,886</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(21,381)</u>	<u>9,035</u>	<u>30,416</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers Out	(12,000)	(12,000)	-
Total Other Financing Sources and Uses	<u>(12,000)</u>	<u>(12,000)</u>	<u>-</u>
Net Change in Fund Balances	<u>(33,381)</u>	<u>(2,965)</u>	<u>30,416</u>
Fund Balances - Beginning	10,000	105,553	95,553
Fund Balances - Ending	<u>(23,381)</u>	<u>102,587</u>	<u>125,968</u>

The notes to the financial statements are an integral part of this statement.

# CHELAN COUNTY, WASHINGTON

## Community Visioning Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2005

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>			
Current:			
Economic Environment	<u>11,470</u>	<u>24</u>	<u>11,446</u>
Total Expenditures	<u>11,470</u>	<u>24</u>	<u>11,446</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(11,470)</u>	<u>(24)</u>	<u>11,446</u>
Fund Balances - Beginning	<u>11,554</u>	<u>10,554</u>	<u>(1,000)</u>
Fund Balances - Ending	<u>84</u>	<u>10,530</u>	<u>10,446</u>

The notes to the financial statements are an integral part of this statement.

# CHELAN COUNTY, WASHINGTON

## Election Reserve Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2005

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Charges for Services	15,000	23,174	8,174
Miscellaneous	1,000	2,501	1,501
Total Revenues	<u>16,000</u>	<u>25,675</u>	<u>9,675</u>
<b>EXPENDITURES</b>			
Current:			
General Government	10,125	5,165	4,960
Capital Outlay	50,000	15,000	35,000
Total Expenditures	<u>60,125</u>	<u>20,165</u>	<u>39,960</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(44,125)</u>	<u>5,510</u>	<u>49,635</u>
Fund Balances - Beginning	<u>82,000</u>	<u>85,184</u>	<u>3,184</u>
Fund Balances - Ending	<u><u>37,875</u></u>	<u><u>90,695</u></u>	<u><u>52,820</u></u>

The notes to the financial statements are an integral part of this statement.

# CHELAN COUNTY, WASHINGTON

GIS Mapping & Reserve Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2005

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Miscellaneous	100	151	51
Total Revenues	100	151	51
<b>EXPENDITURES</b>			
Current:			
Economic Environment	4,937	4,937	-
Total Expenditures	4,937	4,937	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,837)	(4,786)	51
Fund Balances - Beginning	4,837	4,865	28
Fund Balances - Ending	-	78	78

The notes to the financial statements are an integral part of this statement.

# CHELAN COUNTY, WASHINGTON

## Natural Resources Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2005

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental Revenues	556,276	489,331	(66,945)
Charges for Services	92,367	104,526	12,159
Miscellaneous	238,997	187,176	(51,821)
Total Revenues	<u>887,640</u>	<u>781,033</u>	<u>(106,607)</u>
<b>EXPENDITURES</b>			
Current:			
Utilities and Environment	2,265,631	1,396,619	869,013
Total Expenditures	<u>2,265,631</u>	<u>1,396,619</u>	<u>869,013</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,377,991)</u>	<u>(615,585)</u>	<u>762,406</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	6,827	6,827	-
Total Other Financing Sources and Uses	<u>6,827</u>	<u>6,827</u>	<u>-</u>
Net Change in Fund Balances	<u>(1,371,164)</u>	<u>(608,758)</u>	<u>762,406</u>
Fund Balances - Beginning	<u>1,377,740</u>	<u>1,308,280</u>	<u>(69,460)</u>
Fund Balances - Ending	<u>6,576</u>	<u>699,522</u>	<u>692,946</u>

The notes to the financial statements are an integral part of this statement.

# CHELAN COUNTY, WASHINGTON

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## Regional Jail Education Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2005

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Miscellaneous	10	79	69
Total Revenues	<u>10</u>	<u>79</u>	<u>69</u>
<b>EXPENDITURES</b>			
Current:			
Security of Persons & Property	643	4	639
Total Expenditures	<u>643</u>	<u>4</u>	<u>639</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(633)</u>	<u>75</u>	<u>708</u>
Fund Balances - Beginning	<u>3,808</u>	<u>3,533</u>	<u>(275)</u>
Fund Balances - Ending	<u><u>3,175</u></u>	<u><u>3,608</u></u>	<u><u>433</u></u>

The notes to the financial statements are an integral part of this statement.

# CHELAN COUNTY, WASHINGTON

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## Forest Title III Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2005

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental Revenues	<u>340,000</u>	<u>399,437</u>	<u>59,437</u>
Total Revenues	<u>340,000</u>	<u>399,437</u>	<u>59,437</u>
<b>EXPENDITURES</b>			
Current:			
Utilities and Environment	<u>382,757</u>	<u>425,038</u>	<u>(42,280)</u>
Total Expenditures	<u>382,757</u>	<u>425,038</u>	<u>(42,280)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(42,757)</u>	<u>(25,601)</u>	<u>17,157</u>
Fund Balances - Beginning	<u>340,000</u>	<u>380,579</u>	<u>40,579</u>
Fund Balances - Ending	<u><u>297,243</u></u>	<u><u>354,978</u></u>	<u><u>57,736</u></u>

The notes to the financial statements are an integral part of this statement.

## **CHELAN COUNTY, WASHINGTON**

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### Description of Nonmajor Capital Projects Funds

#### **NONMAJOR CAPITAL PROJECTS FUNDS**

Capital Project Funds are established to account for the financial resources used for the acquisition or construction of major capital facilities. Both revenues and expenditures are budgeted in compliance with procedures established in the Revised Code of Washington 36.40. Modified accrual basis of accounting is applied.

**R.E.E.T. I:** accounts for the first quarter percent real estate excise tax revenues.

**R.E.E.T. II:** accounts for the second quarter percent real estate excise tax revenues.

**Master Plan Construction:** accounts for the renovation of the County Auditorium Building and the Juvenile Administration Building.

## CHELAN COUNTY, WASHINGTON

Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2005

	<b>R.E.E.T. 1 Capital Improvement</b>	<b>R.E.E.T. 2 Capital Improvement</b>	<b>Master Plan Construction</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	1,131,463	24,802	-	1,156,265
Investments	257,844	328,718	102,783	689,344
Interest Receivable	906	1,174	472	2,552
Due From Other Funds	-	-	61,246	61,246
Total assets	<u>1,390,212</u>	<u>354,694</u>	<u>164,500</u>	<u>1,909,407</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts Payable	-	9,990	154,346	164,336
Other Accrued Liabilities	-	2,064	-	2,064
Total Liabilities	<u>-</u>	<u>12,054</u>	<u>154,346</u>	<u>166,400</u>
Fund balances:				
Unreserved, reported in nonmajor:	<u>1,390,212</u>	<u>342,640</u>	<u>10,155</u>	<u>1,743,007</u>
Total fund balances	<u>1,390,212</u>	<u>342,640</u>	<u>10,155</u>	<u>1,743,007</u>
Total liabilities and fund balances	<u>1,390,212</u>	<u>354,694</u>	<u>164,500</u>	<u>1,909,407</u>

The notes to the financial statements are an integral part of this statement.

## CHELAN COUNTY, WASHINGTON

### Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

#### Nonmajor Capital Projects Funds

For the Year Ended December 31, 2005

	<b>R.E.E.T. 1 Capital Improvement</b>	<b>R.E.E.T. 2 Capital Improvement</b>	<b>Master Plan Construction</b>	<b>Total</b>
<b>REVENUES</b>				
Taxes	849,191	827,810	-	1,677,001
Intergovernmental Revenues	-	6,000	18,972	24,972
Miscellaneous	8,096	41,073	504,182	553,351
Total Revenues	<u>857,286</u>	<u>874,883</u>	<u>523,154</u>	<u>2,255,324</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal	59,978	-	-	59,978
Interest and Other Charges	21,400	-	-	21,400
Capital Outlay	151,005	2,734,730	1,258,935	4,144,671
Total Expenditures	<u>232,383</u>	<u>2,734,730</u>	<u>1,258,935</u>	<u>4,226,049</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>624,903</u>	<u>(1,859,847)</u>	<u>(735,781)</u>	<u>(1,970,725)</u>
Fund Balances - Beginning	<u>765,310</u>	<u>2,202,487</u>	<u>745,936</u>	<u>3,713,733</u>
Fund Balances - Ending	<u>1,390,212</u>	<u>342,640</u>	<u>10,155</u>	<u>1,743,007</u>

The notes to the financial statements are an integral part of this statement.

# CHELAN COUNTY, WASHINGTON

## R.E.E.T 1 Capital Improvement Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2005

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Taxes	480,000	849,191	369,191
Miscellaneous	3,000	8,096	5,096
Total Revenues	<u>483,000</u>	<u>857,286</u>	<u>374,286</u>
<b>EXPENDITURES</b>			
Debt Service:			
Principal	67,251	59,978	-
Interest and Other Charges	16,973	21,400	-
Capital Outlay	1,001,681	151,005	850,676
Total Expenditures	<u>1,085,905</u>	<u>232,383</u>	<u>850,676</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(602,905)</u>	<u>624,903</u>	<u>1,224,962</u>
Fund Balances - Beginning	<u>635,870</u>	<u>765,310</u>	<u>129,440</u>
Fund Balances - Ending	<u><u>32,965</u></u>	<u><u>1,390,212</u></u>	<u><u>1,357,247</u></u>

The notes to the financial statements are an integral part of this statement.

## CHELAN COUNTY, WASHINGTON

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### R.E.E.T 2 Capital Improvement Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2005

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Taxes	480,000	827,810	347,810
Intergovernmental Revenues	-	6,000	6,000
Miscellaneous	20,000	41,073	21,073
Total Revenues	<u>500,000</u>	<u>874,883</u>	<u>374,883</u>
<b>EXPENDITURES</b>			
Capital Outlay	2,752,011	2,734,730	17,281
Total Expenditures	<u>2,752,011</u>	<u>2,734,730</u>	<u>17,281</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,252,011)</u>	<u>(1,859,847)</u>	<u>392,164</u>
Fund Balances - Beginning	2,018,966	2,202,487	183,521
Fund Balances - Ending	<u>(233,045)</u>	<u>342,640</u>	<u>575,685</u>

The notes to the financial statements are an integral part of this statement.

## CHELAN COUNTY, WASHINGTON

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### Master Plan Construction Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2005

	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental Revenues	-	18,972	18,972
Miscellaneous	12,000	504,182	492,182
Total Revenues	<u>12,000</u>	<u>523,154</u>	<u>511,154</u>
<b>EXPENDITURES</b>			
Capital Outlay	3,372,757	1,258,935	2,113,822
Total Expenditures	<u>3,372,757</u>	<u>1,258,935</u>	<u>2,113,822</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,360,757)</u>	<u>(735,781)</u>	<u>2,624,976</u>
Fund Balances - Beginning	3,360,757	745,936	(2,614,821)
Fund Balances - Ending	<u>-</u>	<u>10,155</u>	<u>10,155</u>

The notes to the financial statements are an integral part of this statement.

## **CHELAN COUNTY, WASHINGTON**

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### Description of Nonmajor Enterprise Funds

#### **NONMAJOR ENTERPRISE FUNDS**

Enterprise Funds are funds used to account for the operations that are financed and operated in a manner similar to private business enterprises, where the intent of the County is to recover the costs of goods and services provided to the public through user charges. The full accrual basis of accounting is applied.

**Solid Waste:** accounts for the operations of solid waste disposal and management.

**Solid Waste Planning:** accounts for the grants received from the state for the planning of waste disposal.

**Wenatchee River County Park:** accounts for the operations of the Wenatchee River County Park.

**Fair:** accounts for the operations of the Chelan County Fair as an economic agent for the County.

**Public Education:** accounts for the sale of educational materials from the Cooperative Extension Office.

# CHELAN COUNTY, WASHINGTON

Combining Statement of Net Assets  
 Nonmajor Enterprise Funds  
 December 31, 2005

	Solid Waste	Solid Waste Planning	Wenatchee River County Park	Fair	Public Education	Total
<b>ASSETS</b>						
Current Assets:						
Cash and Cash Equivalents	175,321	-	39,798	50,016	27,072	292,206
Deposits with Fiscal Agents	8,033	-	-	-	-	8,033
Investments	272,703	216,904	-	-	-	489,607
Accounts Receivable	29,204	-	1,249	-	-	30,453
Interest Receivable	929	790	-	-	-	1,719
Due from Other Governments	18,009	96,172	-	-	-	114,181
Total Current Assets	<u>504,198</u>	<u>313,867</u>	<u>41,047</u>	<u>50,016</u>	<u>27,072</u>	<u>936,199</u>
Noncurrent Assets:						
Capital Assets: (Net of Accumulated Depreciation)						
Land	8,096	-	-	-	-	8,096
Buildings	511,414	88,557	-	43,043	-	643,014
Other Improvements	157,378	-	-	-	-	157,378
Equipment	18,676	283,510	14,435	63,484	-	380,105
Total Noncurrent Assets	<u>695,565</u>	<u>372,067</u>	<u>14,435</u>	<u>106,526</u>	<u>-</u>	<u>1,188,593</u>
Total Assets	<u>1,199,762</u>	<u>685,935</u>	<u>55,481</u>	<u>156,542</u>	<u>27,072</u>	<u>2,124,792</u>
<b>LIABILITIES</b>						
Liabilities:						
Current Liabilities:						
Accounts Payable	118,362	5,464	533	7,381	197	131,937
Due to Other Funds	-	45	-	1,442	-	1,487
Interfund Loan Payable	-	-	-	44,315	-	44,315
Due to Other Governments	4,886	39	362	-	26	5,313
Other Accrued Liabilities	6,518	3,900	2,344	14,450	3,291	30,502
Total Current Liabilities	<u>129,766</u>	<u>9,447</u>	<u>3,239</u>	<u>67,588</u>	<u>3,514</u>	<u>213,554</u>
Noncurrent Liabilities:						
Advances from Other Funds	-	-	-	80,000	-	80,000
Compensated Absences	1,243	5,471	-	1,896	1,518	10,127
Leases Payable	-	-	-	4,915	-	4,915
Total Noncurrent Liabilities	<u>1,243</u>	<u>5,471</u>	<u>-</u>	<u>86,811</u>	<u>1,518</u>	<u>95,042</u>
Total Liabilities	<u>131,008</u>	<u>14,918</u>	<u>3,239</u>	<u>154,399</u>	<u>5,032</u>	<u>308,596</u>
<b>NET ASSETS</b>						
Invested in Capital Assets, net of related debt	695,565	372,067	14,435	101,612	-	1,183,678
Unrestricted	373,189	298,950	37,808	(99,469)	22,040	632,517
Total Net Assets	<u>1,068,754</u>	<u>671,017</u>	<u>52,242</u>	<u>2,143</u>	<u>22,040</u>	<u>1,816,196</u>

The notes to the financial statements are an integral part of this statement.

# CHELAN COUNTY, WASHINGTON

Combining Statement of Revenues, Expenses, and Changes in Net Assets  
 Nonmajor Enterprise Funds  
 For the Year Ending December 31, 2005

	Solid Waste	Solid Waste Planning	Wenatchee River County Park	Fair	Public Education	Total
<b>OPERATING REVENUES</b>						
Intergovernmental Revenues	35,826	133,764	-	40,738	-	210,328
Charges for Services	838,660	215,512	6,032	112,811	22,197	1,195,212
Miscellaneous	70,371	7,390	158,558	166,100	19,672	422,091
Total Revenues	944,857	356,666	164,590	319,648	41,869	1,827,630
<b>OPERATING EXPENSES</b>						
Salaries	76,329	43,932	68,060	128,232	34,848	351,401
Personnel Benefits	15,865	11,020	29,005	59,586	10,275	125,751
Supplies	8,919	7,578	7,473	24,542	10,221	58,733
Other Services & Charges	521,754	143,729	37,763	139,807	10,917	853,969
Intergovernmental/Interfund Services & Taxes	19,214	80	459	3,207	-	22,959
Interfund Payments for Services	69,411	7,609	13,742	29,899	393	121,054
Depreciation	18,026	36,721	2,173	12,436	-	69,357
Total Operating Expenses	729,518	250,669	158,675	397,709	66,654	1,603,224
Operating Income (Loss)	215,340	105,997	5,915	(78,060)	(24,784)	224,407
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Taxes	6,030	-	-	-	-	6,030
Debt Service	-	-	(117)	(1,327)	-	(1,444)
Total Nonoperating Revenues (Expenses)	6,030	-	(117)	(1,327)	-	4,586
Income (Loss) Before Contributions and Transfers	221,370	105,997	5,798	(79,388)	(24,784)	228,993
Transfers In	576	205	468	11,618	98	12,965
Change in Net Assets	221,946	106,202	6,266	(67,770)	(24,686)	241,958
Total Net Assets-Beginning	846,808	564,815	45,976	69,913	46,726	1,574,238
Total Net Assets-Ending	1,068,754	671,017	52,242	2,143	22,040	1,816,196

The notes to the financial statements are an integral part of this statement.

**CHELAN COUNTY, WASHINGTON**

Combining Statement of Cash Flows  
 Nonmajor Enterprise Funds  
 For the Year Ended December 31, 2005

	Solid Waste	Solid Waste Planning	Wenatchee River County Park	Fair	Public Education	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Cash Received From Customers and Users	980,277	276,233	160,341	323,121	58,754	1,798,726
Cash Payments to Suppliers	(538,481)	(201,524)	(58,912)	(124,112)	(21,869)	(944,898)
Cash Payments to Employees and Retirees	(93,158)	(54,701)	(97,113)	(186,253)	(44,586)	(475,811)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	348,637	20,009	4,316	12,756	(7,701)	378,018
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Principal and Interest Paid on Noncapital Debt	-	-	-	(1,327)	-	(1,327)
Transfers-In	576	205	468	11,618	98	12,965
Tax receipts	6,030	-	-	-	-	6,030
NET CASH PROVIDED (USED) NONCAPITAL FINANCING ACT	6,606	205	468	10,291	98	17,668
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>						
Acquisition and Construction of Capital Assets	(60,574)	-	-	-	-	(60,574)
Interest Paid on Capital Debt	-	-	(117)	-	-	(117)
NET CASH PROVIDED (USED) CAPITAL FINANCING ACTIVITY	(60,574)	-	(117)	-	-	(60,691)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Purchase of investments	(208,809)	(29,642)	-	-	-	(238,451)
Interest on Investments	(818)	(446)	-	-	-	(1,264)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(209,627)	(30,088)	-	-	-	(239,715)
<b>NET INCREASE (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	85,042	(9,874)	4,668	23,046	(7,603)	95,280
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>	90,278	9,874	35,130	26,969	34,674	196,927
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	175,321	-	39,798	50,016	27,072	292,206

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:

Operating Income (Loss)	215,340	105,997	5,915	(78,060)	(24,784)	224,407
Adjustments to Reconcile Operating Income (Loss) to Net Cash provided (Used) Operating Activities:						
Depreciation & amortization of Deferred Charge	18,026	36,721	2,173	12,436	-	69,357
(Increase) Decrease in Accounts Receivable	34,050	14,340	(1,249)	2,469	-	49,610
(Increase) Decrease in Due From Other Funds/Gov	1,370	(94,772)	(3,000)	1,004	16,885	(78,514)
Increase (Decrease) in Vouchers/Contracts Payable	81,508	(3,706)	522	958	(364)	78,918
Increase (Decrease) in Due to Other Funds/Gov	(692)	(38,822)	3	72,384	26	32,899
Increase (Decrease) in Payables/Other Liabilities	(164)	389	(48)	(331)	9	(145)
Increase (Decrease) in Accrued Emp Leave Benefits	(800)	(138)	-	1,896	528	1,486
Total Adjustments	133,297	(85,988)	(1,598)	90,816	17,084	153,611
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>348,637</b>	<b>20,009</b>	<b>4,316</b>	<b>12,756</b>	<b>(7,701)</b>	<b>378,018</b>

The County is not aware of any material noncash transactions.

The notes to the financial statements are an integral part of this statement.

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## **CHELAN COUNTY, WASHINGTON**

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### Description of Internal Service Funds

#### **INTERNAL SERVICE FUNDS**

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other governmental units, on a cost reimbursement basis.

**Equipment Rental and Revolving:** accounts for the funds used to finance the maintenance and operations of equipment used by County Roads and to finance and control material inventory used in the construction and maintenance of County roads.

**RJC ER&R:** accounts for the funds used to manage the purchase, maintenance, repair, and replacement of equipment for the Regional Justice Center.

**RJC Safety:** accounts for the funds used to meet safety needs and purchase equipment for the Regional Justice Center.

**Industrial Insurance:** A self-insurance fund to finance injured worker's compensation claims against Chelan County.

**Health Insurance:** A self-insurance fund to finance the medical and dental claims and premiums of Chelan County employees.

**Unemployment Insurance:** A self-insurance fund to finance unemployment claim settlements and decisions against Chelan County by former employees.

**Insurance Administration and Purchasing:** A self-insurance fund to finance the uninsured liability claims and deductible portions of insured liability claims against the County.

# CHELAN COUNTY, WASHINGTON

Combining Statement of Net Assets  
Internal Service Funds  
December 31, 2005

	Equipment Rental & Revolving		RJC ER&R		RCJ Safety		Industrial Insurance		Health Insurance		Unemploy. Comp.		Insurance Admin & Purchasing		Total
<b>ASSETS</b>															
Current Assets:															
Cash and Cash Equivalents	2,630,779	25,000	25,000	25,000	25,000	25,000	160,737	39,596	-	3,000	-	-	2,884,112		
Deposits with Fiscal Agents	-	-	-	-	-	-	38,800	-	-	-	-	-	38,800		
Investments	-	-	-	-	-	-	178,241	69,678	152,463	402,115	-	-	802,498		
Accounts Receivable	17,541	-	-	-	-	-	-	-	-	-	-	-	17,541		
Interest Receivable	-	-	-	-	-	-	606	238	519	1,437	-	-	2,801		
Due from Other Funds	340,147	-	-	-	-	-	-	-	-	-	-	-	340,147		
Interfund Loan Receivable	75,000	-	-	-	-	-	-	-	-	-	-	-	75,000		
Due from Other Governments	1,448	-	-	-	-	-	-	-	-	-	-	-	1,448		
Inventory	696,582	-	-	-	-	-	-	-	-	-	-	-	696,582		
Total Current Assets	3,761,497	25,000	25,000	25,000	25,000	25,000	378,385	109,512	152,982	406,553	-	-	4,858,928		
Noncurrent Assets:															
Capital Assets: (Net of Accumulated Depreciation)															
Buildings	46,266	-	-	-	-	-	-	-	-	-	-	-	46,266		
Equipment	7,311,708	-	-	-	-	-	-	-	-	-	-	-	7,311,708		
Total Noncurrent Assets	7,357,974	-	-	-	-	-	-	-	-	-	-	-	7,357,974		
Total Assets	11,119,471	25,000	25,000	25,000	25,000	25,000	378,385	109,512	152,982	406,553	-	-	12,216,902		
<b>LIABILITIES</b>															
Current Liabilities:															
Accounts Payable	85,422	-	-	-	-	-	13,611	-	-	-	-	-	99,033		
Due to Other Funds	-	-	-	-	-	-	-	-	-	30,000	-	-	30,000		
Due to Other Governments	384	-	-	-	-	-	-	-	-	-	-	-	384		
Other Accrued Liabilities	47,692	-	-	-	-	-	-	-	-	-	-	-	47,692		
Total Current Liabilities	133,498	-	-	-	-	-	13,611	-	-	30,000	-	-	177,109		
Noncurrent Liabilities:															
Compensated Absences	46,947	-	-	-	-	-	-	-	-	-	-	-	46,947		
Lease Purchases	44,352	-	-	-	-	-	-	-	-	-	-	-	44,352		
Total Noncurrent Liabilities	91,299	-	-	-	-	-	-	-	-	-	-	-	91,299		
Total Liabilities	224,797	-	-	-	-	-	13,611	-	-	30,000	-	-	268,408		
<b>NET ASSETS</b>															
Invested in Capital Assets, Net of Related Debt	7,313,622	-	-	-	-	-	-	-	-	-	-	-	7,313,622		
Unrestricted	3,581,052	25,000	25,000	25,000	25,000	25,000	364,773	109,512	152,982	376,553	-	-	4,634,872		
Total Net Assets	10,894,674	25,000	25,000	25,000	25,000	25,000	364,773	109,512	152,982	376,553	-	-	11,948,494		

The notes to the financial statements are an integral part of this statement.

# CHELAN COUNTY, WASHINGTON

Combining Statement of Revenues, Expenses, and Changes in Net Assets  
Internal Service Funds  
For the Year Ending December 31, 2005

	Equipment Rental & Revolving	RJC ER&R	RJC Safety	Industrial Insurance	Health Insurance	Unemployment Compensation	Insurance Admin & Purchasing	Total
<b>OPERATING REVENUES</b>								
Charges for Services	1,171,458	-	-	-	-	-	-	1,171,458
Miscellaneous	1,459,349	-	-	510,006	3,914,230	5,683	794,603	6,683,871
Total Operating Revenues	2,630,807	-	-	510,006	3,914,230	5,683	794,603	7,855,329
<b>OPERATING EXPENSES</b>								
Salaries	454,294	-	-	-	-	-	-	454,294
Personnel Benefits	126,486	-	-	-	-	-	-	126,486
Supplies	1,186,393	-	-	-	-	-	-	1,186,393
Other Services & Charges	115,119	-	-	385,937	3,906,098	42,676	656,517	5,106,347
Interfund Payments for Services	113,915	-	-	2,545	20,916	425	34,070	171,871
Depreciation	1,414,029	-	-	-	-	-	-	1,414,029
Total Operating Expenses	3,410,235	-	-	388,482	3,927,014	43,101	690,587	8,459,419
Operating Income (Loss)	(779,428)	-	-	121,524	(12,783)	(37,418)	104,016	(604,090)
<b>NONOPERATING REVENUES (EXPENSES)</b>								
Debt Service	(7,702)	-	-	-	-	-	-	(7,702)
Gain/Loss on Sale of Capital Assets	360,853	-	-	-	-	-	-	360,853
Total Nonoperating Revenues (Expenses)	353,151	-	-	-	-	-	-	353,151
Income (Loss) Before Contributions and Transfers	(426,277)	-	-	121,524	(12,783)	(37,418)	104,016	(250,938)
Transfers In	13,039	25,000	25,000	-	-	-	-	63,039
Transfers Out	-	-	-	-	-	(200,000)	-	(200,000)
Change in Net Assets	(413,238)	25,000	25,000	121,524	(12,783)	(237,418)	104,016	(387,899)
Total Net Assets - Beginning	11,307,911	-	-	243,249	122,296	390,401	272,536	12,336,393
Total Net Assets - Ending	10,894,674	25,000	25,000	364,773	109,512	152,982	376,553	11,948,494

The notes to the financial statements are an integral part of this statement.

**CHELAN COUNTY, WASHINGTON**

Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended December 31, 2005

	Equipment Rental & Revolving	RJC ER&R	RJC Safety	Industrial Insurance	Health Insurance	Unemploy. Comp.	Insurance Admin & Purchasing	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>								
Cash Received From Customers and Users	2,560,352	-	-	510,006	3,914,230	5,683	794,603	7,784,874
Cash Payments to Suppliers	(1,511,816)	-	-	(390,095)	(3,931,117)	(43,101)	(674,762)	(6,550,892)
Cash Payments to Employees and Retirees	(576,727)	-	-	-	-	-	-	(576,727)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	471,809	-	-	119,910	(16,887)	(37,418)	119,841	657,255
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>								
Transfers In	13,039	25,000	25,000	-	-	-	-	63,039
Transfers Out	-	-	-	-	-	(200,000)	-	(200,000)
NET CASH PROVIDED (USED) NONCAPITAL FINANCING ACT	13,039	25,000	25,000	-	-	(200,000)	-	(136,961)
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>								
Proceeds From Sale of Equipment	360,853	-	-	-	-	-	-	360,853
Acquisition and Construction of Capital Assets	(2,572,453)	-	-	-	-	-	-	(2,572,453)
Principal and Interest Payments for Capital Debt	(7,702)	-	-	-	-	-	-	(7,702)
NET CASH PROVIDED (USED) CAPITAL FINANCING ACTIVITY	(2,219,302)	-	-	-	-	-	-	(2,219,302)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Proceeds from sales and maturities of investments	-	-	-	-	25,458	237,276	-	262,735
Purchase of Investments	-	-	-	(104,917)	-	-	(118,900)	(223,818)
Interest on Investments	-	-	-	(482)	(77)	142	(940)	(1,357)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	-	-	-	(105,399)	25,382	237,418	(119,841)	37,560
<b>NET INCREASE (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>(1,734,454)</b>	<b>25,000</b>	<b>25,000</b>	<b>14,511</b>	<b>8,495</b>	<b>-</b>	<b>-</b>	<b>(1,661,447)</b>
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>	<b>4,365,234</b>	<b>-</b>	<b>-</b>	<b>146,226</b>	<b>31,101</b>	<b>-</b>	<b>3,000</b>	<b>4,545,560</b>
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<b>2,630,779</b>	<b>25,000</b>	<b>25,000</b>	<b>160,737</b>	<b>39,596</b>	<b>-</b>	<b>3,000</b>	<b>2,884,112</b>

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:

Operating Income (Loss)	(779,428)	-	-	121,524	(12,783)	(37,418)	104,016	(604,090)
Adjustments to Reconcile Operating Income (Loss) to Net Cash provided (Used) Operating Activities:								
Depreciation & amortization of Deferred Charge	1,414,029	-	-	-	-	-	-	1,414,029
(Increase) Decrease in Accounts Receivable	(13,123)	-	-	-	-	-	-	(13,123)
(Increase) Decrease in Due From Other Funds/Gov	(57,332)	-	-	-	-	-	-	(57,332)
(Increase) Decrease in Inventory/Prepaid Expenses	8,906	-	-	-	-	-	-	8,906
Increase (Decrease) in Vouchers/Contracts Payable	(68,794)	-	(1,559)	(4,103)	-	-	(394)	(74,850)
Increase (Decrease) in Due to Other Funds/Gov	(36,502)	-	(55)	-	-	-	16,219	(20,338)
Increase (Decrease) in Payables/Other Liabilities	1,724	-	-	-	-	-	-	1,724
Increase (Decrease) in Accrued Emp Leave Benefits	2,329	-	-	-	-	-	-	2,329
Total Adjustments	1,251,237	-	(1,614)	(4,103)	-	-	15,825	1,261,345
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>471,809</b>	<b>-</b>	<b>-</b>	<b>119,910</b>	<b>(16,887)</b>	<b>(37,418)</b>	<b>119,841</b>	<b>657,255</b>

The County is not aware of any material noncash transactions.

The notes to the financial statements are an integral part of this statement.

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## **CHELAN COUNTY, WASHINGTON**

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### Description of Agency Funds

#### **AGENCY FUNDS**

Agency Funds are established to account for assets held by Chelan County acting in the capacity of agent. Agency funds are funds over which the County has no oversight responsibility or financial interdependency. Many independent districts are required by State statute to process all monies through the County Treasurer's office. Such funds do not represent assets of Chelan County. Agency funds are custodial in nature, and therefore do not involve measurement of results of operations. Each independent district is responsible to prepare its own annual financial report.

**Regional Jail Prisoner Fund:** accounts for money held by the County in a trustee capacity for the inmates at the Regional Jail. The prisoners spend from this money while in jail and collect the balance upon their release.

**County Road Retainage Fund:** accounts for the retainage fees deducted from county roads projects payment to the constructors prior to project completion.

**CASA:** accounts for the funding from the state to the CASA Program.

**Substance Abuse:** accounts for the financing of drug rehabilitation programs, most of which comes through the state.

**Infrastructure Improvement Project:** accounts for the proceeds from the sale of bonds for construction and installation of projects within the county and the purchase and installation of certain equipment related thereto.

**CDBG Planning:** accounts for the Community Development Block pass-through grant that is administered by the Planning Department.

**LID 85-1:** accounts for the Local Improvement District Bond and assessments.

**Chelan Douglas Health District:** accounts for the finances of the Chelan Douglas Health District.

**RJC Partnership:** accounts for the proceeds of the Regional Jail Partners which were used to finance the RJC 60-bed annex.

**Columbia River Drug Task Force:** accounts for the finances of the Columbia River Drug Task Force.

**NCR Library:** accounts for the finances of the North Central Regional Library.

**Link:** established to account for the finances of the regional public transportation agency.

**TV District Number 1:** accounts for the finances of the TV District #1.

**State Funds:** accounts for the accumulation of all the taxes collected for the State of Washington. These monies are later remitted to the State.

**NCESD:** accounts for the finances of the North Central Educational Service District.

**School Districts:** accounts for the finances of the school districts within Chelan County.

**Fire Districts:** accounts for the finances of the fire districts within Chelan County.

**Cemetery Districts:** accounts for the finances of the cemetery districts within Chelan County.

**Port of Chelan County:** accounts for the finances of the Port District.

**Pangborn Field:** accounts for the finances of the Pangborn Airport.

**Lake Chelan Sewer Revenue Bond:** accounts for the finances of the Lake Chelan Sewer revenue bond.

**Park Districts:** accounts for the finances of Manson Park.

**Upper Valley Parks & Recreation:** accounts for the finances of Manson Park.

**Mosquito Districts:** accounts for the finances of the mosquito districts within Chelan County.

**Water Districts:** accounts for the finances of the water districts within Chelan County.

**Irrigation Districts:** accounts for the finances of the irrigation districts within Chelan County.

**Water Conservancy Board:** accounts for the finances of the Water Conservancy Board.

**Hospital Districts:** accounts for the finances of the hospital districts within Chelan County.

**Cities:** accounts for taxes collected for the incorporated areas of the County. Monies collected are remitted to the cities.

**County Funds:** accounts for the disbursement of salary and claim payments.

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Combining Statement of Fiduciary Net Assets  
 Agency Funds  
 December 31, 2005

	<b>Regional Jail Prisoner</b>	<b>County Roads Retainage</b>	<b>CASA</b>	<b>Network Grant</b>	<b>Substance Abuse</b>	<b>Infrastructure Improvement</b>
<b>ASSETS</b>						
Cash	8,000	-	-	-	46,584	-
Investments	20,137	57,596	-	-	-	158,012
Deposits with Fiscal Agents	-	-	-	-	-	-
Accounts Receivable	-	-	2,755	-	-	-
Taxes Receivable	-	-	-	-	-	-
Assessments Receivable	-	-	-	-	-	-
Interest Receivable	69	195	-	-	-	538
Due From Other Governments	4,843	-	-	-	72,830	-
Total Assets	<u>33,049</u>	<u>57,791</u>	<u>2,755</u>	<u>-</u>	<u>119,414</u>	<u>158,550</u>
<b>LIABILITIES</b>						
Accounts Payable	8,011	-	2,755	-	75,836	-
Other Accrued Liabilities	25	-	-	-	-	-
Custodial Accounts	<u>25,013</u>	<u>57,791</u>	<u>-</u>	<u>-</u>	<u>43,578</u>	<u>158,550</u>
Total Liabilities	<u>33,049</u>	<u>57,791</u>	<u>2,755</u>	<u>-</u>	<u>119,414</u>	<u>158,550</u>

The notes to the financial statements are an integral part of this statement.

<b>CDBG- Planning</b>	<b>LID 85-1</b>	<b>Chelan/Douglas Health District</b>	<b>RJC Partnership</b>	<b>Columbia River Drug Task Force</b>	<b>NCR Library</b>	<b>Link</b>	<b>TV Reception Improvement Dist No 1</b>
10,000	573	51,535	9,481	61,394	1,332,363	1,465,078	1,980
-	18,101	489,366	-	-	5,960,306	2,806,291	8,043
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	78,573	-	-
-	5,638	-	-	-	-	-	-
-	62	1,700	-	-	21,169	10,337	27
-	-	-	-	-	-	-	-
<u>10,000</u>	<u>24,374</u>	<u>542,601</u>	<u>9,481</u>	<u>61,394</u>	<u>7,392,410</u>	<u>4,281,706</u>	<u>10,050</u>
-	-	-	9,310	3,224	284,756	-	-
-	-	231,895	-	-	20,972	-	-
<u>10,000</u>	<u>24,374</u>	<u>310,707</u>	<u>171</u>	<u>58,171</u>	<u>7,086,682</u>	<u>4,281,706</u>	<u>10,050</u>
<u>10,000</u>	<u>24,374</u>	<u>542,601</u>	<u>9,481</u>	<u>61,394</u>	<u>7,392,410</u>	<u>4,281,706</u>	<u>10,050</u>

The notes to the financial statements are an integral part of this statement.

Combining Statement of Fiduciary Net Assets  
 Agency Funds  
 December 31, 2005

	<u>State</u>	<u>NCESD</u>	<u>School Districts</u>	<u>Fire Districts</u>	<u>Cemetery Districts</u>	<u>Port of Chelan County</u>
<b>ASSETS</b>						
Cash	767,461	412,740	1,341,155	348,706	195,826	87,077
Investments	-	11,976,728	20,291,933	2,090,171	458,370	4,428,532
Deposits with Fiscal Agents	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-
Taxes Receivable	486,962	-	668,574	92,906	5,076	58,874
Assessments Receivable	-	-	-	-	-	-
Interest Receivable	-	41,358	15,979	7,734	1,588	10,646
Due From Other Governments	-	-	-	-	-	-
Total Assets	<u>1,254,423</u>	<u>12,430,826</u>	<u>22,317,641</u>	<u>2,539,518</u>	<u>660,860</u>	<u>4,585,130</u>
<b>LIABILITIES</b>						
Accounts Payable	-	-	-	27,932	670	-
Other Accrued Liabilities	-	-	-	108,429	6,156	-
Custodial Accounts	<u>1,254,423</u>	<u>12,430,826</u>	<u>22,317,641</u>	<u>2,403,157</u>	<u>654,034</u>	<u>4,585,130</u>
Total Liabilities	<u>1,254,423</u>	<u>12,430,826</u>	<u>22,317,641</u>	<u>2,539,518</u>	<u>660,860</u>	<u>4,585,130</u>

The notes to the financial statements are an integral part of this statement.

<b>Pangborn Field</b>	<b>Lake Chelan Sewer Revenue Bond</b>	<b>Park Districts</b>	<b>Upper Valley Park and Rec</b>	<b>Mosquito Districts</b>	<b>Water Districts</b>	<b>Irrigation Districts</b>	<b>Water Conservancy Board</b>
193,773	113,849	2,113	11,875	85,313	545,600	647,538	5,260
100	1,202,126	69,629	869	-	1,230,295	2,991,521	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	1,962	5,638	2,470	-	-	-
-	-	-	-	-	-	-	-
-	4,346	236	3	-	3,659	10,763	-
-	-	-	-	-	-	-	-
<u>193,873</u>	<u>1,320,321</u>	<u>73,941</u>	<u>18,385</u>	<u>87,783</u>	<u>1,779,554</u>	<u>3,649,822</u>	<u>5,260</u>
-	-	3,592	-	-	82,965	187,688	888
-	-	977	-	190	8,988	12,863	-
<u>193,873</u>	<u>1,320,321</u>	<u>69,372</u>	<u>18,385</u>	<u>87,593</u>	<u>1,687,601</u>	<u>3,449,271</u>	<u>4,372</u>
<u>193,873</u>	<u>1,320,321</u>	<u>73,941</u>	<u>18,385</u>	<u>87,783</u>	<u>1,779,554</u>	<u>3,649,822</u>	<u>5,260</u>

The notes to the financial statements are an integral part of this statement.

Combining Statement of Fiduciary Net Assets  
 Agency Funds  
 December 31, 2005

	<u>Hospitals</u>	<u>Cities</u>	<u>County</u>	<u>Total</u>
<b>ASSETS</b>				
Cash	672,721	150,652	132,231	8,700,878
Investments	9,310,509	-	-	63,568,635
Deposits with Fiscal Agents	-	-	1,315,930	1,315,930
Accounts Receivable	-	-	-	2,755
Taxes Receivable	60,162	201,428	-	1,662,625
Assessments Receivable	-	-	-	5,638
Interest Receivable	29,778	-	-	160,189
Due From Other Governments	-	-	-	77,673
Total Assets	<u>10,073,170</u>	<u>352,080</u>	<u>1,448,160</u>	<u>75,494,323</u>
<b>LIABILITIES</b>				
Accounts Payable	-	-	-	687,625
Other Accrued Liabilities	-	-	-	390,496
Custodial Accounts	<u>10,073,170</u>	<u>352,080</u>	<u>1,448,160</u>	<u>74,416,202</u>
Total Liabilities	<u>10,073,170</u>	<u>352,080</u>	<u>1,448,160</u>	<u>75,494,323</u>

The notes to the financial statements are an integral part of this statement.

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Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 For the Year Ended December 31, 2005

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
<b>REGIONAL JAIL PRISONER</b>				
<b>Assets</b>				
Cash	8,000	154,452	154,452	8,000
Investments	12,517	11,713	4,093	20,137
Accounts Receivable	-	10,137	10,137	-
Interest Receivable	18	69	18	69
Due From Other Governments	2,065	4,843	2,065	4,843
Total Assets	<u>22,600</u>	<u>181,214</u>	<u>170,765</u>	<u>33,049</u>
<b>Liabilities</b>				
Accounts Payable	5,407	146,707	144,104	8,010
Due to Other Funds	-	1,365	1,365	-
Due to Other Governments	121	-	121	-
Other Accrued Liabilities	30	1,727	1,732	25
Custodial Accounts	17,042	152,747	144,775	25,013
Total Liabilities	<u>22,600</u>	<u>302,546</u>	<u>292,097</u>	<u>33,049</u>
<b>COUNTY ROADS RETAINAGE</b>				
<b>Assets</b>				
Cash	-	116,691	116,691	-
Investments	58,616	51,271	52,291	57,596
Accounts Receivable	-	56,115	56,115	-
Interest Receivable	104	195	104	195
Due From Other Funds	16,193	-	16,193	-
Total Assets	<u>74,914</u>	<u>224,272</u>	<u>241,395</u>	<u>57,791</u>
<b>Liabilities</b>				
Custodial Accounts	74,914	48,297	65,420	57,791
Total Liabilities	<u>74,914</u>	<u>48,297</u>	<u>65,420</u>	<u>57,791</u>
<b>CASA</b>				
<b>Assets</b>				
Cash	-	10,392	10,392	-
Accounts Receivable	1,260	7,301	5,806	2,755
Total Assets	<u>1,260</u>	<u>17,693</u>	<u>16,198</u>	<u>2,755</u>
<b>Liabilities</b>				
Accounts Payable	2,755	10,392	10,392	2,755
Custodial Accounts	(1,495)	12,507	11,012	-
Total Liabilities	<u>1,260</u>	<u>22,899</u>	<u>21,404</u>	<u>2,755</u>

The notes to the financial statements are an integral part of this statement.

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
<b>NETWORK GRANT</b>				
<b>Assets</b>				
Cash	-	64,863	64,863	-
Accounts Receivable	-	64,863	64,863	-
Due From Other Governments	10,983	-	10,983	-
Total Assets	<u>10,983</u>	<u>129,725</u>	<u>140,708</u>	<u>-</u>
<b>Liabilities</b>				
Accounts Payable	10,983	53,880	64,863	-
Custodial Accounts	-	51,328	51,328	-
Total Liabilities	<u>10,983</u>	<u>105,207</u>	<u>116,190</u>	<u>-</u>
<b>SUBSTANCE ABUSE</b>				
<b>Assets</b>				
Cash	118,677	881,969	954,062	46,584
Accounts Receivable	-	1,026,357	1,026,357	-
Due From Other Governments	77,353	72,830	77,353	72,830
Total Assets	<u>196,030</u>	<u>1,981,156</u>	<u>2,057,772</u>	<u>119,414</u>
<b>Liabilities</b>				
Accounts Payable	-	1,046,245	970,409	75,836
Custodial Accounts	196,030	861,099	1,013,551	43,578
Total Liabilities	<u>196,030</u>	<u>1,907,343</u>	<u>1,983,959</u>	<u>119,414</u>
<b>INFRASTRUCTURE IMPROVEMENT</b>				
<b>Assets</b>				
Cash	-	54,574	54,574	-
Investments	203,012	4,574	49,574	158,012
Interest Receivable	344	538	344	538
Total Assets	<u>203,357</u>	<u>59,686</u>	<u>104,493</u>	<u>158,550</u>
<b>Liabilities</b>				
Accounts Payable	-	50,000	50,000	-
Custodial Accounts	203,357	5,193	50,000	158,550
Total Liabilities	<u>203,357</u>	<u>55,193</u>	<u>100,000</u>	<u>158,550</u>
<b>CDBG-PLANNING</b>				
<b>Assets</b>				
Cash	10,000	-	-	10,000
Total Assets	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
<b>Liabilities</b>				
Custodial Accounts	10,000	-	-	10,000
Total Liabilities	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>

The notes to the financial statements are an integral part of this statement.

## Combining Statement of Changes in Assets and Liabilities

## Agency Funds

For the Year Ended December 31, 2005

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
<b>LID 85-1</b>				
<b>Assets</b>				
Cash	-	1,092	519	573
Investments	17,582	519	-	18,101
Assessments Receivable	5,816	309	487	5,638
Interest Receivable	30	62	30	62
Total Assets	<u>23,428</u>	<u>1,982</u>	<u>1,036</u>	<u>24,374</u>
<b>Liabilities</b>				
Custodial Accounts	<u>23,428</u>	<u>946</u>	-	<u>24,374</u>
Total Liabilities	<u>23,428</u>	<u>946</u>	-	<u>24,374</u>

**CHELAN/DOUGLAS HEALTH DISTRICT**

<b>Assets</b>				
Cash	2,648	5,006,282	4,957,395	51,535
Investments	653,380	283,014	447,027	489,366
Interest Receivable	1,030	1,700	1,030	1,700
Total Assets	<u>657,058</u>	<u>5,290,996</u>	<u>5,405,453</u>	<u>542,601</u>
<b>Liabilities</b>				
Accounts Payable	74,244	2,669,550	2,743,794	-
Other Accrued Liabilities	211,943	3,343,532	3,323,581	231,895
Custodial Accounts	370,871	4,195,731	4,255,895	310,707
Total Liabilities	<u>657,058</u>	<u>10,208,813</u>	<u>10,323,270</u>	<u>542,601</u>

**REGIONAL JUSTICE CENTER PARTNERSHIP**

<b>Assets</b>				
Cash	-	1,378,345	1,368,864	9,481
Total Assets	<u>-</u>	<u>1,378,345</u>	<u>1,368,864</u>	<u>9,481</u>
<b>Liabilities</b>				
Accounts Payable	-	1,378,173	1,368,864	9,310
Other Accrued Liabilities	-	339	339	-
Custodial Accounts	-	1,378,345	1,378,173	171
Total Liabilities	<u>-</u>	<u>2,756,858</u>	<u>2,747,377</u>	<u>9,481</u>

**COLUMBIA RIVER DRUG TASKFORCE**

<b>Assets</b>				
Cash	-	120,899	59,505	61,394
Total Assets	<u>-</u>	<u>120,899</u>	<u>59,505</u>	<u>61,394</u>
<b>Liabilities</b>				
Accounts Payable	-	3,847	623	3,224
Custodial Accounts	-	61,953	3,782	58,171
Total Liabilities	<u>-</u>	<u>65,800</u>	<u>4,405</u>	<u>61,394</u>

The notes to the financial statements are an integral part of this statement.

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
<b>NCR LIBRARY</b>				
<b>Assets</b>				
Cash	243,545	12,987,380	11,898,561	1,332,363
Investments	7,857,188	2,790,322	4,687,204	5,960,306
Taxes Receivable	93,641	78,573	93,641	78,573
Interest Receivable	13,368	21,169	13,368	21,169
Total Assets	<u>8,207,741</u>	<u>15,877,443</u>	<u>16,692,774</u>	<u>7,392,410</u>
<b>Liabilities</b>				
Accounts Payable	199,946	7,283,178	7,198,369	284,756
Other Accrued Liabilities	18,249	2,986,805	2,984,082	20,972
Custodial Accounts	7,989,545	11,673,664	12,576,527	7,086,682
Total Liabilities	<u>8,207,741</u>	<u>21,943,647</u>	<u>22,758,978</u>	<u>7,392,410</u>
<b>LINK</b>				
<b>Assets</b>				
Cash	1,106,960	15,250,220	14,892,102	1,465,078
Investments	3,799,697	2,469,662	3,463,068	2,806,291
Interest Receivable	6,813	10,337	6,813	10,337
Total Assets	<u>4,913,469</u>	<u>17,730,219</u>	<u>18,361,983</u>	<u>4,281,706</u>
<b>Liabilities</b>				
Accounts Payable	71,080	-	71,080	-
Custodial Accounts	4,842,389	9,699,833	10,260,517	4,281,706
Total Liabilities	<u>4,913,469</u>	<u>9,699,833</u>	<u>10,331,596</u>	<u>4,281,706</u>
<b>TV RECEPTION IMPROVEMENT DIST NO 1</b>				
<b>Assets</b>				
Cash	-	6,817	4,837	1,980
Investments	9,920	2,337	4,214	8,043
Interest Receivable	17	27	17	27
Total Assets	<u>9,937</u>	<u>9,181</u>	<u>9,068</u>	<u>10,050</u>
<b>Liabilities</b>				
Accounts Payable	-	2,499	2,499	-
Custodial Accounts	9,937	2,612	2,499	10,050
Total Liabilities	<u>9,937</u>	<u>5,111</u>	<u>4,998</u>	<u>10,050</u>
<b>STATE</b>				
<b>Assets</b>				
Cash	658,790	27,880,620	27,771,948	767,461
Taxes Receivable	572,804	486,962	572,804	486,962
Total Assets	<u>1,231,594</u>	<u>28,367,582</u>	<u>28,344,752</u>	<u>1,254,423</u>
<b>Liabilities</b>				
Custodial Accounts	1,231,594	27,089,260	27,066,430	1,254,423
Total Liabilities	<u>1,231,594</u>	<u>27,089,260</u>	<u>27,066,430</u>	<u>1,254,423</u>

The notes to the financial statements are an integral part of this statement.

## Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended December 31, 2005

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
<b>NCESD</b>				
<b>Assets</b>				
Cash	525,212	18,089,668	18,202,141	412,740
Investments	12,204,653	2,016,573	2,244,498	11,976,728
Interest Receivable	20,751	41,358	20,751	41,358
Total Assets	<u>12,750,616</u>	<u>20,147,599</u>	<u>20,467,389</u>	<u>12,430,826</u>
<b>Liabilities</b>				
Accounts Payable	325,422	-	325,422	-
Custodial Accounts	12,425,193	14,544,889	14,539,256	12,430,826
Total Liabilities	<u>12,750,616</u>	<u>14,544,889</u>	<u>14,864,679</u>	<u>12,430,826</u>
<b>SCHOOL DISTRICTS</b>				
<b>Assets</b>				
Cash	4,123,721	160,322,182	163,104,748	1,341,155
Investments	18,466,001	26,939,756	25,113,825	20,291,933
Taxes Receivable	777,291	668,574	777,291	668,574
Interest Receivable	18,171	15,979	18,171	15,979
Total Assets	<u>23,385,184</u>	<u>187,946,492</u>	<u>189,014,034</u>	<u>22,317,641</u>
<b>Liabilities</b>				
Accounts Payable	3,529,486	-	3,529,486	-
Custodial Accounts	19,855,698	125,111,070	122,649,126	22,317,641
Total Liabilities	<u>23,385,184</u>	<u>125,111,070</u>	<u>126,178,612</u>	<u>22,317,641</u>
<b>FIRE DISTRICTS</b>				
<b>Assets</b>				
Cash	342,001	5,506,044	5,499,339	348,706
Investments	1,747,007	1,256,591	913,427	2,090,171
Taxes Receivable	107,274	92,906	107,274	92,906
Interest Receivable	3,141	7,734	3,141	7,734
Total Assets	<u>2,199,422</u>	<u>6,863,276</u>	<u>6,523,180</u>	<u>2,539,518</u>
<b>Liabilities</b>				
Accounts Payable	44,541	2,339,575	2,356,184	27,932
Other Accrued Liabilities	140,468	1,593,260	1,625,299	108,429
Custodial Accounts	2,014,413	4,668,889	4,280,146	2,403,157
Total Liabilities	<u>2,199,422</u>	<u>8,601,725</u>	<u>8,261,629</u>	<u>2,539,518</u>

The notes to the financial statements are an integral part of this statement.

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
<b>CEMETERY DISTRICTS</b>				
<b>Assets</b>				
Cash	198,950	222,448	225,572	195,826
Investments	420,316	39,037	984	458,370
Taxes Receivable	6,242	5,076	6,242	5,076
Interest Receivable	713	1,588	713	1,588
Total Assets	<u>626,221</u>	<u>268,149</u>	<u>233,510</u>	<u>660,860</u>
<b>Liabilities</b>				
Accounts Payable	201	103,005	102,536	670
Other Accrued Liabilities	6,652	119,016	119,512	6,156
Custodial Accounts	619,368	227,188	192,523	654,034
Total Liabilities	<u>626,221</u>	<u>449,209</u>	<u>414,570</u>	<u>660,860</u>
<b>PORT OF CHELAN COUNTY</b>				
<b>Assets</b>				
Cash	175,970	6,721,824	6,810,717	87,077
Investments	3,055,686	2,574,865	1,202,019	4,428,532
Taxes Receivable	71,252	58,874	71,252	58,874
Interest Receivable	3,130	10,646	3,130	10,646
Total Assets	<u>3,306,039</u>	<u>9,366,209</u>	<u>8,087,118</u>	<u>4,585,130</u>
<b>Liabilities</b>				
Accounts Payable	99,897	-	99,897	-
Custodial Accounts	3,206,142	5,520,789	4,141,802	4,585,130
Total Liabilities	<u>3,306,039</u>	<u>5,520,789</u>	<u>4,241,698</u>	<u>4,585,130</u>
<b>PANGBORN FIELD</b>				
<b>Assets</b>				
Cash	174,501	4,810,137	4,790,866	193,773
Investments	90,424	41,731	132,054	100
Interest Receivable	156	0	156	0
Total Assets	<u>265,082</u>	<u>4,851,868</u>	<u>4,923,076</u>	<u>193,873</u>
<b>Liabilities</b>				
Accounts Payable	99,678	-	99,678	-
Custodial Accounts	165,404	3,911,620	3,883,150	193,873
Total Liabilities	<u>265,082</u>	<u>3,911,620</u>	<u>3,982,828</u>	<u>193,873</u>
<b>LAKE CHELAN SEWER REVENUE BOND</b>				
<b>Assets</b>				
Cash	82,736	2,008,012	1,976,898	113,849
Investments	1,220,286	894,851	913,012	1,202,126
Interest Receivable	2,141	4,346	2,141	4,346
Total Assets	<u>1,305,163</u>	<u>2,907,209</u>	<u>2,892,051</u>	<u>1,320,321</u>
<b>Liabilities</b>				
Custodial Accounts	1,305,163	230,859	215,701	1,320,321
Total Liabilities	<u>1,305,163</u>	<u>230,859</u>	<u>215,701</u>	<u>1,320,321</u>

The notes to the financial statements are an integral part of this statement.

## Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended December 31, 2005

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
<b>PARK DISTRICTS</b>				
<b>Assets</b>				
Cash	26,119	381,944	405,951	2,113
Investments	21,036	178,613	130,020	69,629
Taxes Receivable	1,657	1,962	1,657	1,962
Interest Receivable	27	236	27	236
Total Assets	<u>48,839</u>	<u>562,756</u>	<u>537,654</u>	<u>73,941</u>
<b>Liabilities</b>				
Accounts Payable	2,824	124,554	123,786	3,592
Other Accrued Liabilities	1,528	137,169	137,720	977
Custodial Accounts	44,488	238,789	213,905	69,372
Total Liabilities	<u>48,839</u>	<u>500,513</u>	<u>475,411</u>	<u>73,941</u>
<b>UPPER VALLEY PARK AND REC</b>				
<b>Assets</b>				
Cash	3,409	210,424	201,958	11,875
Investments	826	45	2	869
Taxes Receivable	6,710	5,638	6,710	5,638
Interest Receivable	19	3	19	3
Total Assets	<u>10,964</u>	<u>216,110</u>	<u>208,690</u>	<u>18,385</u>
<b>Liabilities</b>				
Accounts Payable	-	117,000	117,000	-
Custodial Accounts	10,964	216,044	208,624	18,385
Total Liabilities	<u>10,964</u>	<u>333,044</u>	<u>325,624</u>	<u>18,385</u>
<b>MOSQUITO DISTRICTS</b>				
<b>Assets</b>				
Cash	38,962	71,651	25,301	85,313
Taxes Receivable	2,538	2,470	2,538	2,470
Total Assets	<u>41,500</u>	<u>74,121</u>	<u>27,839</u>	<u>87,783</u>
<b>Liabilities</b>				
Accounts Payable	-	17,787	17,787	-
Other Accrued Liabilities	107	10,677	10,593	190
Custodial Accounts	41,394	74,121	27,922	87,593
Total Liabilities	<u>41,500</u>	<u>102,585</u>	<u>56,303</u>	<u>87,783</u>

The notes to the financial statements are an integral part of this statement.

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
<b>WATER DISTRICTS</b>				
<b>Assets</b>				
Cash	500,610	2,565,254	2,520,265	545,600
Investments	1,439,461	111,296	320,462	1,230,295
Interest Receivable	2,149	3,659	2,149	3,659
Total Assets	<u>1,942,220</u>	<u>2,680,209</u>	<u>2,842,876</u>	<u>1,779,554</u>
<b>Liabilities</b>				
Accounts Payable	19,525	442,770	379,330	82,965
Other Accrued Liabilities	8,485	121,420	120,916	8,988
Custodial Accounts	1,914,210	2,245,466	2,472,075	1,687,601
Total Liabilities	<u>1,942,220</u>	<u>2,809,655</u>	<u>2,972,322</u>	<u>1,779,554</u>
<b>IRRIGATION DISTRICTS</b>				
<b>Assets</b>				
Cash	644,478	6,263,554	6,260,494	647,538
Investments	2,652,292	1,247,764	908,534	2,991,521
Interest Receivable	4,637	10,763	4,637	10,763
Total Assets	<u>3,301,407</u>	<u>7,522,081</u>	<u>7,173,666</u>	<u>3,649,822</u>
<b>Liabilities</b>				
Accounts Payable	205,319	4,109,682	4,127,313	187,688
Other Accrued Liabilities	12,550	185,207	184,893	12,863
Custodial Accounts	3,083,539	5,213,636	4,847,903	3,449,271
Total Liabilities	<u>3,301,407</u>	<u>9,508,524</u>	<u>9,160,109</u>	<u>3,649,822</u>
<b>WATER CONSERVANCY BOARD</b>				
<b>Assets</b>				
Cash	4,355	13,906	13,001	5,260
Total Assets	<u>4,355</u>	<u>13,906</u>	<u>13,001</u>	<u>5,260</u>
<b>Liabilities</b>				
Accounts Payable	-	13,889	13,001	888
Custodial Accounts	4,355	14,175	14,158	4,372
Total Liabilities	<u>4,355</u>	<u>28,064</u>	<u>27,159</u>	<u>5,260</u>
<b>HOSPITALS</b>				
<b>Assets</b>				
Cash	378,867	32,213,675	31,919,820	672,721
Investments	2,988,424	7,689,276	1,367,192	9,310,509
Taxes Receivable	73,882	60,162	73,882	60,162
Interest Receivable	5,158	29,778	5,158	29,778
Total Assets	<u>3,446,330</u>	<u>39,992,891</u>	<u>33,366,052</u>	<u>10,073,170</u>
<b>Liabilities</b>				
Accounts Payable	297,443	-	297,443	-
Custodial Accounts	3,148,888	27,813,038	20,888,756	10,073,170
Total Liabilities	<u>3,446,330</u>	<u>27,813,038</u>	<u>21,186,199</u>	<u>10,073,170</u>

The notes to the financial statements are an integral part of this statement.

## Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended December 31, 2005

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
<b>CITIES</b>				
<b>Assets</b>				
Cash	110,217	10,765,454	10,725,020	150,652
Taxes Receivable	257,861	201,428	257,861	201,428
Total Assets	<u>368,078</u>	<u>10,966,882</u>	<u>10,982,881</u>	<u>352,080</u>
<b>Liabilities</b>				
Custodial Accounts	368,078	8,982,522	8,998,521	352,080
Total Liabilities	<u>368,078</u>	<u>8,982,522</u>	<u>8,998,521</u>	<u>352,080</u>
<b>COUNTY</b>				
<b>Assets</b>				
Cash	1,262,289	975,978	2,106,036	132,231
Deposits With Fiscal Agents	9,036,224	-	7,720,295	1,315,930
Total Assets	<u>10,298,513</u>	<u>975,978</u>	<u>9,826,331</u>	<u>1,448,160</u>
<b>Liabilities</b>				
Accounts Payable	1,165,214	-	1,165,214	-
Custodial Accounts	9,133,299	882,930	8,568,069	1,448,160
Total Liabilities	<u>10,298,513</u>	<u>882,930</u>	<u>9,733,283</u>	<u>1,448,160</u>
<b>TOTAL AGENCY FUNDS</b>				
<b>Assets</b>				
Cash	10,741,016	315,056,751	317,096,890	8,700,877
Investments	56,918,325	48,603,811	41,953,500	63,568,635
Deposits with Fiscal Agents	9,036,224	-	7,720,295	1,315,930
Accounts Receivable	1,260	1,164,773	1,163,278	2,755
Taxes Receivable	1,971,152	1,662,625	1,971,152	1,662,625
Assessments Receivable	5,816	309	487	5,638
Interest Receivable	81,918	160,190	81,918	160,189
Due From Other Funds	16,193	-	16,193	-
Due From Other Governments	90,401	77,673	90,401	77,673
Total Assets	<u>78,862,304</u>	<u>366,726,131</u>	<u>370,094,112</u>	<u>75,494,323</u>
<b>Liabilities</b>				
Accounts Payable	6,153,964	18,480,713	23,959,586	687,625
Due from Other Funds	-	1,365	1,365	-
Due to Other Governments	121	-	121	-
Other Accrued Liabilities	400,011	8,498,814	8,508,329	390,496
Custodial Accounts	72,308,208	255,129,540	253,021,546	74,416,202
Total Liabilities	<u>78,862,304</u>	<u>282,110,431</u>	<u>285,490,946</u>	<u>75,494,323</u>

The notes to the financial statements are an integral part of this statement.

## **CHELAN COUNTY, WASHINGTON**

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### Description of Capital Asset Schedules

#### **CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**

These are assets used in operations funded by governmental funds. This includes all capital assets of the County except for those used in Enterprise or Internal Service Funds.

**Schedule of Capital Assets by Source:** A report that summarizes major funding sources for County capital assets.

**Schedule of Capital Assets by Function and Activity:** A report allocating components of capital assets (land, buildings, machinery and equipment, and infrastructure) to various County functions and programs.

**Schedule of Changes in Capital Assets by Function and Activity:** A report that shows the additions and deletions of total capital assets within separate County functions and programs.

## CHELAN COUNTY, WASHINGTON

Capital Assets Used in the Operation of Governmental Funds  
Comparative Schedules By Source  
As of December 31, 2005

	<u>2005</u>	<u>2004</u>
<b>Governmental Funds Capital Assets:</b>		
Land	1,861,706	2,026,258
Other Improvements	1,257,937	-
Buildings & Structures	39,245,617	35,725,467
Machinery and Equipment	2,647,187	2,620,798
Infrastructure	6,606,188	4,833,112
Total Governmental Funds Capital Assets	<u>51,618,634</u>	<u>45,205,634</u>
<b>Investments in Governmental Funds Capital Assets by Source:</b>		
General Fund	36,497,360	35,334,237
Special Revenue Fund	8,870,352	6,427,235
Capital Projects Funds	6,250,922	3,444,162
Total Governmental Funds Capital Assets	<u>51,618,634</u>	<u>45,205,634</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

## CHELAN COUNTY, WASHINGTON

Capital Assets Used in the Operation of Governmental Funds  
Schedule by Function and Activity  
As of December 31, 2005

	Land	Improvements	Other	Buildings	Machinery and Equipment	Infrastructure	Total
<b>General Government</b>							
Finance	-	-	-	-	557,622	-	557,622
Information Technology Building/General	1,856,706	-	-	31,868,338	82,648	-	82,648
Total General Government	1,856,706	-	-	31,868,338	397,824	-	34,122,867
				31,868,338	1,038,094	-	34,763,137
<b>Judicial</b>							
Courts	-	-	-	-	28,240	-	28,240
Records Services	-	-	-	-	99,492	-	99,492
Total Economic Environment	-	-	-	-	127,731	-	127,731
<b>Public Safety</b>							
Law Enforcement	-	-	-	-	1,088,147	-	1,088,147
Detention and Correction	-	-	-	1,366,788	19,419	-	1,386,207
Juvenile Services	-	-	-	-	25,492	-	25,492
Total Public Safety	-	-	-	1,366,788	1,133,058	-	2,499,846
<b>Physical Environment</b>							
Natural Resources	-	-	-	-	12,493	-	12,493
Total Economic Environment	-	-	-	-	12,493	-	12,493
<b>Transportation</b>							
Road and Streets	5,000	-	-	1,515,679	181,733	6,606,188	8,308,599
Airports	-	87,400	-	-	21,470	-	108,870
Total Transportation	5,000	87,400	-	1,515,679	203,203	6,606,188	8,417,470
<b>Economic Environment</b>							
Housing an Community Development	-	14,823	-	-	37,102	-	51,925
Total Economic Environment	-	14,823	-	-	37,102	-	51,925
<b>Culture and Recreation</b>							
Community Events	-	905,026	-	4,176,827	-	-	5,081,853
Park Facilities	-	250,688	-	317,985	95,505	-	664,178
Total Culture and Recreation	-	1,155,714	-	4,494,812	95,505	-	5,746,032
<b>Total Governmental Fund Assets</b>	<u>1,861,706</u>	<u>1,257,937</u>		<u>39,245,617</u>	<u>2,506,962</u>	<u>6,606,188</u>	<u>51,618,634</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

## CHELAN COUNTY, WASHINGTON

Capital Assets Used in the Operation of Governmental Funds  
 Schedule of Changes by Function and Activity  
 For the Year Ended December 31, 2005

	<b>Governmental Fund Capital Assets</b>			<b>Governmental Fund Capital Assets</b>
	<b>January 1, 2005</b>	<b>Additions</b>	<b>Deletions</b>	<b>December 1, 2005</b>
<b>General Government</b>				
Finance	597,196	-	39,573	557,622
Information Technology	74,643	8,006	-	82,648
Building/General	33,111,423	1,011,444	-	34,122,867
<b>Total General Government</b>	<b>33,783,261</b>	<b>1,019,450</b>	<b>39,573</b>	<b>34,763,137</b>
<b>Judicial</b>				
Courts	28,240	-	-	28,240
Records Services	110,167	-	10,675	99,492
<b>Total Economic Environment</b>	<b>138,407</b>	<b>-</b>	<b>10,675</b>	<b>127,731</b>
<b>Public Safety</b>				
Law Enforcement	1,029,186	58,961	-	1,088,147
Detention and Correction	19,419	1,366,788	-	1,386,207
Juvenile Services	25,492	-	-	25,492
<b>Total Public Safety</b>	<b>1,074,097</b>	<b>1,425,749</b>	<b>-</b>	<b>2,499,846</b>
<b>Physical Environment</b>				
Natural Resources	12,493	-	-	12,493
<b>Total Economic Environment</b>	<b>12,493</b>	<b>-</b>	<b>-</b>	<b>12,493</b>
<b>Transportation</b>				
Road and Streets	6,099,212	2,209,388	-	8,308,599
Airports	108,870	-	-	108,870
<b>Total Transportation</b>	<b>6,208,082</b>	<b>2,209,388</b>	<b>-</b>	<b>8,417,470</b>
<b>Economic Environment</b>				
Housing and Community Development	37,102	14,823	-	51,925
<b>Total Economic Environment</b>	<b>37,102</b>	<b>14,823</b>	<b>-</b>	<b>51,925</b>
<b>Culture and Recreation</b>				
Community Events	3,301,688	1,780,166	-	5,081,853
Park Facilities	650,505	13,673	-	664,178
<b>Total Culture and Recreation</b>	<b>3,952,192</b>	<b>1,793,839</b>	<b>-</b>	<b>5,746,032</b>
<b>Total Governmental Fund Assets</b>	<b>45,205,634</b>	<b>6,463,249</b>	<b>50,249</b>	<b>51,618,634</b>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

**CHELAN COUNTY, WASHINGTON**

Schedule of Expenditures of Federal Awards - Schedule 16

For the Year Ended December 31, 2005

Grantor/Pass-Through Grantor/Program Title	Federal CFDA #	Other Identification Number	Current Year Expenditures
<b>U.S. Department of Agriculture</b>			
Passed Through WA Supt of Public Instruction			
School Breakfast Program	10.553	04-246-9777	12,184
Total CFDA Number	10.553		<u>12,184</u>
Passed Through WA Supt of Public Instruction			
National School Lunch Program	10.555	04-246-9777	18,658
Total CFDA Number	10.555		<u>18,658</u>
Passed Through WA Treasurer			
Schools and Roads/Grants to States - Federal Forest Yield	10.665	N/A	1,141,249
Total CFDA Number	10.665		<u>1,141,249</u>
<b>Total U.S. Dept of Agriculture</b>			<u><u>1,172,090</u></u>
<b>U.S. Department of Commerce</b>			
Passed Through WA Interagency Comm. for Outdoor Rec.			
Pacific Coast Salmon Recovery, Pacific Salmon Treaty Program - SRFB Gagnon	11.438	04-1538N	78,999
Pacific Coast Salmon Recovery, Pacific Salmon Treaty Program - SRFB Irwin	11.438	04-1517N	75,456
Pacific Coast Salmon Recovery, Pacific Salmon Treaty Program - SRFB Wenatchee Instream Flow	11.438	04-1700N	117,927
Passed Through WA Department of Ecology			
Pacific Coast Salmon Recovery, Pacific Salmon Treaty Program - Habitat Suitability	11.438	G0500068	30,944
Passed Through NCW Resource Conservation & Development			
Pacific Coast Salmon Recovery, Pacific Salmon Treaty Program - Upper Columbia Salmon Recovery Board	11.438	03-1234N	146,983
Total CFDA Number	11.438		<u>450,308</u>
<b>Total U.S. Department of Commerce</b>			<u><u>450,308</u></u>
<b>U.S. Department of the Interior</b>			
Distribution of Receipts to State and Local Governments -			
Taylor Grazing	15.227	N/A	308
Total CFDA Number	15.227		<u>308</u>
Passed Through WA Department of Fish and Wildlife			
Conservation Grants Private Stewardship For Imperiled Species - Peshastin Creek Passage (FRIMA)	15.632	04-1399	151,283
Total CFDA Number	15.632		<u>151,283</u>
<b>Total U.S. Dept of the Interior</b>			<u><u>151,591</u></u>
<b>U.S. Department of Justice</b>			
Bulletproof Vest Partnership Program	16.607	3017301	4,234
Total CFDA Number	16.607		<u>4,234</u>
Public Safety Partnership and Community Policing Grants -			
COPS Universal Hiring Program	16.710	2003-UMWX-0281	10,417
Total CFDA Number	16.710		<u>10,417</u>
Passed Through WA Dept of Community Trade & Economic Development			
Juvenile Accountability Incentive Block Grants	16.523	0463-59716	17,775
Total CFDA Number	16.523		<u>17,775</u>

# CHELAN COUNTY, WASHINGTON

## Schedule of Expenditures of Federal Awards - Schedule 16

For the Year Ended December 31, 2005

Grantor/Pass-Through Grantor/Program Title	Federal CFDA #	Other Identification Number	Current Year Expenditures
Violence Against Women Formula Grants - Stop Grant	16.588	F04-30304-005	15,280
Violence Against Women Formula Grants - Stop Grant	16.588	F05-31103-004	12,030
Total CFDA Number	16.588		<u>27,310</u>
Grants to Encourage Arrest Policies and Enforcement of Protection Orders - Violence Against Women	16.590	2002-WEBX-0026	91,444
Total CFDA Number	16.590		<u>91,444</u>
State Criminal Alien Assistance Program	16.606	N/A	44,389
Total CFDA Number	16.606		<u>44,389</u>
Passed through WA Dept of Corrections			
Violent Offender Incarceration and Truth in Sentencing Incentive Grants	16.586	CSEC 5316 & 5760	87,054
Total CFDA Number	16.586		<u>87,054</u>
Passed through WA Association of Sheriffs			
Public Safety Partnership and Community Policing Grants - Methamphetamine Initiative	16.710	2001-CKWX-0177	56,412
Total CFDA Number	16.710		<u>56,412</u>
Passed through WA Dept of Social & Health Services			
Domestic Cannabis Eradication/Suppression Program	16.999	C010603GSC	27,674
Total CFDA Number	16.999		<u>27,674</u>
<b>Total U. S. Dept of Justice</b>			<u><u>366,709</u></u>
<b>U.S. Department of Transportation</b>			
Passed Through WA State Department of Transportation			
Highway Planning and Construction - FHWA CRP 513	20.205	STPXP-WARR(012)	10,200
Highway Planning and Construction - FHWA CRP 525	20.205	STPR-A042(002)	599,862
Highway Planning and Construction - FHWA CRP 597	20.205	BROS-2004(077)	34,740
Total CFDA Number			<u>644,802</u>
Passed Through WA Traffic Safety Commission			
Safety Incentive Grants for Use of Seatbelts - Traffic Safety Commission	20.604	N/A	27,081
Total CFDA Number	20.604		<u>27,081</u>
<b>Total U.S. Department of Transportation</b>			<u><u>671,883</u></u>
<b>U.S. Department of Education</b>			
Passed Through 21st Century Learning Center			
Twenty-First Century Community Learning Centers - Strengthening Families Program	84.287	N/A	21,916
Total CFDA Number	84.287		<u>21,916</u>
<b>Total U.S Department of Education</b>			<u><u>21,916</u></u>
<b>U.S. Department of Health and Human Services</b>			
Passed Through WA Dept of Social and Health Services			
Child Support Enforcement - PA	93.563	N/A	263,184
Child Support Enforcement - Clerk	93.563	N/A	125,692
Total CFDA Number	93.563		<u>388,876</u>

**CHELAN COUNTY, WASHINGTON**

Schedule of Expenditures of Federal Awards - Schedule 16

For the Year Ended December 31, 2005

Grantor/Pass-Through Grantor/Program Title	Federal CFDA #	Other Identification Number	Current Year Expenditures
Passed Through WA Dept of Social & Health Services			
Block Grants for Prevention and Treatment of Substance Abuse - SAPT Prevention	93.959	8274/8871	78,810
Block Grants for Prevention and Treatment of Substance Abuse - SAPT Community Prevention Training	93.959	8274/8871	1,040
Block Grants for Prevention and Treatment of Substance Abuse - TANF Fed Staff	93.959	8274/8871	34,520
Block Grants for Prevention and Treatment of Substance Abuse - TANF Tmt Srv	93.959	8274/8871	2,584
Block Grants for Prevention and Treatment of Substance Abuse - SAPT Grant in Aid	93.959	8274/8871	96,419
Block Grants for Prevention and Treatment of Substance Abuse - Youth Tmt Exp	93.959	8871	5,814
Block Grants for Prevention and Treatment of Substance Abuse - Adult Tmt Exp	93.959	8871	12,994
Total CFDA Number	93.959		<u>232,181</u>
<b>Total U.S. Dept of Health and Human Services</b>			<u><b>621,057</b></u>
<b>U.S. Department of Homeland Security</b>			
Passed through WA Military Department			
Department of Homeland Security	97.004	E03-313	93,895
Department of Homeland Security	97.004	E05-068	345,065
Total CFDA Number	97.004		<u>438,960</u>
Passed Through WA Military Department			
Emergency Management Performance Grants - FEMA	97.042	E04-121	34,200
Total CFDA Number	97.042		<u>34,200</u>
<b>Total U.S. Department of Homeland Security</b>			<u><b>473,160</b></u>
<b>Total Federal Assistance</b>			<u><b>3,928,715</b></u>

The notes to the schedule of financial assistance are an integral part of this schedule.

**CHELAN COUNTY, WASHINGTON**

Schedule of State &amp; Local Financial Assistance - Schedule 16

For the Year Ended December 31, 2005

1	2	3
Grantor/ Program Title	Identification Number	Current Year Expenditures
<b>Washington State</b>		
1/2 Prosecutor's Salary	RCW 36.17.020	47,959
Witness Payments	RCW 10.46.230	387
CASA/GAL Program	ICA-2003-512	11,738
Peshastin Creek Fish Barrier Removal	04-1509R	83,041
<b>Total Washington State</b>		<b>143,125</b>
<b>Department of Fish &amp; Wildlife</b>		
Lead Entity Grant	03-1023, 52718	87,475
Stream Gauging	G0400081, G0600033	30,590
Conservation Easement	SO1-63200-001	248,629
<b>Total Dept of Fish &amp; Wildlife</b>		<b>366,694</b>
<b>Department of Ecology</b>		
Lake Chelan TMDL DOE	G0400274	24,720
Watershed Planning General Funds	G0000075	150,271
Watershed Planning Instream Flow Recommendation	G0400335	47,820
Watershed Planning WRIA40a Squilchuck-Stemilt	G0400123	13,008
Watershed Planning Multi-Purpose Water Storage	G0500130	37,977
Roses Lake DOE	G0500100	16,965
Conservation District #2 - Department of Ecology	Interlocal	1,083
<b>Total Department of Ecology</b>		<b>291,845</b>
<b>Department of Social &amp; Health Services</b>		
Child Support - Clerks	N/A	21,841
Support Enforcement	1507-23929	135,580
VRDE Grant in Aid	8274/8871	503,455
VRDE Detoxification	8274/8871	140,626
CJ Treat	8274/8871	128,494
CJTA Innov	8871	995
JRA/Diagnostics	0563-84864	18,000
JRA/Detention	0563-84864	10,340
JRA/CJS	0563-84552	81,891
JRA/SSODA	0563-84552	29,388
BECCA/AOC	0363-1663	65,279

**CHELAN COUNTY, WASHINGTON**

Schedule of State &amp; Local Financial Assistance - Schedule 16

For the Year Ended December 31, 2005

1	2	3
Grantor/ Program Title	Identification Number	Current Year Expenditures
CRC/DCFS/DSHS	0663-89087	278,242
JRA/CDDA	0563-84552	50,776
JRA/CJAA	0563-84552	43,557
3900 Program	0563-84864	38,932
Community Network	N/A	51,327
<b>Total Dept of Social &amp; Health Services</b>		<b>1,598,726</b>
<b>Washington State Department of Transportation</b>		
CRP 525 RATA	0495-02/CRP 525	397,390
CAPA	N/A	262,899
Wapato Point	N/A	10,982
S/W/P - DOE - LTCA	G0400221, G0500019	136,443
DOE - WRRMLC	C0400027, C0600018	24,489
CRP 572 RATA	0400-02/CRP 572	81,641
<b>Total Department of Transportation</b>		<b>913,845</b>
<b>Washington State County Road Administration Board</b>		
CRP 559 RATA	0401-01/CRP 559	77,172
<b>Total Washington State County Road Administration Board</b>		<b>77,172</b>
<b>Parks &amp; Recreation Commission</b>		
Snowmobile	Wr200/02-73	9,465
<b>Total Parks &amp; Recreation Commission</b>		<b>9,465</b>
<b>Inter-Agency Commission for Outdoor Recreation</b>		
Interagency Comm for ORV	03-1269E	177,948
<b>Total IAC for Outdoor Recreation</b>		<b>177,948</b>
<b>TOTAL STATE &amp; LOCAL ASSISTANCE</b>		<b>3,578,820</b>

The accompanying notes to the schedule of financial assistance are an integral part of this schedule.

## **CHELAN COUNTY, WASHINGTON**

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Notes to the Schedules of Financial Assistance  
January 1, 2005 Through December 31, 2005

### **NOTE 1 - BASIS OF ACCOUNTING**

The Schedule of Financial Assistance is prepared on the same basis of accounting as the County's financial statements. The County uses the accrual basis of accounting for all funds except the governmental fund types, expendable trust funds and agency funds, which use the modified accrual basis of accounting. The modified accrual basis differs from the accrual basis in the following ways:

1. Purchases of capital assets are considered expenditures.
2. Redemption of long-term debt are considered expenditures when due.
3. Revenues are recognized only when they become both measurable and available to finance expenditures of the current period.
4. Inventories and prepaid items are reported as expenditures purchased.
5. Interest on long-term debt is not accrued but is recorded as an expenditure when due.

### **NOTE 2 - PROGRAM COSTS**

The amounts shown as current year expenditures represent only state/federal portion of the program costs. Actual program costs, including the county's portion, may be more than shown.

### **NOTE 3 - NOT APPLICABLE (N/A)**

The County was unable to obtain other identification number.

### **NOTE 4 – SCAAP GRANT**

The Regional Justice Center is a partnership between Chelan County, Douglas County and the City of Wenatchee. Douglas County and the City of Wenatchee are also applicants and show their proportionate share on their Schedule 16.

The grantor, the Department of Justice, is on a fiscal year ending June 30<sup>th</sup>. Because of that, there is an estimation in the second half of the year's expenditures. The percentage of illegal inmates for the second half of the year is estimated at the same percentage as the first half of the year, and the percentage of the total cost to come up with the total grant payment is estimated as half of the first part of the years percentage.

For 2005, Chelan County reported \$44,389 Douglas County will report \$23,444 and the City of Wenatchee will report \$16,325 in expenditures.

# CHELAN COUNTY, WASHINGTON

Government-wide Expenses by Function  
Last Ten Fiscal Years

Fiscal Year	General Government	Judicial	Public Safety	Physical Environment	Trans- portation	Health and Human Services		Economic Environment	Culture and Recreation	Interest on Long-Term Debt	Utilities	Public Safety	Other	Total
						Human Services	Recreation							
2003	15,704,699	2,518,104	11,039,550	1,665,874	4,032,318	491,423	1,772,667	678,752	607,156	918,952	4,642,425	486,114	44,558,034	
2004	14,983,530	2,583,105	15,411,584	1,430,752	5,728,453	497,421	1,722,704	763,942	631,657	1,369,149	4,911,932	524,758	50,558,986	
2005	15,250,064	2,735,312	11,921,282	1,816,849	5,759,203	500,125	2,019,369	817,057	592,364	903,237	5,272,102	572,840	48,159,806	

Note: Less than ten years data is provided because 2003 was the first year for government-wide expenses under GASB 34.

**CHELAN COUNTY, WASHINGTON**

Government-wide Revenues by Function  
Last Ten Fiscal Years

Fiscal Year	Program Revenues			General Revenues			
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Taxes	Interest and Investment Earnings	Miscellaneous	Total
2003	10,662,979	9,970,594	362,022	24,004,881	629,877	2,610,634	48,240,987
2004	18,713,993	6,459,572	1,809,396	25,748,733	513,419	915,382	54,160,495
2005	15,658,118	7,127,394	1,768,131	28,065,525	899,454	886,063	54,404,685

Note: Less than ten years data is provided because 2003 was the first year for government-wide revenues under GASB 34.

# CHELAN COUNTY, WASHINGTON

General Government Expenditures by Function  
Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Utilities and Environment	Trans- portation	Economic Environment	Mental Health & Physical Health	Culture and Recreation	Debt Service	Capital Outlay	Total
1996	8,360,463	7,763,684	236,312	4,073,994	921,380	923,092	1,202,293	-	2,929,486	26,410,704
1997	7,927,171	8,123,318	368,217	6,017,544	913,642	1,017,145	1,411,957	-	10,513,685	36,292,679
1998	8,616,050	9,074,427	2,982,003	6,925,253	999,965	1,153,521	1,013,129	-	2,941,057	33,705,405
1999	9,433,872	9,941,861	390,266	5,822,384	1,545,207	1,124,713	1,022,179	1,064,784	5,642,407	35,987,673
2000	8,715,144	9,666,079	380,706	7,033,917	1,846,019	1,201,862	700,797	1,084,847	4,009,335	34,638,706
2001	9,377,846	10,340,025	769,887	7,002,680	1,517,268	1,321,188	702,310	1,211,135	2,559,736	34,802,075
2002	10,575,057	10,895,333	901,138	7,170,610	1,922,960	571,528	786,826	1,506,392	1,506,392	35,836,236
2003	10,756,389	11,751,741	1,701,870	6,443,486	1,921,489	569,236	568,238	2,915,054	2,718,871	39,346,374
2004	10,868,927	13,438,209	1,467,956	6,258,446	1,998,431	573,150	640,847	1,556,550	8,049,832	44,852,348
2005	11,414,253	15,058,453	2,297,620	6,206,477	2,198,298	595,995	639,202	1,874,868	6,621,306	46,906,471

Includes General, Special Revenue, Debt Service, and Capital Projects Funds

## CHELAN COUNTY, WASHINGTON

General Government Revenues by Source  
Last Ten Fiscal Years

Fiscal Year	Licenses and Permits		Intergovernmental Revenues	Charges for Services		Fees and Fines		Miscellaneous	Total
	Taxes	Permits		Services	Services	Fines			
1996	13,979,757	408,132	9,150,512	1,661,411	889,034	1,657,818	27,746,664		
1997	14,828,923	373,643	9,064,186	1,855,889	959,992	1,778,911	28,861,544		
1998	15,835,550	403,313	10,341,901	1,840,666	959,964	5,551,639	34,933,033		
1999	17,235,498	464,015	10,686,970	2,126,391	883,175	1,569,875	32,965,924		
2000	18,401,962	485,118	11,888,617	2,085,324	925,891	1,715,054	35,501,966		
2001	18,995,748	448,015	14,070,959	2,893,294	848,442	1,868,001	39,124,459		
2002	19,782,253	510,579	10,944,356	3,160,507	1,095,754	1,002,036	36,495,485		
2003	20,782,272	575,042	10,690,407	4,142,544	1,130,273	1,073,130	38,393,669		
2004	21,682,449	659,499	12,196,873	4,342,974	1,218,182	2,323,893	42,423,869		
2005	23,537,843	749,512	13,915,923	4,650,320	1,133,455	2,018,459	46,005,511		

## CHELAN COUNTY, WASHINGTON

General Government Tax Revenues by Source  
Last Ten Fiscal Years

Fiscal Year	General Property Tax		Timber Harvest Tax	Retail Sales and Use Taxes		Excise Taxes	Total
	Property Tax	Harvest Tax		Taxes	Taxes		
1996	9,041,582	13,277	4,331,820	593,078	13,979,757		
1997	9,352,864	32,814	4,760,229	683,016	14,828,923		
1998	10,264,478	45,621	4,872,791	652,661	15,835,550		
1999	11,503,447	15,426	5,207,922	508,704	17,235,498		
2000	11,696,315	29,874	5,515,259	1,160,514	18,401,962		
2001	12,041,381	51,297	5,802,234	1,100,836	18,995,748		
2002	12,360,714	20,658	6,210,989	1,189,893	19,782,253		
2003	12,932,495	49,822	6,409,121	1,390,835	20,782,272		
2004	13,452,658	25,919	6,405,720	1,798,152	21,682,449		
2005	14,022,223	54,570	7,144,030	2,317,020	23,537,843		

Includes General, Special Revenue, Debt Service, and Capital Projects Funds

## CHELAN COUNTY, WASHINGTON

Property Tax Levies and Collections  
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy		Outstanding Delinquent Taxes	Ratio or Delinquent Taxes to Total Tax Levy
						Levy	Levy		
1996	45,642,388	44,407,154	97.29%	824,227	45,231,381	99.10%	1,894,689	4.15%	
1997	48,035,976	46,825,605	97.48%	1,026,790	47,852,395	99.62%	1,971,678	4.10%	
1998	51,533,114	49,973,090	96.97%	1,131,045	51,104,135	99.17%	2,287,432	4.44%	
1999	53,846,180	52,385,170	97.29%	1,379,480	53,764,650	99.85%	2,291,137	4.25%	
2000	56,970,564	55,072,719	96.67%	1,269,264	56,341,983	98.90%	2,748,528	4.82%	
2001	59,069,873	56,952,080	96.41%	1,456,750	58,408,830	98.88%	3,300,975	5.59%	
2002	61,011,768	58,996,313	96.70%	1,644,068	60,640,381	99.39%	3,535,678	5.80%	
2003	63,640,734	61,811,999	97.13%	1,980,135	63,792,137	100.24%	3,292,002	5.17%	
2004	65,593,612	64,158,766	97.81%	2,195,550	66,354,316	101.16%	2,457,651	3.75%	
2005*	68,819,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	

\* 2005 property tax collection information is not available at the date of this report.

Source: State Department of Revenue Property Tax Statistics at <http://dor.wa.gov/>

## CHELAN COUNTY, WASHINGTON

Assessed and Estimated Actual Value of Property  
Last Ten Fiscal Years

Fiscal Year	Real Property		Personal Property		Exemptions		Total		Ratio of Total Assessed Value to Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Real Property	Assessed Value	Estimated Actual Value		
1996	3,171,731,195	3,867,964,872	135,387,924	165,107,224	39,975,381	3,267,143,738	3,984,321,632	82.0%	
1997	3,539,722,792	4,290,573,081	174,001,321	210,910,692	39,506,624	3,674,217,489	4,453,596,956	82.5%	
1998	3,759,534,057	4,417,783,851	146,620,641	172,292,175	37,569,282	3,868,585,416	4,545,928,808	85.1%	
1999	3,970,908,469	4,633,498,797	148,620,641	173,419,651	72,129,425	4,047,399,685	4,722,753,425	85.7%	
2000	4,149,119,544	4,933,554,749	148,696,333	176,808,957	65,614,211	4,232,201,666	5,032,344,430	84.1%	
2001	4,290,906,813	5,264,916,335	151,685,890	186,117,656	64,165,917	4,378,426,786	5,372,302,805	81.5%	
2002	4,416,814,385	5,340,767,092	159,624,187	193,015,946	59,525,202	4,516,913,370	5,461,805,768	82.7%	
2003	4,572,862,078	5,392,526,035	147,353,730	173,766,191	57,922,434	4,662,293,374	5,497,987,469	84.8%	
2004	4,773,153,704	5,682,325,838	147,386,402	175,460,002	57,920,414	4,862,619,692	5,788,832,967	84.0%	
2005	5,019,700,592	6,298,244,156	160,288,138	201,114,351	88,765,052	5,091,223,678	6,387,984,540	79.7%	

Source: Assessor's Office and Washington State Department of Revenue

The assessed values exclude utilities.

Property assessed at 100% of fair value.

Estimated actual values are based on the State Department of Revenue Property Tax Statistics.

# CHELAN COUNTY, WASHINGTON

Property Tax Rates - Direct and Overlapping Governments  
Last Ten Fiscal Years

Fiscal Year	Chelan County		Districts							Totals
	General Fund	Special Revenue Funds	Total	Hospital Districts	Fire Districts	Cemetery Districts	School Districts	Miscellaneous Districts	Cities & Towns	
1996	1.4886	0.0393	1.5279	0.5484	0.9101	0.0782	3.9263	0.7739	2.5212	10.2860
1997	1.3955	0.0375	1.4330	0.4988	0.8950	0.0767	3.4524	0.7186	2.4962	9.5707
1998	1.4311	0.0362	1.4674	0.5122	0.9825	0.1900	3.4916	0.6783	2.6037	9.9256
1999	1.4585	0.0358	1.4942	0.5427	0.9787	0.0790	3.1783	0.4942	2.6021	9.3693
2000	1.4790	0.0350	1.5140	0.4906	0.9294	0.0839	3.1725	0.6026	2.6496	9.4426
2001	1.4647	0.0347	1.4993	0.6523	0.9865	0.0807	3.1966	0.5673	2.7458	9.7285
2002	1.5469	0.0342	1.5811	0.9059	0.9934	0.0843	3.2096	0.5758	2.8805	10.2305
2003	1.5466	0.0340	1.5806	0.9093	0.9772	0.0847	3.0453	0.5916	2.8330	10.0217
2004	1.5301	0.0336	1.5637	0.8671	0.9287	0.0833	3.1989	0.5346	2.7534	9.9296
2005	1.6114	0.0332	1.6446	0.8308	0.9424	0.0823	3.1105	0.5206	2.7863	9.9174

## CHELAN COUNTY, WASHINGTON

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### Principal Tax Payers (Top Ten)

December 31, 2005

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2005 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
ALCOA Inc.	Aluminum Manufacturing	61,094,105	1.20%
Stemilt Growers Inc	Fruit Processing	55,551,189	1.09%
Verizon Northwest Inc.	Telephone Utility	43,631,828	0.86%
Trout Blue Chelan Inc.	Fruit Processing	34,812,109	0.68%
Wenatchee Valley Clinic	Medical	31,105,637	0.61%
BNSF Railway Company	Railroad Service	27,466,867	0.54%
Tree Top Inc	Fruit Processing	23,235,525	0.46%
Dovex Fruit Company	Fruit Processing	22,120,558	0.43%
Blue Bird Inc.	Fruit Processing	17,998,852	0.35%
Longview Fibre Company	Forestry Manufacturing	13,916,454	0.27%
TOTAL		<u>269,839,019</u>	<u>5.30%</u>

County Total Taxable Value:       \$           5,091,223,678

This list does not include lending institutions who are taxed on behalf of individual mortgages they are holding.

# CHELAN COUNTY, WASHINGTON

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## Special Assessments Billings and Collections Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Special Assessment Billings</u>	<u>Special Assessment Collected</u>
1996	Not Available	3,843
1997	Not Available	3,116
1998	Not Available	1,624
1999	Not Available	3,742
2000	Not Available	3,307
2001	Not Available	1,070
2002	Not Available	5,237
2003	Not Available	794
2004	Not Available	476
2005	Not Available	487

## CHELAN COUNTY, WASHINGTON

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### Computation of Legal Debt Margin December 31, 2005

Assessed Valuations *	5,091,223,678
Limited Tax General Obligation Debt Capacity (non-voted):	
Legal limit of 1.5% on the assessed valuation	76,368,355
Less: outstanding debt	(19,293,824)
Add: available assets	17,746,210
Remaining Debt Capacity (non voted)	<u>74,820,741</u>
Total General Obligation Debt Capacity (voted and non-voted):	
Legal limit of 2.5% on the assessed valuation	127,280,592
Less: outstanding debt	(19,293,824)
Add: available assets	17,746,210
Remaining Debt Capacity (voted and non-voted)	<u>125,732,978</u>

\* Does not include exempt assessed property values.

## CHELAN COUNTY, WASHINGTON

Ratio of Net General Obligation Bonded Debt to Assessed Value and  
 Net General Obligation Bonded Debt per Capita  
 Last Ten Fiscal Years

Fiscal Year	Population	Assessed Value	Gross Bonded Debt	Less Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	
						Net Bonded Debt	Net Bonded Debt per Capita
1996	64,894	3,267,143,738	335,000	962,145	-	0.00%	-
1997	65,936	3,674,217,489	9,360,100	1,232,672	8,127,428	0.22%	123
1998	66,411	3,868,585,416	11,762,360	1,460,270	10,302,090	0.27%	155
1999	66,913	4,047,399,685	11,247,941	1,710,240	9,537,701	0.24%	143
2000	66,616	4,232,201,666	14,720,112	1,993,807	12,726,305	0.30%	191
2001	67,100	4,378,426,786	14,582,401	2,306,676	12,275,725	0.28%	183
2002	67,600	4,516,913,370	16,317,342	2,663,943	13,653,399	0.30%	202
2003	67,900	4,662,293,374	17,994,373	1,594,582	16,399,791	0.35%	242
2004	68,400	4,862,619,692	16,969,480	2,091,324	14,878,156	0.31%	218
2005	69,200	5,091,223,678	15,589,502	2,423,099	13,166,403	0.26%	190

Population data taken from the Washington State Office of Financial Management (OFM).  
 Assessed Value is taken from the Assessed and Estimated Actual Value of Property table in this section.

## CHELAN COUNTY, WASHINGTON

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Ratio of Annual Debt Service Expenditures For General Obligation  
Bonded Debt to Total General Governmental Expenditures  
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Governmental Expenditures</u>	<u>Ratio of Debt Service to General Governmental Expenditures</u>
1996	-	-	-	26,410,704	0.00%
1997	-	-	-	36,292,679	0.00%
1998	-	-	-	33,705,405	0.00%
1999	Not available	Not available	1,064,784	35,987,673	2.96%
2000	Not available	Not available	1,084,847	34,638,706	3.13%
2001	Not available	Not available	1,211,135	34,802,075	3.48%
2002	827,749	678,643	1,506,392	35,836,236	4.20%
2003	2,257,971	657,083	2,915,054	39,346,374	7.41%
2004	924,893	631,657	1,556,550	44,852,348	3.47%
2005	1,279,978	594,889	1,874,867	46,906,471	4.00%

Debt service payments began in 1999. However, the individual principal and interest amounts were not reported separately prior to 2002.

## CHELAN COUNTY, WASHINGTON

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### Computation of Direct and Overlapping Bonded Debt

#### General Obligation Bonds

December 31, 2005

<u>Jurisdiction</u>	<u>Gross General Bonded Debt Outstanding</u>	<u>Percentage Applicable to Government</u>	<u>Amount Applicable to Government</u>
Direct:			
Chelan County	15,589,502	100.00%	15,589,502
Overlapping:			
School Districts	58,908,675	100.00%	58,908,675
Fire Districts	5,155,514	100.00%	5,155,514
Port District	9,073,219	100.00%	9,073,219
Water/Irrigation Districts	14,357,310	100.00%	14,357,310
Hospital Districts	9,387,726	100.00%	9,387,726
Miscellaneous Districts	<u>4,767,674</u>	100.00%	<u>4,767,674</u>
Total Indirect	101,650,118		101,650,118
Total	<u><u>117,239,620</u></u>		<u><u>117,239,620</u></u>

## CHELAN COUNTY, WASHINGTON

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### Demographic Statistics Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Per Capita Income (2)</b>	<b>Public School Enrollment (3)</b>	<b>Unemployment Rate (4)</b>
1996	64,894	22,284	12,890	10.70%
1997	65,936	22,968	13,138	7.90%
1998	66,411	23,877	13,122	8.70%
1999	66,913	23,823	13,200	8.60%
2000	66,616	25,101	13,024	8.50%
2001	67,100	26,332	12,910	9.40%
2002	67,600	26,849	12,777	8.90%
2003	67,900	27,492	12,941	9.10%
2004	68,400	Not Available	12,874	5.90%
2005	69,200	Not Available	Not Available	6.10%

(1) Population Source: Washington State Office of Financial Management (OFM) - 2001 through 2005 are OFM projections.

(2) Per Capita Income Source: Bureau of Economic Analysis at <http://www.bea.gov/bea/regional/reis/>

(3) School Enrollment Source: <http://www.k12.wa.us/dataadmin/>

(4) Unemployment Rate Source: Washington State Employment Security Department, annual average at <http://www.workforceexplorer.com>

## CHELAN COUNTY, WASHINGTON

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### Miscellaneous Statistics

December 31, 2005

Date of Incorporation	1899
Form of Government	Board of Commissioners
Number of County Employees	471
County Population	69,200
County Area in Square Miles	2,920
Miles of County Roads	663
Fire Protection:	
Number of districts	8
Law Enforcement	
Number of Sheriff employees:	
Commissioned	60
Non-commissioned	13
Average daily jail population	332
Building Permits	
Total permits issued	914
Public Schools	
Number of Districts	7
Number of schools	34
Number of students	12,874
General Election	
Number of registered voters	36,185
Number of votes	20,408
Percent of registered voter voting	56.40%